

# A YEAR TOWARDS ESG PROGRESSION

Gulf Bank Sustainability Report 2022 ▶▶▶



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**Meshaal Al-Ahmad Al-Jaber Al-Sabah**  
Crown Prince of the State of Kuwait



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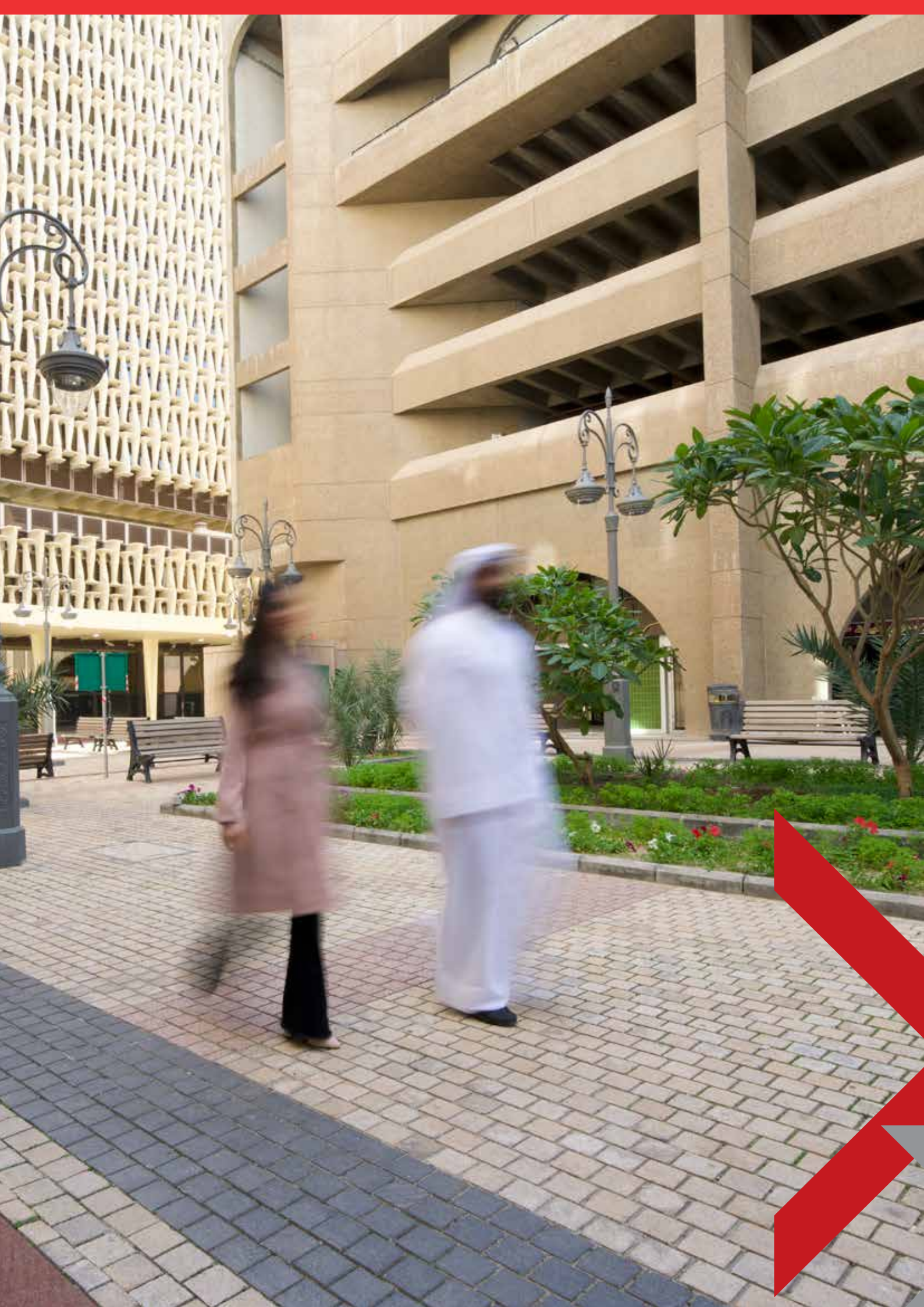
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# Introduction





## Introduction

Welcome to Gulf Bank's Sustainability report under the theme of, "A Year Towards ESG Progression". For the third consecutive year, Gulf Bank reaffirms its commitment to applying sustainability best practices across its operations by continuing to report on its Environmental, Social, and Governance (ESG) performance. Through these annual sustainability reports, the Bank demonstrates its dedication to transparency and accountability in upholding sustainable principles throughout its operations.

In this regard, Gulf Bank has developed this report to provide its stakeholders with transparent information on its ESG performance. The sustainability report complements the Bank's 2022 Annual Report, which provides further details on the Bank's corporate governance disclosures.

[Click here to access the Bank's Annual Report](#)

This report allows readers to make informed assessments and decisions about Gulf Bank's impacts and contribution to sustainable development. Throughout this report we have taken into consideration the Global Reporting Initiative (GRI) reporting principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness, and Verifiability.

[Click Here to See Appendix A - GRI Standards Index for further details](#)

Gulf Bank's sustainability report highlights and discusses the Bank's sustainability performance and impact regarding the identified material ESG issues and opportunities prioritized by the Bank's stakeholders. The scope and boundary of this report covers Gulf Bank's operations in Kuwait. Throughout this report, any mention of "the Bank", "our", or "we" refers to Gulf Bank.

## Support

The development of Gulf Bank Sustainability Report 2022 was supported by RSM Albazie Consulting W.L.L.

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# A MESSAGE FROM OUR CHAIRMAN



**Jassim Mustafa Boodai**  
Chairman

## Dear Valued Stakeholders,

On behalf of Gulf Bank and its Board of Directors, I am pleased to present Gulf Bank's Sustainability Report for the year 2022 titled "A Year of ESG Progression."

This report highlights our continued commitment to sustainable practices and in delivering exceptional value to our stakeholders. As a responsible bank, we strive to offer a diverse range of sustainable financial and non-financial solutions, that align with our environmental and social objectives, while adding value to our customers.

**Our ESG Progression** - We have established an Environmental, Social, and Governance (ESG) Committee, comprised of two layers: A Steering Committee with the Bank's Executive Management, and their nominated champions to represent ESG from different areas of the Bank. Together, they ensure the successful execution of our sustainability reports, and looking forward, we are working on upscaling this ESG committee to a board level. This is to ensure the successful bank-wide implementation of predetermined key sustainability projects, and to address ESG issues and integrate sustainable practices into our operations. Additionally, we are currently in the process of developing our ESG strategy, which will represent the basis of our ESG framework.

**Disclosing Our Governance** - Our commitment to governance remains unwavering, as we uphold high standards of transparency, accountability, and ethical behavior - ensuring that our operations align with the interests of our stakeholders and contribute to long-term sustainable growth.

Moreover, our governance structure provides a framework for effective decision-making, risk mitigation, and strategic oversight, where it fosters a culture of integrity and responsible business practices. Through the guidance and expertise of our Board of Directors, we remain committed to upholding the best interests of our shareholders and stakeholders, and our Executive Management (EM) team is responsible for driving our 2025 Strategy initiatives. Their role is to ensure that our operations are conducted in a manner that is both ethical, and compliant with applicable laws and regulations.

**Investing in Our Workplace** - We know our employees are a crucial stakeholder group, and so we continuously invest our efforts to positively engaging with and managing our workforce sustainably. Therefore, in our report, we acknowledge a number of workplace aspects that include, among others, diversity, women empowerment, training, retention, performance management, engagement, related technology use, and, of course, occupational health and safety.

Throughout the past year, we have increased our focus on employee training, as we strongly believe in nurturing the well-being of our employees, resulting in an increase in total employee training hours. 72.04% of our employees have undergone training, equipping them with the essential skills and knowledge required for their personal, and professional advancement, resulting in an evident decrease in employee turnover rate for the year 2022.

Promoting women empowerment is a core value at Gulf Bank, where we provide equal pay and benefits to both males and females. Additionally, we continue to provide our women employees with a wide range of training to support their professional skills and to enact women empowerment and gender equality within the workplace. Currently, women employees represent a stable 44% of our workforce since 2021. While the overall percentage has remained the same, we are delighted to report an increase in the number of women in science, technology, engineering, and mathematics (STEM) related positions. Additionally, we are proud to announce the appointment of Ms. Reem Al Saleh as the first female member on our Board, which further enhances diversity and inclusion within the Bank.

**Prioritizing Our Marketplace Excellence** - Our customer interactions and our overall marketplace-related performance are key areas we focus on to ensure sustainable growth, whether financially or non-financially. This is why our products and services are tailored to our customers and keep track of and enhance our customer experience and satisfaction, where we closely monitor customer satisfaction levels through the Net Promoter Score (NPS), and we are pleased to report a significant improvement with a score of 51% in 2022, compared to 35% in 2021.

At Gulf Bank, we have established a dedicated innovation unit, with the core purpose of gaining a comprehensive understanding of the customers' journey, through effective utilization of diverse data sources and customer insights. Thus, continuing to support our commitment towards continuously improving and meeting customer expectations.

Also, to support of our marketplace activities, we ensure privacy and security, sustainable financing, positive relations with our investors, responsible procurement practices, and health and safety to our stakeholders.

Impacting Our Local Community - As part of our commitment to the community, we actively engage in making social contributions, by focusing on community engagement, youth empowerment, and responsible procurement. Through understanding community needs, supporting their growth, and fostering long-term relationships, we strive to be a positive force of change and of sustainable development. Hence, in support of local youth, we have recruited 119 fresh graduates, provided 20 internships, increased hiring employees under the age of 30, and have a total of 13 special needs employees as of 2022.

As a way to encourage health and fitness within the community, the number of participants in our annual Marathon continue to rise every year - marking 11,000 participants this year. And to ensure responsible procurement, we have increased our local suppliers by 4% compared to the previous year.

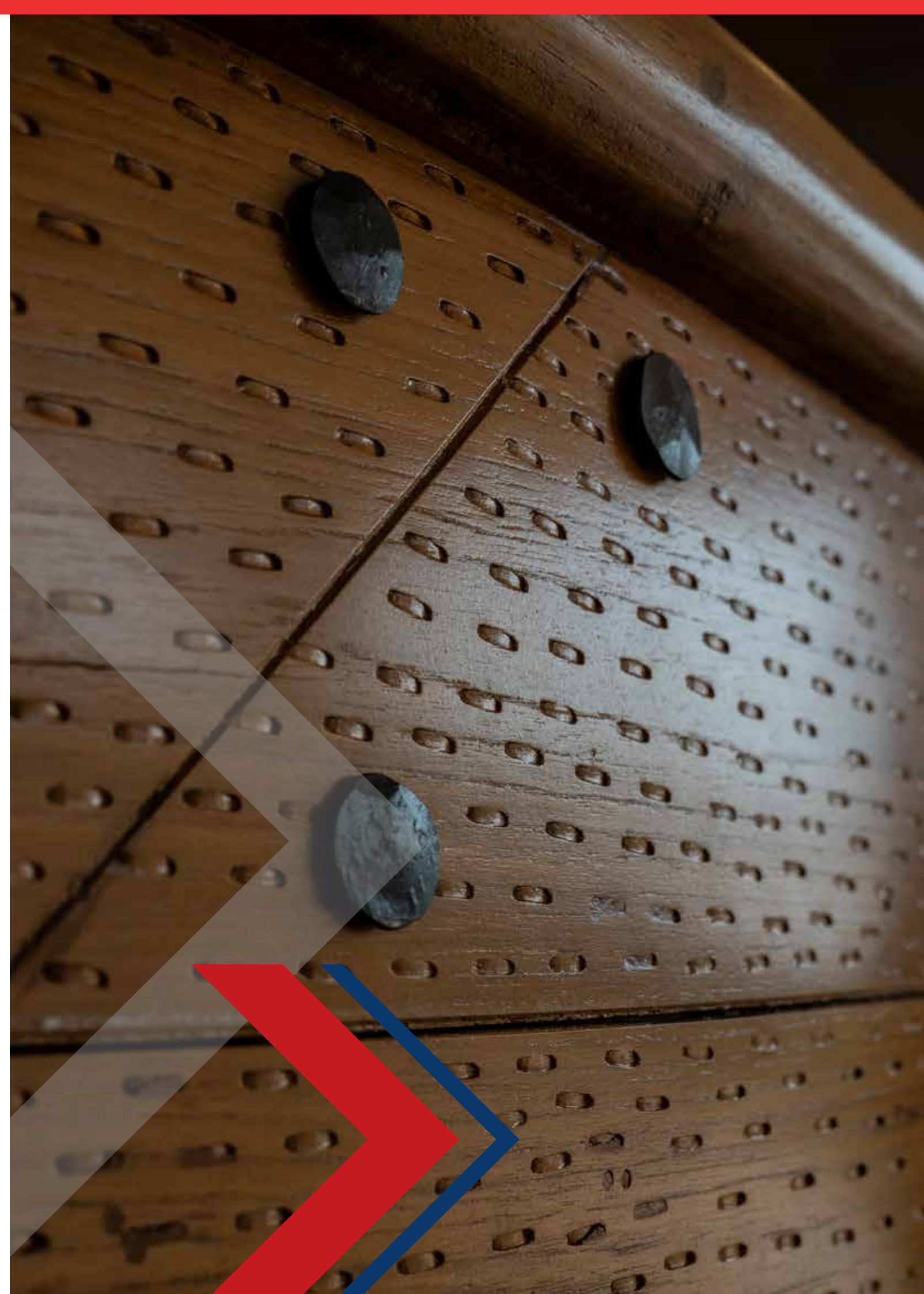
Our support for small and medium-sized enterprises (SMEs) remains steadfast, as we collaborate with various entities to offer services that align with our overall SME strategy. Through this strategy, we are contributing to the Kuwaiti government's objective of enhancing the role of the private sector in driving economic growth, fostering innovation, empowering youth, and creating employment opportunities.

Our Environmental Performance - Digital transformation has improved efficiency and productivity within Gulf Bank and helped to dramatically impact our environmental pillar. With our latest digital driven strategy, we aim to transform and digitize our banking operations and services in a way that will meet the aspirations of future generations. As part of our strategy, we have launched the new Gulf Bank smartphone application, which allows clients to conduct money transfers, manage online on-boarding, shop online, and take advantage of other innovative online banking features. Since the launch of the new app in 2022, more than 17,000 accounts have opened, and 44% of our customers are currently using the app. Gulf Bank's new smartphone application is characterized by smart design, ease, and simplicity of use.

As part of our contribution to the implementation of the New Kuwait Vision 2035, specifically to the sustainable living environment pillar, a range of environmental concerns have been identified, including climate change and resource conservation. Our HR, Procurement and CSR departments have developed clear internal plans to address these issues and have shown incredible efforts in that area. Key achievements in this area include a 100% reduction in our Scope I Greenhouse Gas (GHG) emissions, a reduction in paper consumption due to digitization and printers' consolidation, environmental clean-ups, and waste reduction initiatives.

Closing Remarks - Conclusively, Gulf Bank continues its dedication to sustainability and ESG, ensuring that our operations, initiatives, and investments align with ESG-related considerations, now and into the future. I would like to take this opportunity to thank all our dedicated stakeholders who supported us throughout the years as we continue to evolve and contribute positively to society on a larger scale.

**Jassim Mustafa Boodai**  
**Chairman**







# 01

## RESPONSIBLE BANKING

As Gulf Bank progresses in its ESG performance, it recognizes the importance of adopting responsible banking practices. Through its responsible banking framework, the Bank aims to create long-term value for its stakeholders while minimizing negative impacts on the environment and society. With a focus on stakeholder engagement, the Bank actively seeks input and feedback from its customers, employees, shareholders, and communities to ensure that its strategies align with stakeholder expectations and address their concerns. Additionally, the Bank's materiality assessment process enables the identification and prioritization of the most significant Environmental, Social, and Governance (ESG) issues relevant to its business and stakeholders.





## 1.1 A GLIMPSE INTO GULF BANK

Gulf Bank is a prominent bank in Kuwait and is recognized as one of the largest and leading banks in the country. Established in 1960 and registered with the Central Bank of Kuwait (CBK), the Bank has built a strong presence in the market. In 1984, Gulf Bank made its debut on the Kuwait Stock Exchange (KSE), solidifying its position as a publicly listed entity. Gulf Bank provides a range of services including consumer banking, wholesale banking, treasury, and financial services. Gulf Bank **OFFERS A COMPREHENSIVE SUITE OF SOLUTIONS** to meet diverse customer needs.

### Vision

"To be the leading Kuwaiti bank of the future."

### Mission

"To provide customers with simple and innovative services, in order to enable sustainable growth."

### Core Values

#### • Ambitious

We are ambitious in meeting the challenges of the future, and in providing the best banking solutions.

#### • People

We engage, empower and develop our people in order to provide customer excellence and to serve the community.

#### • Ownership

We individually take ownership before we hold anyone else accountable. We stand up to our challenges and support each other as one family.

#### • Simple

We strive to remove unnecessary complexities in our processes to make banking enjoyable for our customers. Solutions that are simple, efficient and elegant.





OUR BUSINESS MODEL

Consumer Banking

Gulf Bank’s Consumer Banking serves a broad range of customer segments, offering customer-centric solutions and a unique experience tailored to each customer segment. The Bank’s diversified product offering includes personal loan options, credit and debit cards, and deposits.

Corporate Banking

Gulf Bank’s Corporate Banking has a comprehensive suite of whole sale, commercial and Small and Medium-sized Enterprise (SME) banking products and services. These include structured finance, project finance, transaction banking, advisory / corporate finance and investment banking, merchant banking and cards.

Treasury and Investment

Gulf Bank’s Treasury focus is to optimize the balance sheet’s efficiency, managing the Bank’s liquidity while supporting asset growth and sufficient buffers to meet regulatory requirements. The Bank’s investment services manage the Bank’s proprietary investments and offer investment products to clients.

EXTERNAL RECOGNITION

“Most Rewarding Prepaid Card” - MOUJ Cashback Card - by Mastercard  
“Best Launch Experience in The Middle East & North Africa” - Click to pay service - by Mastercard.

Credit Ratings



OUR STRATEGY 2025

Gulf Bank’s Strategy 2025 is based on simple and innovative services that facilitate customers’ lives and achieve sustainable growth, with the aim of cementing the Bank’s position as the leading Kuwaiti bank of the future. The strategy emphasizes delivering an unparalleled banking experience in Kuwait and leveraging ongoing digital transformation initiatives at both the customer service and internal operations levels.

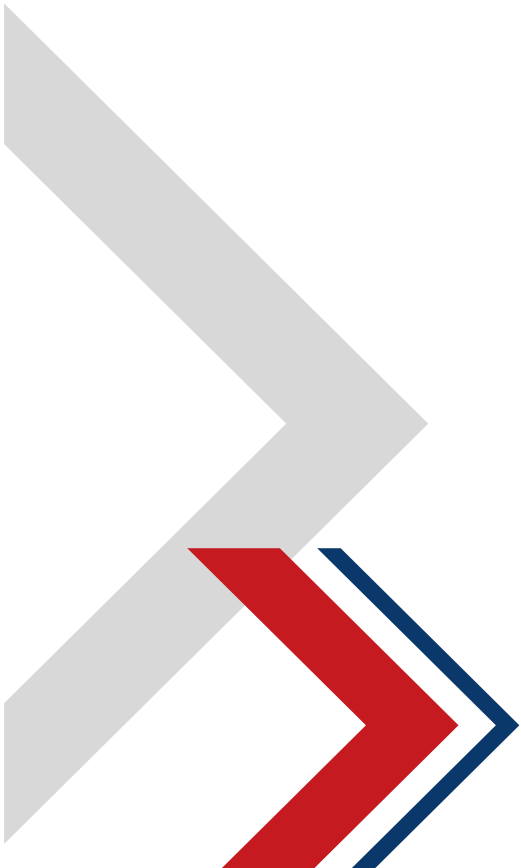
Gulf Bank’s Strategy 2025 elements are aligned with the UN Sustainable Development Goals (SDGs), reflecting the Bank’s alignment with Kuwait’s vision. As part of its commitment to international frameworks, Gulf Bank is currently a signatory of the UN Women Empowerment Principles (UN WEP) Initiative, and we plan to endorse additional frameworks in the future.

To monitor the progress and achievements of strategy targets within the Bank, regular quarterly data-gathering exercises are conducted across all initiatives. This enables the issuance of a strategy progress report for the Bank’s Chairman.

Strategy initiatives that have sustainability elements related to them include:

- Digital Banking
- Technology (Service Enhancement, Governance Framework, Optimize the Bank, Protect the Bank)
- Corporate Affairs initiatives including the Gulf Bank Marathon, INJAZ partnership, and more.

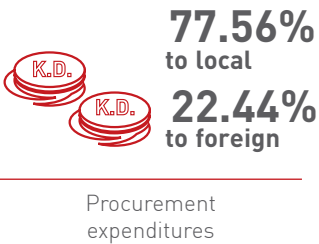
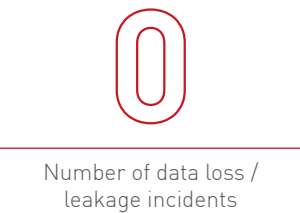
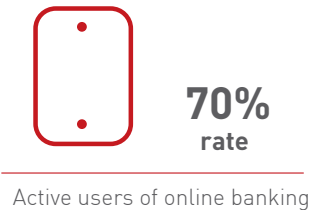
[Click here for more details on our strategy in our Annual Reports](#)



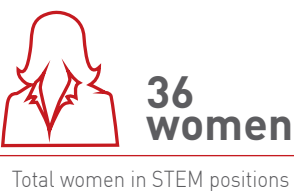
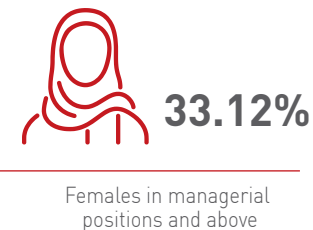
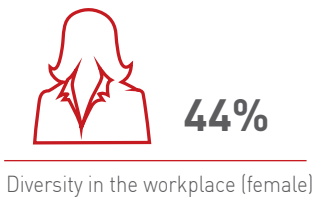


1.1 Highlights

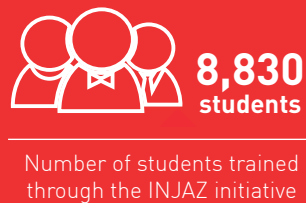
Marketplace



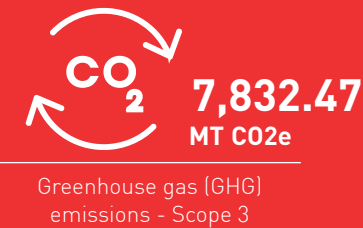
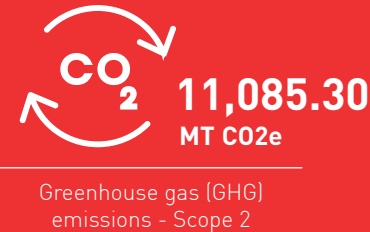
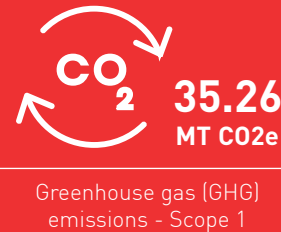
Workplace



Community



Environment





## 1.2 OUR APPROACH TO RESPONSIBLE BANKING

As a leading Bank committed to sustainability, Gulf Bank recognizes the vital role it plays in promoting responsible banking practices.

This is reflected across the following sections on Gulf Bank's responsible banking approach, highlighting key initiatives and achievements conducted during 2022.



1.3 STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a crucial aspect of sustainability reporting. Engaging with stakeholders is important because they can provide valuable insights and perspectives that can help organizations understand their impact on the environment, society, and the economy. By engaging with stakeholders, organizations can identify their key sustainability issues, set sustainability goals and targets, and develop strategies to address these issues.

Stakeholder engagement is central to the Bank’s long-term success and sustainability. The development of this sustainability report was dependent on feedback received from employees, community partners, regulators, suppliers, investors, corporate clients, and customers, among other stakeholders. Engagement with employees was in the form of meetings, consultations, and a materiality survey. Engagement with external stakeholders was mainly through the materiality survey.

Throughout the year, continuous engagement with stakeholders is ensured according to each stakeholder groups’ needs and priorities. Regular updates on the Bank’s sustainability performance are shared through its website, social media, and other communication channels to keep stakeholders informed and engaged. Further details on the forms of stakeholder engagement at Gulf Bank per stakeholder group are shown in the following.

Stakeholder Engagement at Gulf Bank

Stakeholders	Selected engagement platforms	How often we communicate with them	What they expect (selected expectations)
Suppliers and vendors	<ul style="list-style-type: none"><li>• SMS</li><li>• Emails</li><li>• Public disclosures</li><li>• Quarterly meetings</li><li>• Bidding and tendering</li><li>• Contracts</li><li>• Meetings</li><li>• Calls</li></ul>	Project basis	<ul style="list-style-type: none"><li>•Supplier due diligence</li><li>•Ethical conduct</li><li>•Fair selection process</li><li>•Occupational health and safety</li></ul>

Stakeholders	Selected engagement platforms	How often we communicate with them	What they expect (selected expectations)
Community	<ul style="list-style-type: none"><li>• Social media</li><li>• Press release</li><li>• Campaigns</li><li>• Sponsorships</li><li>• Career fairs</li><li>• Partnerships</li><li>• Events</li></ul>	Daily	<ul style="list-style-type: none"><li>• Employment opportunities</li><li>• Socioeconomic development</li><li>• Youth empowerment and internships</li><li>• Women empowerment</li><li>• Financial literacy and awareness</li><li>• Financial inclusion</li><li>• Responsiveness to community needs</li><li>• Sponsorships and donations</li><li>• Impactful campaigns</li><li>• Support to national development plans</li><li>• Effective communication channels</li></ul>
Shareholders and investors	<ul style="list-style-type: none"><li>• Website</li><li>• Annual General Meetings (AGMs)</li><li>• Public reports and disclosures</li><li>• Quarterly financial statements</li><li>• Emails</li><li>• Roadshows</li><li>• Meetings</li></ul>	Annually, quarterly, and daily	<ul style="list-style-type: none"><li>• Financial returns and performance</li><li>• Corporate updates</li><li>• Business overview</li><li>• Shareholder structure</li><li>• Executive management presence</li><li>• Sustainable business model</li><li>• ESG criteria alignment and integration</li><li>• Transparency and disclosure</li><li>• Provision of shareholder and voting rights</li></ul>
Executive Management	<ul style="list-style-type: none"><li>•Executive management committees</li><li>•Internal and external reports</li></ul>	Ongoing	<ul style="list-style-type: none"><li>• Fair remuneration and compensation</li><li>• Transparent evaluation</li><li>• Equal opportunities and treatment</li><li>• Empowered decision-making</li><li>• Availability of expertise</li><li>• Ethical conduct</li></ul>



Stakeholders	Selected engagement-platforms	How often we communicate with them	What they expect (selected expectations)
Regulators	<ul style="list-style-type: none"> <li>Quarterly meetings</li> <li>Public reports and disclosures</li> <li>Regulatory reporting and audits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Compliance with all legal and regulatory requirements</li> <li>Cyber security and data privacy</li> <li>Support of SMEs and entrepreneurs</li> <li>Resilient risk management approach</li> <li>Effective business continuity planning</li> <li>Informed policies and standards</li> <li>Strict actions against financial ethics violations</li> <li>Ethical conduct</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Internal digital channels and platforms</li> <li>Annual assessment and evaluation</li> <li>Training sessions</li> <li>Employee-related surveys</li> <li>Events</li> <li>Reports</li> <li>Website</li> <li>Social media</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Professional training and development</li> <li>Fair and equal opportunities and benefits</li> <li>Competitive salaries and benefits</li> <li>Employee recognition</li> <li>Work-life balance</li> <li>Ethical conduct</li> <li>Responsiveness to employee needs</li> <li>Compensation and timely pay</li> <li>Compliance with labor standards and employee rights</li> <li>Adherence to occupational health and safety standards</li> <li>Open and transparent communication with the management</li> <li>Fair evaluation and structured performance management</li> </ul>



### 1.5 MATERIALITY ASSESSMENT

Materiality assessments are formal exercises aimed at engaging stakeholders to find out how specific Environmental, Social and Governance (ESG) issues are important to them. Gulf Bank conducts such assessments on a yearly basis following the Global Reporting Initiative (GRI) Standards. For this reporting year, we have applied the newly released GRI Standards (2021) for carrying out the stakeholder engagement and the identification of material topics.

Following the steps indicated in the GRI standards, we initially developed an understanding of Gulf Bank’s context, then identified actual and potential impacts, assessed the significance of those impacts, and prioritized the most significant impacts for reporting the Bank’s material topics.

#### Materiality assessment steps:

##### Step 1. Understand the organization’s context

The starting point of the Bank’s materiality assessment was the development of an initial high-level overview of its business activities, the context in which these occur, and its stakeholders.

With regards to sustainability context, this covered the Bank’s economic, environmental, human rights, and other societal challenges. In addition, we took into consideration the local Kuwaiti context including the Central Bank of Kuwait’s (CBK) circular on Sustainable Finance guidelines, Kuwait’s Capital Markets Authority (CMA)’s legislative additions and amendments related to the controls of sustainable finance and its sustainability reporting guide, Kuwait’s Vision 2035 and net zero commitments.

We identified the Bank’s internal stakeholders and champions from each department, as well as key external stakeholders who must be engaged in the materiality assessment process. Stakeholders’ identification was based on the fact that their interests are affected or could be affected by the Bank’s activities.

##### Step 2. Identify actual and potential impacts

A preliminary list of material topics was developed based on stakeholder consultations, regulations, the Bank’s strategy, research and best practices.

The material topics development process was overseen by the Steering Committee; comprised of EMs from all departments, who reviewed and approved the material topics.

##### Step 3. Assess the significance of the impacts

The significance of impacts for material topics was assessed based on the frequency of their occurrence during Gulf Bank’s meetings and discussions, in regulatory frameworks, and in other relevant contexts. This was identified by gathering stakeholders’ input, benchmarking against other banks, and the alignment with the CBK and the CMA.

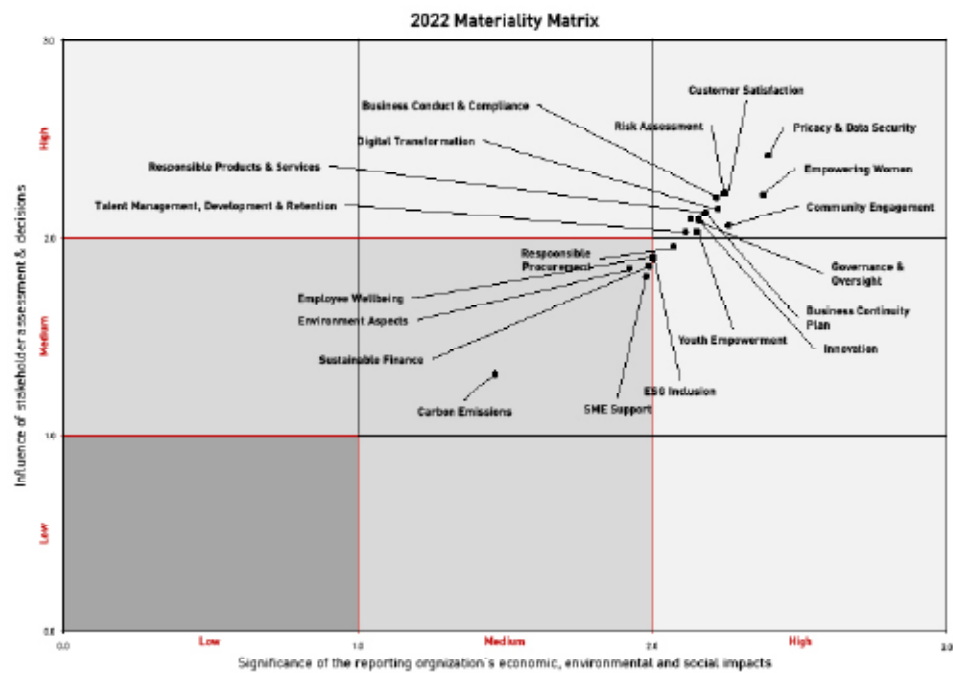
Based on the above, a frequency analysis per material topic was developed, and a workshop was conducted with the Bank’s Sustainability team to finalize the material topics list.

Step 4. Prioritize the most significant impacts for reporting

After finalizing the Bank’s key material topics, a survey was conducted to evaluate the significance of each topic’s economic, social and environmental impacts, as well as the level of each topic’s influence on stakeholder assessments and decisions. The survey was sent out to both internal and external stakeholders. Internal stakeholders were mainly Gulf Bank’s employees, whereas external stakeholders were mainly investors, customers, third parties (community partners), regulators, and vendors.

In total, 307 responses were received from external stakeholders and 594 responses were received from internal stakeholders, for a total sample size of 901.

Materiality Matrix



Based on the materiality survey results a materiality matrix was plotted, indicating:

- The significance of the material topic on Gulf Bank’s economic, environmental, and social impacts as the x-axis
- The influence of the material topic on stakeholders’ assessments and discussions as the y-axis

Analyzing the materiality matrix for the year 2022, the highest rated topic was Privacy and Data Security, whereas the lowest rated topic was Carbon Emissions. None of the rated topics were of low significance and influence. In fact, the majority of the topics were rated as high-high.

In comparison with the material topics of 2021, eight additional topics were identified as material in 2022. Those are: Sustainable Finance, SME Support, ESG Inclusion, Responsible Procurement, Business Continuity Plan, Risk Assessment, Innovation, and Responsible Products and Services. Similar to last year, Privacy and Data Security remained one of the highest rated topics in 2022.

Three topics were rated as high-high in 2021 and maintained the same rating in 2022. Those are: Business Conduct and Compliance, Data Privacy and Security, and Gender Equality. However, Data Privacy and Security was renamed in 2022 as Privacy and Data Security, and Gender Equality was referred to as part of the Women Empowerment topic in 2022.

In addition to the aforementioned three topics, the following topics were rated as high-high in 2022: Governance and Oversight, Responsible Products and Services, Digital Transformation, Talent Management, Development and Retention, Community Engagement, Customer Satisfaction, Business Continuity Plan, Risk Assessment, Innovation, and Youth Empowerment. It is important to note that Community Engagement, Customer Experience and Satisfaction, Digital Transformation, Governance and Oversight, Youth Empowerment, and Talent Management had a higher rating in 2022. On the other hand, Employee Well-being maintained its rating as High-Medium in both years. Two of the newly introduced topics were rated as high-medium in 2022; namely, ESG Inclusion and Responsible Procurement. both years. Two of the newly introduced topics were rated as high-medium in 2022; namely, ESG Inclusion and Responsible Procurement.

Materiality topic	Topic’s description	Rating (x-y)	ESG category
Governance and Oversight	Providing oversight, organizational structure, Board committees, and Executive Management roles.	High - High	G
Responsible Products and Services	Ensuring the development of quality products and services that comply with ethical practices.	High - High	S
Digital Transformation	Leveraging digital technology for business process improvement.	High - High	G
Talent Management, Development and Retention	Conducting Trainings (ethical, wellbeing, technical) to raise stakeholders’ awareness	High - High	S
Community Engagement	Ensuring effective engagement and interaction with community through events, sponsorships, and social media.	High - High	S



Materiality topic	Topic's description	Rating (x-y)	ESG category
Customer Satisfaction	Ensuring customer expectations are met in terms of customer demands, complaints resolution and satisfaction.	High - High	S
Business Continuity Plan	Managing business risks and opportunities effectively to ensure business continuity and resilience.	High - High	G
Risk Assessment	Ensuring an integrated risk management approach of enterprise risks including climate-related risks.	High - High	G
Innovation	Developing new ideas and creating a work environment that supports creativity and innovation.	High - High	G
Empowering Women	Holding initiatives and activities that empower women in the workforce, equality, among other aspects.	High - High	S
Privacy and Data Security	Managing stakeholders' data efficiently to ensure privacy of information.	High - High	G
Youth Empowerment	Empowering youth development through initiatives and investments.	High - High	S
Business Conduct and Compliance	Adhering to ethical standards, regulations and policies overarching ESG activities in Gulf Bank's direct and indirect operations.	High - High	G
ESG Inclusion	Integrating ESG aspects in operations and strategic planning.	High - Medium	ALL
Responsible Procurement	Adopting responsible procurement practices that take in consideration, human rights, environment and regulatory compliance among others.	High - Medium	S
Employee Well-being	Conducting health and safety initiatives and activities aimed at improving the lifestyle and health of the workforce.	High - Medium	S
Environmental Aspects	Applying resource management procedures in order to operate with minimal resource consumption and reduce any related negative environmental impacts.	Medium - Medium	S
Carbon Emissions	Creating initiatives that reduce carbon emissions.	Medium - Medium	E
Sustainable Finance	Offering responsible products and services, including green financing, ESG investments and lending.	Medium - Medium	G
SME Support	Empowering SMEs through benefits and incentives.	Medium - Medium	S





# 02'

## GOVERNANCE AND OVERSIGHT

We fully acknowledge the importance of effective governance to oversee the Bank's progress. Gulf Bank's robust governance framework sets the foundation for the top management's proactive oversight (i.e., Board Members), the mechanisms of accountable and transparent reporting, and the effective internal controls to manage risks and opportunities, and adhere to policies and procedures, to name a few.

Effective governance ensures that issues such as environmental impact, employee welfare, community engagement, human rights, and other performance disclosures are adequately assessed, monitored and governed. It further establishes the base for meeting stakeholders' needs and ensures their compliance with regulations and ethical conduct.

Further details on the Bank's commitment to upholding high standards of governance are outlined in the following sections.

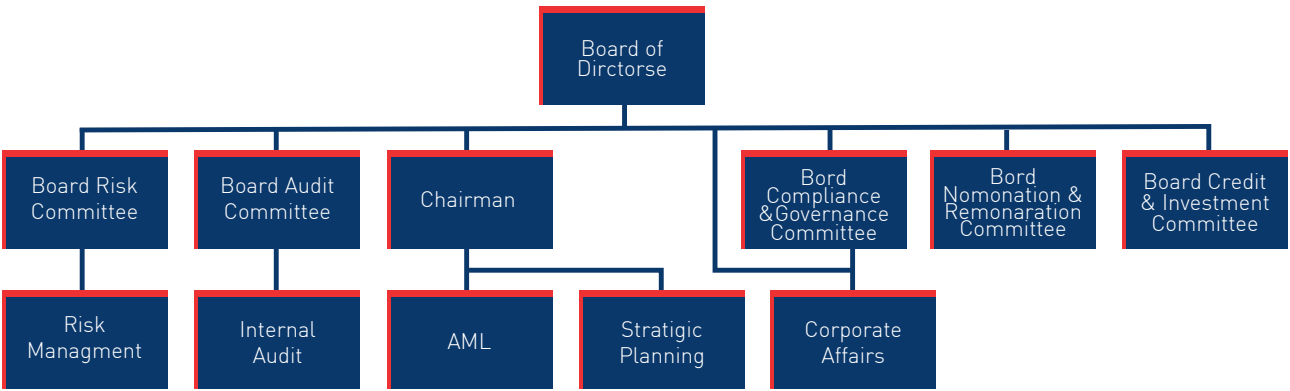


2.1 GOVERNANCE STRUCTURE

An effective governance structure is the foundation for making well-informed decisions that align with the Bank’s values and business objectives. As such, the Bank’s governance structure adheres to CBK’s regulatory instructions and follows a three-tier approach: the Board level; the Board committees’ level and the Executive Management level, through several committees.

The following figure shows details of Gulf Bank’s governance structure distribution and decision-making authority hierarchy, as well as a representation of how the Bank is managed and directed.

Governance Structure



The following represents the Bank’s major shareholders as of December 31, 2022, where apart from the shareholders listed, there are no other legal entities or persons (individuals or family members collectively) owning directly or indirectly 10% or more of the Bank’s shares. Notably, Gulf Bank’s government ownership is less than 20%.

Gulf Bank Ownership Structure

Shareholder	Percentage of Shares
Behbehani investment Co.	5.47%
Group of Kutayba Youssef Ahmad Alghanim (Alghanim Trading Co.)	32.75%
The Public Institution for Social Security	6.65%
Other Public Shareholders	55.13%

Shareholders’ Rights

Gulf Bank’s governance manual emphasizes the conformity of its working systems, policies and practices with regulatory requirements. This includes controls and procedures regarding the protection and equitable treatment of shareholders’ rights. In summary, it focuses on the following shareholders’ concerns:

1. Protecting basic shareholders’ rights in relation to securing methods of ownership registration and transfer of shares, participating and voting at general shareholders’ meetings, sharing in the profits and obtaining regular information about the Bank.
2. Ensuring that shareholders are sufficiently informed of or participate in making decisions concerning amendments to the Bank’s memorandum and articles of association.
3. Encouraging effective shareholders’ participation and familiarizing them with voting rules at general shareholders’ meetings, meeting agendas, venues and dates well before the meetings.
4. Stressing the importance of disclosure of capital structures or any arrangements that would enable certain shareholders to obtain a degree of control.
5. Ensuring that all shareholders are equitably treated, including small investors and foreign investors. All shareholders have the right to question the acts of the Board of Directors and to rectify any prejudice to their rights.
6. Availability of information to the adequate shareholders on a timely basis, allowing them to practice their rights in an adequate manner.
7. Ensuring that shareholders have access to the minutes of the general assembly meetings.
8. Preparing a statement of the penalties (financial and non-financial) that are imposed thereon during the financial year, in accordance with the provisions of Article 85 of Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait, and the Organization of the Banking Business, and its amendments. This statement shall be read by the Chairman of the Board during the annual general shareholders’ meeting, as set out in CBK’s instructions in this respect.



2.2 BOARD OF DIRECTORS

The Board of Directors is responsible for guiding and overseeing the operations of the Bank. Board of Director elections take place every three years to ensure the continuous renewal and effectiveness of the Board.

The Board adheres to a Board Charter, which outlines the scope of its members’ responsibilities and duties. This includes a comprehensive outline of the Board’s role, functions, and governance framework as outlined in the following:

- The roles and responsibilities of the Board Members and the Chairman
- Board size
- The criteria for nominating or selecting the highest governance bodies
- The roles and delegation to Executive Management
- The Board committees
- Board meeting requirements
- Board qualifications and training
- Board remuneration and performance evaluation
- Confidentiality
- Ethical conduct and conflict of interest

The Board convenes a minimum of six meetings annually, including at least one meeting during the quarterly evaluation period. The minutes of these meetings are essential components of the Bank’s records, capturing the discussions and decisions made. The Chairman, in collaboration with the Executive Management and the Board Secretary, is responsible for developing the meetings’ agenda. The Chairman, together with the Board Secretary, ensures that Directors are available and, if necessary, present for the relevant meetings. Additionally, the Chairman facilitates the attendance of any member of the Executive Management who is responsible for a specific matter on the agenda.

Board Compositions

Currently, the Board consists of eleven members, including one female and ten male Directors. Four members meet the criteria of independence from management, resulting in a Board independence percentage of 36%. There are several criteria that an independent Board Member should fulfill from the start of their nomination and throughout their tenure. Such criteria are outlined in the Bank’s Board charter, where they include (but are not limited to) the following:

1. Their contribution and that of any of their first-degree relatives combined shall not exceed 1% of the Bank’s capital, whether directly or indirectly.
2. They shall not have a first-degree relation with any of the Bank’s Board Members or Executive Management, or the banking group.
3. They may not be, upon nomination or during the two years preceding their nomination, a partner in the Bank’s external audit firm, or a member of the audit team on the banking group and may not have a first-degree relation with the partner in charge of the external audit.

4. The membership tenure of the independent Board Member shall not exceed two terms.
5. The Board Member should have diverse knowledge, experience and skills that will contribute to the independence and efficiency of their decisions and to the successful management of the Bank.
6. The size of the Board is determined in accordance with the Bank’s Articles of Association.

Board Selection Criteria

In setting the Board Members’ selection criteria, the Bank refers to the CBK Circular No. (2/BS/IBS/447/2019). In this regard, the Bank’s Board Members possess appropriate experience, personal integrity and competencies pertaining to their role. They possess adequate knowledge and experience relevant to key financial activities, corporate governance and effective supervision of banking activities. Such experience and knowledge areas include finance, accounting, and applicable regulations and instructions governing banking activities, payment systems, strategic planning, risk management, cybersecurity risk, and internal controls, among others.

In addition, the Bank’s Board Members are required to possess adequate knowledge of local, regional and international economic developments to ensure their oversight of market trends in the banking and financial sector. To ensure ongoing update of the Board’s knowledge in line with market trends, they are required to annually attend at least one training program and participate in conferences and seminars on banking and financial business.

Further details on the Bank’s Board Members’ names, independence status, gender, tenure, attendance rate and experience are provided next.

Gulf Bank’s Board of Directors



Jassim Mustafa Boodai

Attendance : Rate100%  
Gender Type: Male  
Tenure:

Chairman

March 4, 2020 – Present

Board Member

March 17, 2012 - March 3, 2020

Experience:

- \* Vice-Chairman and CEO of Integrated Holding Company K.S.C.P. Kuwait
- \* Formerly Board Member of Kuwait Insurance Company, Kuwait
- \* Formerly Vice-Chairman of Kuwait China Investment Company, Kuwait
- \* Formerly Chief Operating Officer of Boodai Corporation, Kuwait
- \* Formerly Vice-Chairman of Hilal Cement Company, Kuwait
- \* Formerly Chairman of Transport & Warehousing Group Company, Kuwait
- \* Formerly Vice-Chairman of Jazeera Airways

Independence Status:  
Not Independent



Gulf Bank's Board of Directors



Ali Murad Behbehani

Attendance : Rate71%  
Gender Type: Male  
Tenure:

Deputy Chairman

March 15, 2013 - Present

Board Member

April 11, 2009 - March 14, 2013

Experience:

- \* Chairman of Kuwait Insurance Company
- \* Board Member of National Industries Company
- \* President of Morad Yousuf Behbehani Group
- \* Board Member of The Kuwaiti Danish Dairy Company (K.D.D.)
- \* Formerly Board Member of Kuwait National Cinema Company (S.A.K.)
- \* Formerly Board Member of Kuwait Pipe Industries Company

Attendance Rate 71%

Independence  
Status:  
Not Independent



Omar Hamad AlEssa

Attendance : Rate100%  
Gender Type: Male  
Tenure:

April 11, 2009- Present

Experience:

- \* Owner of The Law Office of Al-Essa & Partners
- \* Formerly Chairman of the Kuwait Bar Association
- \* Formerly President of the Admission Committee of the Kuwait Bar Association
- \* Formerly President of the Arbitration Center of the Kuwait Bar Association
- \* Formerly President of the Development and Training Committee of the Kuwait Bar Association
- \* Formerly Head of the Kuwaitization Group at the Manpower and Government Restructuring Program

Independence  
Status:  
Not Independent

Gulf Bank's Board of Directors



Bader Nasser AlKharafi

Attendance : Rate71%  
Gender Type: Male  
Tenure:  
March 17, 2012 - Present

Experience:

- Vice-Chairman & Group CEO of Mobile Telecommunications Company K.S.C (Zain Group), Kuwait Vice
- \* Chairman of Mobile Telecommunications Company, Saudi Arabia
  - \* Chairman of Gulf Cables and Electrical Industries Company, Kuwait
  - \* Chairman of INJAZ Kuwait, Kuwait
  - \* Board Member of the Middle East Advisory of Coutts & Co. (United Kingdom)
  - \* Board Member of Refreshment Trading Company (Coca-Cola), Kuwait
  - \* Vice-Chairman of Diamond International Motors Company (Mitsubishi cars), Egypt
  - \* Board Member of Bahrain Steel B.S.C..C, Bahrain
  - \* Board Member of Foulath Holding B.S.C., Bahrain
  - \* Board Member of Kuwait-British Friendship Society
  - \* Board Member of the United Nations High Commissioner for Refugees (UNHCR) - "Sustainability Board"
  - \* Board Member and the Chairman of the Executive Committee at Boursa Kuwait
  - \* Chairman of National Investments Company (NIC), Kuwait
  - \* Vice-Chairman of Heavy Engineering Industries & Shipbuilding Co. (HEISCO), Kuwait
  - \* Board Member of Mentor Arabia, Lebanon

Independence  
Status:  
Not Independent



Abdullah Sayer Al Sayer

Attendance : Rate100%  
Gender Type: Male  
Tenure:  
March 27, 2021 - Present

Experience:

- \* Board Member of AlSayer Group
- \* Board Member of Bayan Dental
- \* Board Member of Credit One
- \* Senior Manager, Al Sayer Group – Al Dhow Holding Co., Kuwait
- \* Formerly Financial Analyst in Injazzat Real Estate Dev. Co
- \* Formerly Analyst at Bader Al Abduljader & Partners (Russell Bedford International), Kuwait
- \* Formerly Associate at Qunsult International Ltd, Kuwait

Independence  
Status:  
Not Independent

Gulf Bank's Board of Directors



Dr. Fawaz Mohammad Al Awadhi

Attendance : Rate67%

Gender Type: Male

Tenure:

August 7, 2019 - Present

Experience:

- \* Chief Legal Officer of Alghanim Industries Group (July 2020 – Present)
- \* Faculty Member of the Legal Department of the College of Business Studies (June 2016 – Present)
- \* Vice-Chairman of the Board of Members of Takhzeen Warehousing Co. SAK(C) (August 2021 – Present)
- \* Vice-Chairman of the Board of Members of Ejari Real Estate Co. SAK(C) (November 2021- Present)
- \* Vice-Chairman of the Board of Members of Alghanim Industries Co. SAK(C), (January 2021- Present)
- \* Vice-Chairman of the Board of Members of Alghanim Industries Group Holding Co. SAK (C) (Formerly/Alamana Kuwait Holding Co. SAK(C)) (January 2021- Present)
- \* Vice-Chairman of the Board of Members of X-cite General Trading Co. SAK(C) (March 2022 – Present)
- \* Manager of the Board of Managers of Alghanim International Food Co. LLC, Saudi Arabia (November 2021 - Present)
- \* Manager of the Board of Managers of Kirby Contracting Co. LLC, Saudi Arabia (November 2021- Present)
- \* Manager of the Board of Managers of Al Qimma Universal for Real Estate Development Co. LLC, Saudi Arabia (November 2021 - Present)
- \* Deputy Chief Legal Officer, Head of Litigation of Alghanim Industries (June 2016 – July 2020)
- \* Legal Counsel of Alghanim Industries (December 2008 – August 2014)
- \* Manager of the Board of Managers of Atara Investment Co. LLC – UAE (2020 – Present)
- \* Secretary General of the Kuwaiti Association for Protecting Public Funds, Kuwait (2018 – Present)
- \* Manager of the Board of Managers of Saudi Pipes Insulation Manufacturing Factory Co SPC LLC, Saudi Arabia (2019 – Present)
- \* Manager of the Board of Managers of Kutayba Yusuf Alghanim & Partner for Trading Co. SPC LLC, Saudi Arabia (2018 – Present)
- \* Manager of the Board of Managers of Saudi First Company for Manufacturing Insulation Materials & Steel Buildings LLC, Saudi Arabia (2018 – Present)
- \* Manager of the Board of Managers of Pasture Trading Co. LLC, United Arab Emirates (2018 – Present)

Independence Status:  
Not Independent

Gulf Bank's Board of Directors



Barrak Abdulmohsen Al Asfour

Attendance : Rate67%

Gender Type: Male

Tenure:

October 31, 2020 - Present

Experience:

- \* Branch Manager then Manager of Credit Facilities Department at the Bank of Kuwait and the Middle East (BKME), Kuwait (1985 – 1989)
- \* Board Member in 1993, then Deputy Chairman of Kuwait Gypsum Manufacturing & Trading Company from 2004 to present
- \* Managing Director of Bridgestone Tiers Company W.L.L., from 1992 to present

Independence Status:  
Not Independent



Ahmed Mohammed Al Bahar

Attendance : Rate100%

Gender Type: Male

Tenure:

October 31, 2020 - Present

Experience:

- \* Formerly Chief Executive Officer of Gulf Custody Company (Kuwait)
- \* Formerly Chairman of Gulf Custody Company (Bahrain & Oman)
- \* Formerly, Partner in Charge – Settlement Group of The International Investor
- \* Formerly, Senior Manager – Settlement Department of Kuwait Foreign Trading Con., & Investment Co. (KFTCIC)
- \* Formerly, Manager – Consumer Loans Department of Arab European Financial Management (AREF)
- \* Formerly, Chairman of First Bahrain Co
- \* Formerly, Board Member of National Cleaning Co

Independence Status:  
Independent



Gulf Bank's Board of Directors



Dr. Abdulrahman  
Mohammad Al-Taweel

**Attendance :** Rate93%

**Gender Type:** Male

**Tenure:**

**Tenure: March 27, 2021 - Present**

**Experience:**

- \* Assistant Professor, Finance and Financial Institutions Department, College of Business Administration, Kuwait University
- \* Dr. Abdulrahman has been very active in the academic and teaching profession for over eight years, conducting various professional seminars, workshops and development programs during his career
- \* He has many intellectual contributions relating to corporate finance and corporate governance in upcoming working papers
- \* Advisor to the Director General of State Bureau of Financial Controllers from 2019

**Independence  
Status:**  
Independent



Talal Ali Al Sayegh

**Attendance :** Rate93%

**Gender Type:** Male

**Tenure:**

**Tenure: June September 12, 2021 - Present**

**Experience:**

- \* Formerly Advisor to Al Ahli Bank of Kuwait on AML/CFT and Financial Crime issues
- \* Formerly president of Kuwait Financial Intelligence Unit, Kuwait
- \* Formerly Deputy Manager On-Site Supervision, Central Bank of Kuwait
- \* Formerly Senior Credit Analyst in Gulf Bank, Kuwait

**Independence  
Status:**  
Independent

Gulf Bank's Board of Directors



Reem Abdullah  
Al Saleh

**Attendance :** Rate67%

**Gender Type:** Male

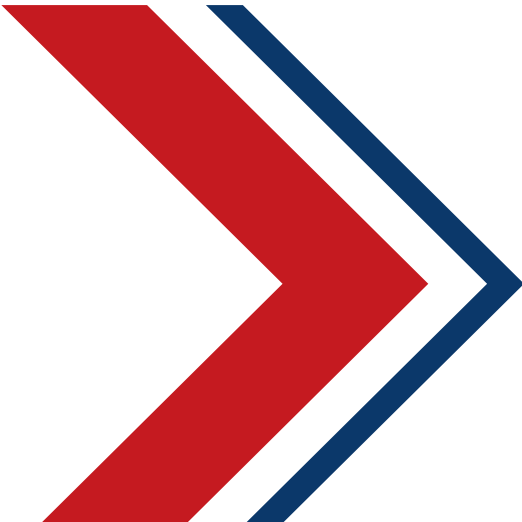
**Tenure:**

**Tenure: June 25, 2022 - Present**

**Experience:**

- \* Board Member of Gulf Inspection International Company & CEO since 2015. She joined the company in 2003 as Director of Business Development; she re-established and developed various departments and processes in the company.
- \* Independent Board Member of Injazzat Real Estate Development Company K.S.C.
- \* Since 2018, she has served as an additional Director of AlShamali Pvt. Ltd. (India) and M/s Ever Win HR Consultants Pvt. (India)
- \* A consultant to Musaed AlSaleh Group since 2015
- \* Formerly Chairman of Kayan International Construction Co
- \* Vice-Chairman of Kuwait Computer Services Co
- \* Vice-President in the Board of Data Plus since 2018
- \* A member of ACI Kuwait Chapter, Kuwaiti Economics Society, and Kuwait Accountants and Auditors Association

**Independence  
Status:**  
Independent



**Roles and Responsibilities**

The Board has a comprehensive responsibility to ensure the effective management and robust governance of the Bank’s operations and business practices. This includes (among various other responsibilities):

- Setting and overseeing the implementation of the Bank’s strategic objectives, risk strategy and corporate governance
- Responsibility for the Bank’s business, finances, and fulfillment of CBK requirements, as well as all regulatory bodies’ requirements
- Preserving the interests of shareholders, depositors, creditors, employees and other stakeholders
- Ensuring that the management of the Bank is run prudently and in compliance with the laws and instructions in force and the Bank’s bylaws and policies
- Ensuring that stress tests, and Internal Capital Adequacy Assessment Process (ICAAP) are carried out periodically to measure the Bank’s ability to mitigate risks. The Board has a key role in the adoption of theories and scenarios, discussing the results of these tests, and carrying out the actions needed based on such results
- Enhancing awareness in the area of information security, and focusing efforts in employing systems that enhance information security to face Information Systems Security (ISS) and Cybersecurity Risks
- Ensuring transactions with related parties are reviewed, verified and approved as per CBK’s instructions
- Ensuring there are written, board-approved policies in place covering all of the Bank’s business areas. These policies shall be circulated at all relevant levels and reviewed periodically to ensure they reflect any amendments or changes to the laws, instructions, economic conditions or any other matters relevant to the Bank’s activity
- Evaluating the CEO’s performance annually
- Ensuring correctness, accuracy, and integrity of the disclosed information

**Board Oversight Over Executive Management**

The Board provides oversight of the Executive Management to ensure it carries out its role towards the fulfillment of the Bank’s objectives as well as the implementation of the Bank’s approved policies. In this context, the Board performs several functions, including but not limited to the following:

- Overseeing the actions of the Executive Management to ensure alignment with the Board-approved strategies and policies, which includes assessing risk tolerance and appetite.
- Conducting regular meetings with the Executive Management to discuss the Bank’s various business activities.
- Scrutinizing and evaluating explanations and information provided by the Executive Management
- Establishing formal performance criteria for the Executive Management that align with the Bank’s long-term objectives, strategy, and financial stability, and monitoring their performance based on those criteria.
- Verifying that the members of the Executive Management possess the necessary educational qualifications and professional experience required for the Bank’s business and objectives.

**Board Performance Evaluation**

The Board undergoes an independent annual performance evaluation (through an external party) in accordance with professional standards. This evaluation encompasses various aspects, such as assessing the performance, skills, and expertise of each Board Member at the Board level, succession planning, development of the Bank’s strategy, and the format and content of management information provided to the Board. Additionally, training needs are addressed as part of this evaluation process. In 2022, the Board received professional development in several key areas, including Corporate Governance, Fraud, the latest trends in Information and Cyber Security, as well as threats and Anti-Money Laundering (AML) measures.

Board Members’ remuneration is determined by the Board Nomination and Remuneration Committee (BNRC) and is subject to the Bank’s bylaws and CBK instructions and requirements.

**Board Committees**

The Board operates through five committees, each of which have their own bylaws that are reviewed periodically. Each committee’s bylaws set out the committee’s role, scope, and the responsibilities of its members. In 2022, the total attendance percentage of the Board committee meetings reached 95%.

The Board determines the necessary qualifications for each committee’s membership. Each member is selected based on their skills and experience, and as per the committee’s regulatory requirements. All committees, with the exception of the Board Credit and Investment Committee, are composed of independent members.

The Bank’s current Board committees are:

- Board Compliance and Governance Committee (BCGC)
- Board Audit Committee (BAC)
- Board Risk Committee (BRC)
- Board Nomination and Remuneration Committee (BNRC)
- Board Credit and Investment Committee (BCIC)

According to the Bank’s Board charter, the BAC, BRC, and BNRC must be chaired by an independent Member, whereas the BCGC Committee must have at least one independent Director. This committee may be chaired by the Board Chairman.

Regarding committee meetings’ attendance, the BAC convenes a meeting once every three months and as needed, where the presence of two members is required to hold a meeting. The BRC convenes a meeting not less than four times a year, where the presence of two members is required to hold a meeting. Lastly, both the BCGC and BNRC convene a meeting at least twice a year, where the presence of two members is required to achieve quorum and hold a meeting.

Further details on Gulf Bank’s committees are illustrated next.



Gulf Bank’s Board Committee Details

Board Compliance and Governance Committee (BCGC)

Main Responsibilities:

- The BCGC oversees the overall structure of corporate governance in the Bank and ensures compliance with relevant CBK instructions on corporate governance.
- The BCGC ensures that the depositors’ and shareholders’ interests are protected, and shareholders’ obligations are met, taking into account the interest of the other stakeholders by implementing and monitoring processes to report any conflict of interest and related party transactions.

Members:

- Mr. Jassim Boodai (Committee Chairman)
- Dr. Abdulrahman Al Taweel (Committee Deputy Chairman)
- Ms. Reem Al Saleh (Committee Member)

Board Audit Committee (BAC)

Main Responsibilities:

- The BAC provides oversight and reasonable assurance on the financial reporting process and highlights the accounting issues of material impact on the financial statements. In addition, the committee provides oversight on the integrity and adequacy of the Bank’s internal control and risk management system, internal and external audit processes, effectiveness and assessment of performance, the process for monitoring compliance with laws, regulations and code of conduct, and the Internal Audit function.
- The BAC appraises the performance of the General Manager/Chief Internal Auditor and recommends to the Board of Directors the nomination, termination, appointment and remuneration of the external auditors.
- Since its effectiveness is directly linked to that of the Board, the BAC works closely with the Executive Management to obtain any information required to enhance the performance of the Board.

Members:

- Mr. Talal Alsayegh (Committee Chairman)
- Mr. Abdullah Al Sayer (Committee Deputy Chairman)
- Mrs. Reem Al Saleh (Committee Member)

Board Risk Committee (BRC)

Main Responsibilities:

- The main duties of the BRC are to provide oversight of the Bank’s risk management, ensure autonomy of the Risk Management Function and enhance the effectiveness of the Board of Directors’ monitoring of risk issues facing the Bank.
- The BRC reviews significant risk exposures and provides the Board with an update on the Bank’s current and future risk strategy and appetite and oversees the executive management’s implementation of the risk strategy.
- The BRC evaluates the risk exposure, concentration and tolerance limits and has authority to approve the aggregate transactional and trading limits for extraordinary or new risks. The BRC reviews, on a quarterly basis, credit risks rated six or worse and exposures which constitute more than 10% of the Bank’s capital.

- The BRC reviews, on an ongoing basis, material information and cyber security activities and events, and provides the Board with insight on the current status of the security programs initiatives and activities.
- The BRC can review any specific transaction or risk exposures, and the impact analysis of any potential risks or changes in the external environment that it deems relevant for the management of the risks facing the Bank. It also has authority to accept such risks or to instruct actions to be taken to mitigate and manage risks to ensure conformity to the Bank’s risk appetite.

Members:

- Dr. Abdulrahman Al Taweel (Committee Chairman)
- Mr. Bader Alkharafi (Committee Deputy Chairman)
- Mr. Barrak Alasfour (Committee Member)

Board Nomination and Remuneration Committee (BNRC)

Main Responsibilities:

- The BNRC ensures that all components of granting financial remuneration are compliant with the framework for enhancing the effectiveness and management of the Bank’s risk management. It also submits recommendations to the Board on the nomination of Board Members. The committee reviews the nominated Members’ skills, capabilities and qualifications in accordance with the Bank’s approved policies and standards, while adhering to CBK’s instructions.
- The BNRC conducts an annual review of the Board’s structure and draws up recommendations on the changes that can be made in line with the best interest of the Bank.
- The BNRC ensures that Board Members are consistently informed about the latest banking updates and vet the soundness of the principles and practices upon which remuneration is granted.
- The BNRC reviews the compensation and benefits of members of the Executive Management (as specified by CBK), including the principles and criteria used to assess their annual performance. This also includes an evaluation of the authority of the Board Members and their leadership characteristics. In conducting its role, the BNRC annually prepares and reviews a Remuneration Grading Policy for the Board.

Members:

- Mr. Ahmad AlBahar (Committee Chairman)
- Mr. Omar Al Essa (Committee Deputy Chairman)
- Dr. Fawaz Alawadhi (Committee Member)

Committee Name: Board Credit and Investment Committee (BCIC)

- The overall purpose and scope of the BCIC is to review, approve, reject or modify or conditionally approve credit proposals exceeding the authority delegated to the Executive Credit Committee and up to the legal lending limit of the Bank, with the exception of credit facilities extended to the Bank’s Board Members as per CBK guidelines.
- The BCIC approves all investments or divestments above the delegated authority of lower-level committees. It also approves discounts for settlements and write-offs for abandonment and discounts exceeding the authority delegated to the Executive Credit Committee.

Members:

- Mr. Jassim Boodai (Committee Chairman)
- Mr. Omar Al-Essa (Committee Deputy Chairman)
- Dr. Fawaz Alawadhi (Committee Member)

2.3 EXECUTIVE MANAGEMENT (EM)

The Executive Management (EM) plays a pivotal role in upholding the Bank’s sustainability goals by ensuring that it’s activities align with the approved corporate strategy, risk appetite, and policies established by the Board. The EM is appointed by the Board to carry out their respective roles in running the Bank’s operations. This includes the CEO, his deputies, assistants and anyone considered capable to run the Bank’s operations successfully. Each Executive Manager must have suitable academic qualifications, relevant experience and personal integrity to run the Banks’ business.

As part of their roles, each Executive Manager holds a significant influence over key individuals within their respective departments, and they are held accountable for the oversight of their business operations. The Bank acknowledges that sustainability entails promoting strong corporate governance, effective risk management, and fostering a culture that supports sustainable practices. Therefore, Executive Managers are expected to exemplify these values through their personal conduct, leadership, and their contribution to the Bank’s sustainable corporate culture.

In line with the Bank’s sustainability objectives, the EM team takes a proactive approach to enhance the Bank’s management of both financial and non-financial risks. They are entrusted with procuring, installing, and implementing systems, solutions, and controls that align with the Board’s direction. These measures not only strengthen the Bank’s risk management capabilities but also ensure that the Bank’s activities are consistent with its corporate strategy, risk appetite, and approved policies.

Transparency and objectivity are integral to Gulf Bank’s reporting practices. Therefore, the EM team provides the Board of Directors with regular financial and administrative reports. The Board relies on the expertise of its EM in executing its resolutions, respecting their autonomy in operational matters. However, should any Board Member wish to actively participate in the execution of resolutions, they must obtain explicit authorization from the Board.

Gulf Bank’s commitment to sustainability extends to every aspect of its operations, including the diverse and inclusive composition of its executive leadership. In this regard, we are proud to have a 13.33% female representation among 15 EMs. Diversity extends to the Bank’s Executive Management’s nationalities as well, with members’ nationalities ranging across six different countries, as shown next.

Male to Female Representation Among Managers

Managers	Number	Allocation
Female	2	13.33%
Male	13	86.67%
Total	15	100%

Gulf Bank’s 2022 Executive Management

#	Name	Title	Nationality
1	Antoine Daher	Chief Executive Officer (CEO)	American
2	Waleed Mandani	Deputy Chief Executive Officer (DCEO)	Kuwaiti
3	Raghunandan Menon	Acting Deputy CEO	British
4	Mona Mansour	General Manager-Customer Service Delivery	Kuwaiti
5	Mohammed AlQattan	General Manager-Consumer Banking	Kuwaiti
6	Sami Mahfouz	General Manager-Treasury	Lebanese
7	Salma Al Hajjaj	General Manager-Human Resources	Kuwaiti
8	Farhan Mahmood	Chief Risk Officer (CRO)	British
9	Ali Al Faras	GM & Chief Internal Auditor	Kuwaiti
10	David Challinor	Chief Financial Officer (CFO)	Australian
11	Shahzad Anjum	General Manager - Information Technology	Pakistani
12	Ahmed AlDuwaisan	General Manager - Corporate Banking	Kuwaiti
13	Hani Al Awadhi	General Manager - Investments	Kuwaiti
14	Dari Ali Al Bader	General Manager - Corporate Affairs	Kuwaiti
15	Abdulrahman AlSaddah	Acting Chief Risk Officer	Kuwaiti





2.4 BUSINESS CONDUCT AND COMPLIANCE

Compliance and ethical conduct are essential pillars that underpin Gulf Bank’s adherence to responsible and accountable business practices. Compliance entails adhering to regulations, policies, and internal procedures that have been established to govern the Bank’s operations. Ethical conduct, on the other hand, involves upholding the core values of integrity, transparency, and accountability, guiding the Bank’s decision-making process and actions.

At Gulf Bank, we place significant emphasis on both business conduct and compliance, recognizing their integral role in sustaining the Bank’s commitment to responsible banking. We ensure that the Bank’s practices align with the requirements set forth by the Central Bank of Kuwait (CBK), as well as other relevant regulatory bodies. Gulf Bank’s adherence to these regulations is reinforced through robust internal controls and processes that are clearly communicated to the Bank’s stakeholders.

Accordingly, Gulf Bank’s Board Members uphold high standards of fairness, integrity, diligence, and competency in the performance of their duties. They actively support the Bank’s policies and emphasize on the importance of upholding the values of integrity and honesty in dealings, and in fostering a culture of transparency and ethical conduct. In particular, each Board Member is bound by the following:

- Compliance with applicable laws, instructions and regulations and the Bank’s strategies and policies
- Maintaining confidentiality of all information acquired in the course of conducting their roles and not making improper use of, or disclosing to third parties, any confidential information unless the disclosure has been authorized by the Board, or is required by law or Bank’s policies
- Observing the principles of independence, accuracy and integrity in dealing with the Board, Board committees, internal and external auditors and Executive Management within the Bank
- Disclosing to the Board any actual or perceived conflicts of interest, whether of direct or indirect nature, which the Board Member becomes aware of and which the Board Member reasonably believes may compromise the reputation or performance of the Bank
- Disclosing to the Board any related party transaction in which they are involved next.

Compliance Manual

Gulf Bank has a Compliance Manual, which has been developed to enhance the overall compliance culture and standardize the compliance processes across the Bank. The Manual effectively communicates the policies, procedures, roles, and responsibilities necessary to ensure compliance with the rules and regulations set forth by the CBK and CMA. The most recent update to the Compliance Manual was conducted in July 2020.

To ensure accessibility and awareness, the Compliance Manual is communicated with the Bank’s departments, and the Bank’s policies and procedures are promptly available on the Bank’s Intranet, which is accessible to all employees.

Gulf Bank’s commitment to the Compliance Manual is demonstrated through a rigorous approval process. It undergoes review and approval by the Board Compliance and Governance Committee (BCGC) before being presented to the Board of Directors for final approval.

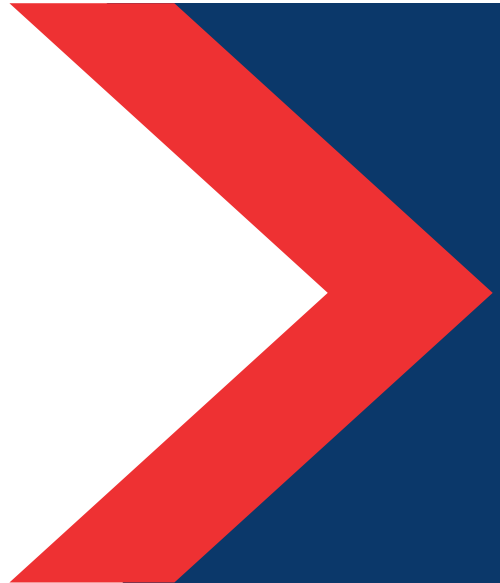
Compliance Function

Gulf Bank has an independent Compliance Function which effectively monitors, identifies, assesses, and reports on compliance risks in accordance with regulatory requirements. The Compliance

Function plays a vital role in implementing compliance policies throughout the Bank. It reports to both the Board (via the BCGC) and the Executive Management (via the General Manager of Corporate Affairs), providing regular updates on the Bank’s compliance with legislation, instructions, and regulatory controls. This ensures that the Board and executives are kept informed about the latest developments in the compliance landscape. It is also important to note that the Compliance Function does not work with any external business partners, thereby reinforcing its independence.

As part of its mandate, the Compliance Function ensures that the implementation of new regulatory requirements, rules and guidelines are carried out on a continuous basis. In addition, Compliance personnel ensure that the following areas are adequately monitored across the Bank, including the:

- Development, implementation, and maintenance of action plans committed to be undertaken by relevant departments in accordance with external audits and inspections conducted by regulatory authorities and stipulations of legal entities
- Various Bank departments and committees regarding matters that relate to regulatory control policies
- Mandatory submissions by concerned departments of reports and other data to the Board, Board committees and Executive Management, and notices, directives and circulars from regulatory authorities
- Prompt compliance with the directives contained in applicable new regulatory circulars



Mechanisms To Raise Concerns About Gulf Bank’s Business Conduct

Individuals who believe they have been the victims of conduct prohibited by the Code of Conduct Policy or believe they have witnessed such conduct should discuss their concerns with their immediate supervisor and/or Human Resources.

Individuals can reach out directly to the General Manager of Human Resources, whereby reports are treated with utmost confidentiality.

Policies and Procedure

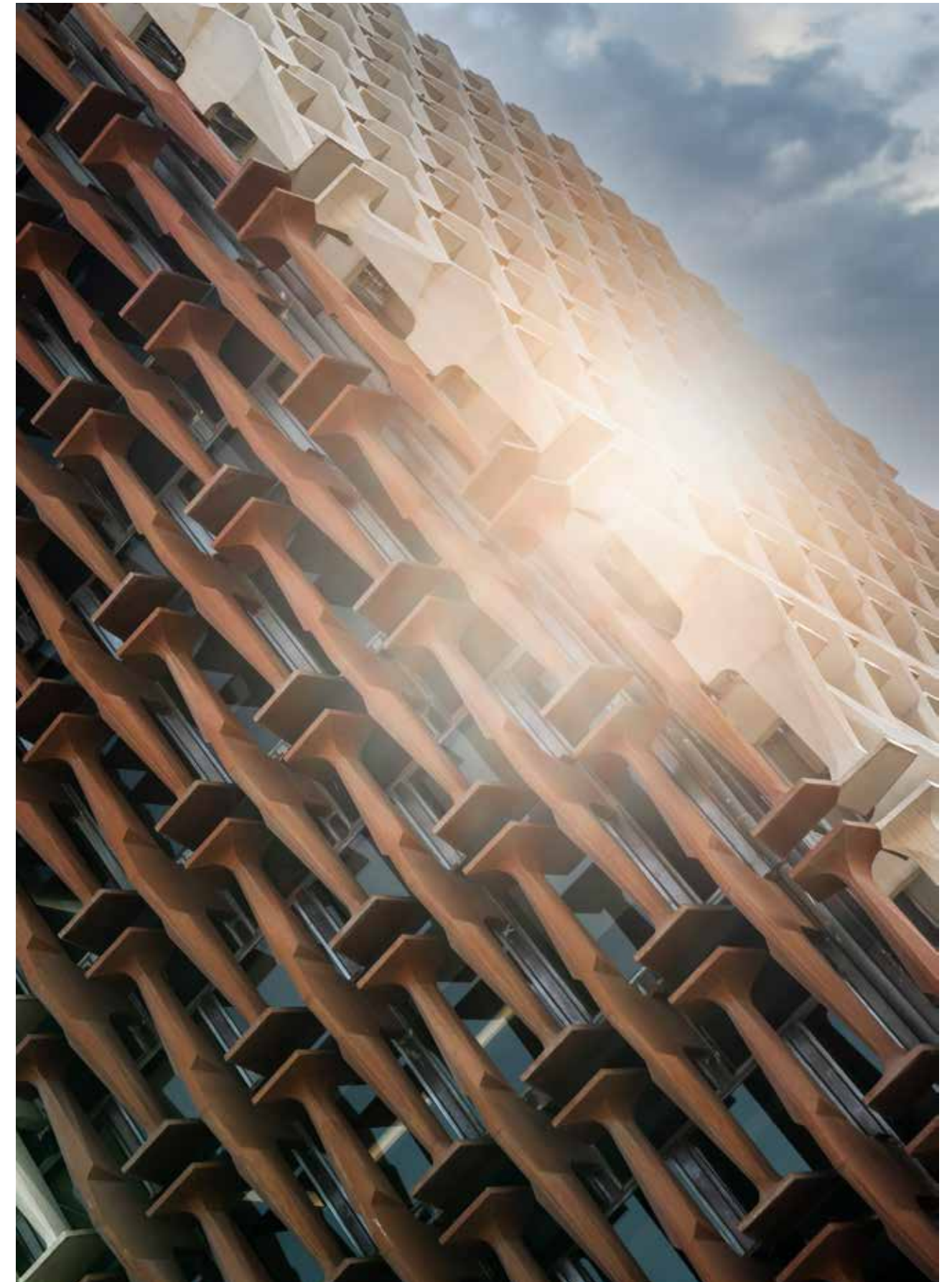
We recognize the importance of having a set of clear and robust policies and procedures. These guidelines serve as the foundation for the Bank’s responsible and sustainable business practices. Clear policies and procedures provide a framework that ensures consistency, transparency, and accountability throughout the Bank. They help in navigating complex regulatory environments, mitigating risks, and maintaining compliance with applicable laws and regulations. Furthermore, well-defined policies and procedures promote ethical conduct, as they guide the Bank’s employees in making informed decisions aligned with its core values.

In this regard, the Bank's policies and procedures include, but are not limited to, the following:

1. Corporate Governance Manual
2. Disclosure and Notification Manual
3. Risk Appetite Document
4. Whistleblowing Policy and Procedure Manual
5. Conflict of Interest Policy
6. Related Party Transactions Policy
7. Customer Complaint Handling Policy and Procedures
8. Internal Audit Charter
9. Human Resources Manual
10. Policy and Procedure Standards
11. Compliance and Disclosure Manual
12. Confidentiality Policy
13. Social Media Policy
14. Shareholders and Stakeholders Rights Policy
15. Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Procedure Manual
16. Non-Discrimination and Harassment Policy

### Mechanisms to Seek Advise

Gulf Bank's Policy and Procedures Committee assesses all internal policies and procedures at the Bank before seeking approval from the Board. This process occurs subsequent to thorough reviews by stakeholders, including the Legal, Audit, and Risk Committees, who also examine the documents and updates. Additionally, the Bank undergoes regular evaluations to confirm the alignment of its practices with local regulations, business requirements, and evolving workforce practices, ensuring their ongoing relevance and currency.





Human Rights

In relation to human rights, elements addressing human rights are incorporated within the Bank’s existing Work Standard Policy, Non-Discrimination Policy, and Code of Ethics.

Approach Towards Embedding Policy Commitments for Responsible Business Conduct

Gulf Bank’s approach towards embedding policy commitments for responsible business conduct throughout its activities and business relationships include:

- The allocation of responsibility for implementing commitments throughout the Bank and within each department varies, with each department having its own approach. In general, the individual in the highest-ranking position within the department oversees and communicates policies and procedures to others. They are accountable for holding others responsible and ensuring the implementation of all policies and procedures in alignment with the Bank’s strategy.
- Policy commitments are incorporated into the Bank’s organizational strategies, operational policies, and operational procedures. These commitments are evident in the Bank’s overall strategy and reflect its values of people, ownership, simplicity, and ambition. Furthermore, policy commitments are integrated into the Bank’s incentive programs, which are designed based on performance and targets.
- When evaluating whether to maintain or terminate a business relationship, we take into account the policy commitments as a factor in the Bank’s decision-making process.
- As part of the Bank’s induction process, employees are informed of the Bank’s policy and procedure guidelines.

Mechanisms to Ensure Effective Policy Implementation

Gulf Bank has various available mechanisms that ensure the effective implementation of the Bank’s related policies, which are governed by the following measures:

- Reporting Mechanism: Incident Report and whistleblowing
- Code of Conduct
- Penal Code
- Awareness and Training
- Fraud Investigation Process
- Internal Control Unit
- Corporate Governance Practices and Framework
- Work Ethical Standards Handbook
- Risk and Control Self-Assessment for all departments
- Key Risk Indicators for all departments
- Dedicated Fraud Officer reporting to Risk Management
- Internal Audit team who investigates potential fraud incidents (upon detection and on request)
- Exceptional Reporting for all departments

Disciplinary Actions in Case of Employee Non-Compliance

It should be noted that if any of the Bank’s employees do not comply with said policies, disciplinary action is taken based on the Bank’s approved Penal Code. The latter is enforced on employees who violate the Bank’s policies, code of conduct, and procedures. The enforcement of Penal Code takes place after the related investigation and review have been carried out.

Whistleblowing

In its efforts to promote transparency and ethical conduct, Gulf Bank has established a formal anonymous whistleblower system, supported by legal protection, which operates in accordance with the Bank’s Whistleblowing Policy. Whistleblowing serves as a mechanism for individuals to bring attention to perceived wrongdoing, misconduct, or unethical activities within the Bank. It involves the disclosure of information by employees who reasonably believe that such malpractices have occurred in the present, past, or are likely to occur in the future. The Bank’s Whistleblowing Policy provides clear guidelines and procedures to ensure that whistleblowers are protected and that their concerns are appropriately addressed.

Wrongdoings and malpractices that may be reported through the Bank’s whistleblowing mechanism may include (but are not limited to):

- Conducting actions that may negatively impact the reputation of the Bank
- Engaging in breaches of internal rules and regulations (policies and procedures)
- Committing criminal offenses and/or participating in fraudulent activities (such as money laundering)
- Endangering the health and safety of individuals
- Intentionally hiding any malpractice
- Failing to comply with legal or regulatory requirements

Whistleblower incidents are filed once a criminal offence has been committed or is likely to be committed. The Bank has three reporting channels where employees may raise their concerns, including by email, Intranet or by letter. Regardless of the reporting method, any concern will be acted upon within 24 hours and the employee will receive a concern receipt confirmation. The whistleblowing process length is dependent on the nature and seriousness of the concern.

Investigations are handled per the Investigation Policy process. Whenever necessary, the Internal Audit Function conducts independent investigations where an investigation team is formed. The investigation team would consist of representatives from relevant departments such as HR, Legal, Compliance and Risk, as it may deem relevant to the raised whistleblowing incident. Overall, oversight of the implementation of the Whistleblowing Policy and Program comes under the responsibility of the Chairman of the Board. The Chairman would receive a summary report from the Board Secretary of the issues and concerns raised.

The main purpose of the Bank’s whistleblowing system is to establish a communication channel between the Bank’s employees and the Chairman. Therefore, the policy and procedural document for the Bank’s whistleblowing system is monitored and reviewed on a periodic basis, where the Board is the highest governance body that approves the Whistleblowing Policy and Procedures document. The Board Compliance and Governance Committee (BCGC), on the other hand, has the oversight of the Whistleblowing Program, where it receives periodic updates from the Board Affairs on the arising cases, related investigations and actions taken.

## Whistleblowing Awareness Campaign

As employees represent the main players in the whistleblowing procedure, Gulf Bank implemented a comprehensive awareness campaign in this regard. The campaign took place internally via internal digital platforms to raise awareness of the policy and highlight what is considered whistleblowing-worthy malpractice.

## Conflicts of Interest

As an embodiment of the Bank’s commitment to upholding strong corporate governance practices, a formal written Conflicts of Interest Policy has been implemented, which is overseen by the Board. This policy encompasses a clear definition of conflicts of interest, as well as independence of implementation of the policy and disclosure of such conflict. It applies to situations where conflicts may arise between Board Members and the Bank, as well as between the Executive Management and the Bank.

The policy covers all matters related to the conflict of interests and its likelihood, including for example:

- A Board Member’s duty to avoid, to the extent possible, activities that could create conflicts of interest or the appearance of conflicts of interest
- A review and approval process for Board Members to follow before they engage in certain activities so as to ensure that such activity will not create a conflict of interest
- A Board Member’s duty to disclose any matter that may result, or has already resulted, in a conflict of interest
- A Board Member’s responsibility to abstain from voting on any matter where the Board Member may have a conflict of interest or where the objectivity or ability to carry out their duties to the Bank may be otherwise compromised
- Adequate procedures for transactions with related parties to be made on an arms-length basis; and the way in which the Board will deal with any non-compliance with the policy

Board Members are expected to avoid any action, position or transaction that conflicts with the Bank’s interests or gives the appearance of a conflict. A Member who has a material personal interest in a matter that relates to the affairs of the Bank must give the other Members notice of such interest. The Board Secretary maintains a register of dealings in securities and declarations of interest by Board Members and reports them to the Board as necessary.

The following examples are situations where conflicts can arise during the mandate of a Board member:

- Board Members or their businesses have a borrowing relationship with the Bank
- Board Members or their businesses have a supplier arrangement with the Bank
- A Board Member is a director or a senior executive of a Bank’s Borrower. In such cases, the Board Member should ask the Board to allow them to leave the meeting so as to avoid a potential conflict of interest
- Substantial shareholdings in the Bank’s borrowers should be duly disclosed to the Board



Financial Ethics

Gulf Bank places utmost importance on financial ethics as a cornerstone of its sustainable business practices. Financial ethics encompasses a range of fundamental principles, such as transparency, accountability, adherence to laws and regulations, and the avoidance of conflicts of interest. We understand that ethical behavior is vital in preserving the trust of our stakeholders and ensuring the long-term well-being of our Bank. By upholding these principles, we strive to maintain the highest standards of integrity and protect the interests of our stakeholders.

Our emphasis on financial ethics encompasses various aspects, including accurate financial reporting, fair and ethical treatment of customers, and responsible lending practices. In addition, it includes effective controls to combat money laundering and terrorism financing transactions, and anti-fraud practices among others.

- Legal and Regulatory Frameworks to which Gulf Bank Adheres Regarding Financial Ethic:
- AML/CFT Law No. 106 of 2013
  - Central Bank of Kuwait (CBK) Instruction No. 2/BS/IBS/308/2013 and No.2/BS/ IBS/432/2019
  - Ad Hoc Committee Resolution No. (35) of 2019
  - CBK Amendment Instruction No. 2/105/1759/2023

Anti-money Laundering

Gulf Bank places great emphasis on combating money laundering and terrorism financing and recognizes the associated risks to its reputation, operations, and regulatory compliance. To effectively address these risks, a dedicated Anti-Money Laundering (AML) Unit responsible for implementing proper and robust controls has been established. The AML Unit ensures that all Bank employees, including Board Members and upper management, are knowledgeable about these controls and actively apply them in their daily operations. In addition, Gulf Bank has implemented a comprehensive AML/CFT Policy that outlines the Bank’s compliance program and key obligations. The Bank’s AML/ CFT compliance program is summarized as follows:

Gulf Bank’s AML/CFT Compliance Program

Through its Anti-money Laundering Policy, Gulf Bank ensures that its products and services are not exploited for illicit purposes. The Bank strictly adheres to all relevant laws and regulations in the State of Kuwait that are specifically designed to combat money laundering and terrorist financing. Moreover, the Bank is dedicated to actively cooperate with the appropriate authorities to combat these illicit activities.

- Board-approved Policy and Procedures
- Designated Money Laundering Reporting Officer (MLRO)
- AML/CFT Risk Assessment, System, Process and Controls
- Ongoing AML/CFT training
- Independent testing

Our Key Actions Towards Combating AML/CFT

- Implementing a risk-based approach using policy, procedures, processes, system and controls to identify, manage and mitigate money laundering and terrorism financing risk
- Implementing an extensive and robust transaction monitoring and screening process, to identify any suspicious transactions
- Implementing customer identification and verification procedures in line with the legal and regulatory requirements
- Provide timely responses to all requests sent by the CBK, Kuwait Financial Intelligence Unit (KFIU) and Public Prosecutorl.
- Monitoring customer transactions for evidence of suspicious activity and reporting such activity to the competent authority
- Conduct monthly/quarterly reviews and analysis on accounts linked to high-risk products to ensure if the customer is in-line with Know Your Customer (KYC) procedures
- Ensure and work closely with the KYC team to raise any discrepancies related to customer’s KYC information in comparison to the transactions that take place in the account
- Arranging ongoing training of Bank employees with regard to AML/CFT issues and their responsibilities - including new typologies and updated instructions
- Create tailored training material based on the level of staff and departments in which they are working in.
- Complying with all legal and regulatory requirements relating to cross-border transfers
- Ensure that all CBK, Internal/External Audits, Internal Control and Compliance reviews and in line with the bank standards
- Carrying out the necessary procedures to determine and verify the identity of the Ultimate Beneficial Owner
- Treating customers and linked persons as High-Risk Customers who are classified as a Politically Exposed Person (PEP) through PEP screening
- Refusing to open anonymous accounts or accounts in fictitious names
- Refusing to establish a relationship and/or deal with the sanctioned person
- Not accepting /establishing a correspondent banking relationship with a shell bank and similarly with a correspondent foreign financial institution that permits its accounts to be used by shell banks
- Conducting annual and ad-hoc reviews on all correspondent banking relationships to ensure all banks are in-line with the Banks’ AML policy.
- Not dealing with walk-in customers
- Maintaining and complying with the legal and regulatory requirements relating record retention

Ethical Highlights

- No bribery incidents for 2022
- No legal action against the Bank for 2022 in relation to anti-competitive behavior, anti-trust and monopoly practices

2.5 RISK MANAGEMENT

For the purpose of risk oversight, Gulf Bank has established the Board Risk Committee (BRC), which is responsible for risk monitoring and reporting to the Board of Directors. The BRC ensures the independence and autonomy of the Bank's Risk Function. It reviews and recommends risk management policies and risk appetite for the Board's approval. Notably, the BRC thoroughly examines high-risk, large exposures, as well as those that deviate from normal lending criteria. Additionally, the Bank has formed the Executive Risk Committee (ERC), co-chaired by the Chief Executive Officer (CEO) and the Chief Risk Officer (CRO), serving as the apex committee for Risk Governance at the Executive Management level. The Bank's vigilant approach includes quarterly presentations and discussions on the risk dashboard with the ERC and BRC.

The primary function responsible for identifying, measuring, and reporting on key risks is the Risk Management Department. Headed by the CRO, the Risk Management Department plays a vital role in monitoring risk exposure against the Bank's risk appetite, continuously identifying capital requirements, and assessing decisions pertaining to accepting specific types of risks. Furthermore, the Risk Department raises regular reports to the BRC and ERC, providing them with comprehensive insights into the Bank's risk exposures.

In terms of providing a balanced risk/reward relationship, the Bank maintains a comprehensive Risk Appetite document, which serves as a constant monitoring tool against internally established thresholds. In response to market and economic factors, the Risk Appetite document undergoes periodic reviews and amendments.

Risk Management Policies and Procedures

The Bank has risk management policies and practices in place, which are reviewed on a regular basis to ensure that the Bank is not subject to material asset valuation and earnings volatility. The Bank's risk strategy was revised recently with no significant change made.

Moreover, efforts are underway to establish a procedure for assessing ESG risks and for conducting due diligence. This procedure aims to evaluate potential credit risks associated with a borrower's ESG performance, particularly in the context of group credit risk. The assessment process entails a thorough review of the borrower's ESG policies, performance, and their potential impact on the environment and society. At present, there are no formal systems yet finalized for the assessment of ESG risks in financing activities. However, the Bank is planning to cover the scope of the management system including (but not limited to) geographical area, business divisions, products and services, borrower types and regulatory requirements.

ESG due diligence

As for the ESG due diligence, triggers are planned to include the borrower's industry or sector, the geography of the transaction, or any specific ESG concerns that have been raised by internal or external stakeholders.

Incorporation of Corruption and Fraud

The Bank's Risk Management Policy incorporates anti-fraud practices, including specialized fraud risk assessments. The Risk Management Policy is continuously reviewed and updated to ensure its relevance and effectiveness in addressing emerging threats. The most recent update to the Risk Management Policy was conducted in October 2020, with plans for further updates by the end of 2023.

Gulf Bank's Credit Risk Policy

Gulf Bank has a Board-approved and regularly updated Credit Policy that responds to changes in risk and market conditions. This policy, outlined in the Credit Policy Manual, establishes guiding principles and credit risk standards to ensure a consistent approach to lending activities and a structured foundation for the Bank's business. It also defines the acceptable level of country risk exposure. The Board Credit and Investment Committee (BCIC), delegated by the Board of Directors within CBK guidelines, approves and reviews individual country limits as the highest credit approving committee. The Bank categorizes its exposure based on the North American Industry Classification System (NAICS) Code, in addition to CBK's purpose codes, to facilitate analysis and manage concentrations effectively. A credit rating model is utilized to rate corporate credit facilities and aid credit decisions and monitoring. The Bank also calculates a weighted average Portfolio Risk Rating to assess overall portfolio quality periodically, discussed in the ERC and BRC. Furthermore, the Bank employs the RAROC (Risk Adjusted Return on Capital) Model to evaluate net value created in accounts, accounting for the cost of capital, and support informed credit decisions and shareholder value creation.

Risk Mitigation

Risk mitigation plays a pivotal role in Gulf Bank's sustainability journey, underpinning its commitment to responsible and resilient business practices. Through its risk mitigation measures, the Bank aims to anticipate, assess, and respond to emerging challenges, ensuring the continuity of its operations and the preservation of its valuable assets.

Gulf Bank's mitigation efforts involve implementing preventive measures to minimize the likelihood of risks occurring, encompassing security protocols, periodic assessments, and contingency plans, among others. In addition, the Bank conducts periodic assessments to identify any risk or control gaps that exceed the established risk appetite or tolerance levels. In such cases, the Bank mandates the implementation of mitigation plans within specified deadlines, based on the severity of the identified risks.

Currently, Gulf Bank does not incorporate climate-related issues as part of its conducted risk assessments and analysis. Regarding the types of risks Gulf Bank may face, these can be summarized as follows (with more details presented in the Bank's publicly available annual reports):

- Market risk
- Currency risk
- Interest rate risk
- Equity risk
- Liquidity risk
- Operational risk
- Credit risk exposure
- Gross credit risk exposure



## Internal Audit

As an independent and objective function, Internal Audit Function (IAF) provides valuable insights and assurance to ensure that the Bank's related operations and activities are aligned with best practices, ethical standards, regulatory requirements, as well as internal policies and procedures. Through a systematic and comprehensive evaluation of the Bank's processes, controls, and risk management practices, IAF helps identify potential gaps, inefficiencies, and vulnerabilities within the Bank and recommend solutions to address these gaps accordingly. In addition, IAF provides insight into the effectiveness and efficiency of risk management, internal control, and governance processes.

Realizing the importance of embedding ESG within the Bank's Internal Audit operations, an update was made on the Internal Audit Universe and Assurance Plan to include a periodic review and assessment of the Bank's ESG initiatives effective in 2023.

In assurance engagements, the Internal Audit Function diligently examines the exposure to various risks that are pertinent to the Bank, such as Credit, Market, Liquidity, operational, Fraud, and Environmental Risk, among others. This evaluation involves assessing the inherent risk specific to the area being audited, evaluating the existing controls, and determining the residual risks, which can range from low to high. These assessments play a crucial role in shaping the audit program, ensuring a comprehensive examination of potential risks and concerns. Internal Auditors are equipped with a comprehensive understanding of associated risks and relevant indicators during the planning and fieldwork phases of engagements. Consequently, Internal Audit analyses the effectiveness of controls implemented to address these risks, aiming to provide a level of assurance that residual risks remain within acceptable thresholds.

Currently, the IAF is involved as a coordinator for the following external assignments:

- The Annual External Financial Audit (Management letter)
- The Annual Internal Control Review (ICR)
- The Annual Cyber Security Framework (CBK-CSF)
- External Quality Assurance Assessment (every five years)
- Non-Assurance Services provided by External Auditors (upon request)

The above assignments are handled by the Head of Internal Audit and in coordination with Board Audit Committee. From a governance perspective in selecting, recommending or nominating the external assurance service provider, the following are considered:

- Reputation / Experience / Competences and Professionalism/ Credentials / Objectivity and Independence
- Avoidance of conflict of interest
- Communication with Regulators via Compliance Functions, especially when it comes to appointment and termination
- The regulatory instructions and Basel Directives (Auditing of Bank) In addition, other business functions in the Bank may request a consultation from IAF to help in assess the external assurances related to their management area.

## 2.6 BUSINESS CONTINUITY PLAN

At Gulf Bank, we recognize the capabilities of business continuity in ensuring the protection and sustainability of critical business processes, particularly during times of disruption. We understand that by setting an effective Business Continuity Plan (BCP) we would be equipped to respond to and recover from various operational disruptions.

Accordingly, to ensure comprehensive preparedness and resilience, Gulf Bank has successfully implemented a bank-wide Business Continuity Plan (BCP) framework. This framework equips the Bank with the necessary capabilities to effectively respond to and recover from various operational disruptions. In line with this, the Bank has established a Crisis Management Committee and implemented a Crisis Response Procedure, enabling the swift and efficient management of BCP events and crises. Moreover, the BCP team provides ongoing updates to the Management and Risk Committees, ensuring continuous oversight of BCP progress.

Furthermore, the BCP team has developed BCP Plans for each business unit within the Bank. Such plans undergo regular testing to assess their effectiveness. In addition, the Bank has implemented a disaster recovery (DR) site to guarantee the restoration of IT systems in the event of a crisis that affects the primary data site. As an integral component of our business continuity planning (BCP) testing framework, regular DR drills are conducted. These exercises serve to assess the efficiency of the Bank's DR Plans and validate the timely recovery of systems according to predefined recovery timelines. Moreover, the Bank has formulated a comprehensive BCP Policy, serving as a contingency plan in the event of localized disasters that could significantly disrupt key banking services. This policy ensures that the Bank is well-prepared and equipped with contingency measures to minimize business disruptions and uphold customer service during such situations.

The Business Continuity Policy adheres to internationally recognized standards such as ISO 22301:2019 and the Business Continuity guidelines of CBK. It encompasses all Bank key employees, facilities, business processes, products, services, and IT systems across all locations in Kuwait. It also extends to all business functions operated directly by the Bank or contracted through third-party service providers. The policy addresses scenarios involving natural disasters, pandemics, power outages, hardware/telecommunications failures, data corruption, and other manmade disasters. It accounts for situations where one or multiple Bank facilities or locations may become inaccessible.

To achieve the objectives of the policy, the Bank needs to adopt a consistent and integrated approach so that collective response of the units in a contingency scenario meets planned results and thus, customer impacts are minimized. The policy requires that:

- Technology and IT facilities include disaster recovery planning to ensure appropriate redundancy, capacity, and flexibility to support the Business Continuity Plan.
- The Bank appoints a competent and qualified person as a central Business Continuity Manager for strategic planning and coordination of business contingency planning and associated activities.
- In addition, each business unit has a BCP Coordinator who is responsible for unit-level execution and supervision of BCP activities in coordination with the BCP Unit.
- BCP Unit conducts a Business Impact Analysis (BIA) exercise to analyze the impact of an operational disruption on the bank over time. The outcome of this exercise enables the BCP team to develop recovery strategies and business continuity plans for bank-wide functions.

It is essential for Gulf Bank that all departments possess a comprehensive understanding of the Bank's Business Continuity Management and that they have an effective BCP which is regularly tested in line with the BCP Policy. In order to comply with this requirement, the Bank adopts a BCM framework which sets clear directives based on an analysis of internal and external factors that affect the Bank. It also determines the formulation and implementation of strategy, and directs and provides the plans, decisions, and actions of Bank's officers in achieving the Bank's objectives.

Furthermore, the Bank has a crises management plan in place with the objectives to:

- Serve as the overarching framework which requires to be activated when an incident or disaster situation has the potential to advance beyond the control of a location that in turn may result in significant negative impacts to the Bank and its stakeholders or cause financial losses to the Bank
- Ensure the life and safety of all employees and visitors from the onset of the incident, contingency-mode business operation, and return to normal operation
- Provide a process for management communication, decision-making, and priority setting during the incident
- Minimize damage to the Bank brand and image and maintain shareholder confidence

On an ongoing basis, Gulf Bank reviews and maintains the Business Continuity, IT Disaster Recovery and Business Resumption Plans for bank-wide processes. Through these Business Continuity Plans the Bank facilitates the rapid, efficient and cost-effective continuity of its important services, and the safety of its resources.

2.7 PRIVACY AND SECURITY

Within Gulf Bank, the significance of data privacy and security is prominent. Accordingly, various mechanisms have been implemented to address this critical aspect. This section of the report delves into the various mechanisms we have put in place, including a well-defined Confidentiality Policy, Data Protection Policy, Information and Cyber Security policies, Data Processing agreement, and Employee Privacy Notice. We adhere to stringent industry standards and have established the Bank's Personal Data Breach Procedure to ensure the protection of personal information. Furthermore, we actively conduct initiatives to address information security and cyber security and prioritize privacy and security training to uphold the highest levels of data privacy and security across the Bank's operations.

As part of its ongoing efforts, the Bank conducts a comprehensive Information and Cyber Security Review program encompassing the Bank's operations. This program entails control assessments, technical security configuration and functionality tests, technical effectiveness assessments, vulnerability assessments, breach attack simulations, and penetration testing activities. It is conducted annually as a structured program, which undergoes review and approval by the Bank's Risk and Technology Governance Committees and is supervised at Board level.

Recognizing the importance of maintaining stakeholders' information with utmost confidentiality, the Bank has a well-defined Confidentiality Policy in place. This Policy serves as a guiding principle for employees, ensuring a clear understanding and adherence to the Bank's commitment to treating sensitive information with the highest level of confidentiality. To reinforce the importance of this policy, the Bank takes proactive measures at least annually to remind and educate employees on its significance and contents.

The Confidentiality Policy is reiterated in key Manuals, including the Credit Policy Manual, Risk Management Manual, Employee Handbook and the Corporate Governance Manual. In particular, the policy states the following:

- The Board Members are and shall remain committed to preserving the confidentiality of the data and information related to the Bank's customers, as well as data and information related to other banks' customers which have come to the knowledge of the Bank's employees in the course of performing their duties.
- No disclosure of any data or information pertaining to the Bank's customers shall be made unless requested by authorized parties and as permitted by the law and the Bank's internal regulations.
- Information Security of the Bank and its customers' data are to be preserved. Supervisory controls are set to prevent unauthorized access. The Board shall be accountable for ensuring that the Bank has proper supervisory controls in place to restrict unauthorized access to such data and information, and to ensure that the supervisory control at the Bank precludes any leak of banking information that might compromise or prejudice banking confidentiality.
- The Board and the Executive Management should be aware of their responsibilities in developing security awareness at the Bank to enhance and preserve banking secrecy.
- No Board Member may use the information available to them on the state of affairs of the Bank for the sake of achieving self-interests or interests of any other related party.
- The Bank's Internal Audit Function will monitor the implementation of all such policies and report exceptions through its audit reports.
- The Board and the Executive Management should ensure that the banking confidentiality is preserved by their service providers in the event where the latter obtain access to matters or information described within banking confidentiality.

Data Protection Policy

In addition to the Confidentiality Policy, the Bank has a Data Protection Policy prepared in line with CBK's Cybersecurity Framework. The Data Protection Policy sets out the Bank's obligations regarding data protection and the rights of individuals whose personal data is being collected, used and processed in the course of the Bank's business activities. The policy applies to all Gulf Bank employees, workers and contractors, where compliance with it is mandatory.

Moreover, to address customers' data privacy and security concerns, and prevent any controversies on this matter, a Data Processing agreement has been established. This agreement aligns with the CBK Privacy Framework and provides comprehensive information on the processing and protection of customer data. Additionally, a separate procedure and guideline known as the Employee Privacy Notice to govern the processing of employee data has been developed.

Click Here for Gulf Bank's Customer Privacy Policy

To ensure proper data security protection Gulf Bank adheres to the following standards:

- ISO 27001
- CBK's Cyber Security Framework
- Swift's Customer Security Programme
- Payment Card Industry Data Security Standard (PCI-DSS)
- The CBK's Capital Adequacy Standard - Basel III for local conventional banks



To ensure that there are no data breaches or leaks, Gulf Bank measures and assesses the risks related to data breach through the Bank's Personal Data Breach Procedure. This procedure provides clear guidance for employees, workers, and contractors of Gulf Bank on the necessary actions to be taken in the event of a personal data breach.

When a personal data breach occurs, Gulf Bank follows a classification process to determine whether it should be classified as an event or an incident, depending on the nature of the breach. A personal data breach refers to a breach of security that leads to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure, or access to personal data processed, stored, or transmitted by Gulf Bank.

The significance of a personal data breach lies in its potential to compromise the confidentiality, integrity, or availability of personal data stored, processed, or transmitted through Gulf Bank's information systems. Additionally, a breach may involve personal data that violates or poses an imminent threat to security policies, security procedures, or acceptable use policies, regardless of whether it results from malicious activities or other causes. Meeting such obligations is necessary to ensure the Bank's compliance with the Data Protection Laws, and respect of the rights and freedoms of data subjects. As a result of such compliance, in 2022 Gulf Bank did not lose any data as leaks or breaches.

Information and Cyber Security

To provide effective implementation, operation, and monitoring of cybersecurity controls in accordance with the Bank's strategic direction and risk tolerance, an independent Information & Cyber Security Function has been established and duly approved by the Board. The function is led by a Chief Information Security Officer (CISO) possessing the necessary qualifications and expertise and operates separately from the information technology operations. Its primary responsibility is to develop comprehensive policies and criteria in relation to Information Security and cyber security. The CISO function ensures that any exceptions to these policies are subject to the appropriate approvals, while adhering to regulatory instructions and the Bank's risk appetite. Moreover, the CISO provides regular reports to the Board, enabling an assessment of the Bank's ability to effectively manage information security and cybersecurity risks, while also monitoring the achievement of information security objectives through the oversight of the Risk Committee.

The Information & Cyber Security employees are responsible for fostering awareness regarding cybersecurity risks among employees and third-party vendors via a Third-Party Risk Management programme. In order to enhance the Bank's readiness and resilience in handling Information & Cyber security risks, Gulf Bank regularly engages a specialized independent entity to assess and test its capabilities in this field. These assessments and tests are conducted annually and as needed to ensure the Bank's preparedness. Furthermore, the Information and Cyber Security risks are included as integral components of the Bank's annual Internal Control Review.

To effectively tackle Information and Cyber Security risks, the Board raises awareness on this issue and directs efforts and resources towards implementing information security systems that can effectively mitigate such risks. In pursuit of this objective, Board Members:

- Adopt strategies, policies, and controls for Information and cyber security risks
- Possess adequate knowledge and experience related to Information and cyber security risks
- Stress to Executive Management the importance of reporting on Information and cyber security risks and ensure that they are aware of the latest developments related to addressing such risks
- Discuss the risk appetite of the Bank's Information and cyber security risks regularly during Board meetings and review its levels and trends on an on-going basis

Security Compliance and Assurance Program

Furthermore, the Bank has implemented a comprehensive security compliance and assurance program that ensures adherence to various regulations and control frameworks. This includes regular assessments conducted by the IS Compliance team, covering Bank applications and processes, and incorporating updates from regulatory bodies like CBK's Cyber Framework, Payment Card Industry's PCI-DSS, SWIFT's Customer Security Program, and ISO 27001 for the Bank's security management system. The program also involves reviewing certifications for Bank applications by the respective business areas and directly certifying access on critical and privileged applications.

IT-related ISO Certifications

ISO27001 - Information Security Management System, covering IT, IT Operations, Information and Cyber Security and Data Centers of the Bank.

Information Security

To address information security issues, such as hacking attempts or system vulnerabilities, the Bank follows a tested Cyber Incident Response Plan. This involves regular processes with the Cyber and IT teams to respond promptly based on the severity of the issues. The Bank manages vulnerabilities through a defined procedure, with the IT teams fixing identified issues based on severity and priority. These activities are tracked and escalated as necessary in management steering forums.

The IT Department adheres to ethical practices related to technology, such as data integrity and segregation of duties. This is achieved through team segregations, data access restrictions, and environment restrictions. Segregation of duties is also implemented in the authorization and access to customer information, ensuring that only necessary internal bank teams have access, thereby protecting customer data.

Both internal and external audits of Information Security policies and systems are conducted throughout the year, following a structured plan. As a result of our stringent cyber security procedures, there were eight attack vectors recorded in 2022. In case of policy and standards violations, there is a defined investigation process and HR procedures in place to address and manage such violations within the Bank. The Information and Security Policies present at Gulf Bank are as follows:

- Information and Cyber Security Policy
- Data Classification Policy
- Email Security Policy

Privacy and Security Training

As part of Gulf Bank’s ongoing commitment to data excellence, a comprehensive bank-wide data literacy program was conducted in 2022. This program encompassed various teams, including the Head Office, call center, branches, and direct sales, aiming to enhance their understanding of the value of data quality and the criticality of maintaining data integrity within the Bank. Furthermore, a dedicated Data Protection training program has been developed and will be incorporated into the Bank’s training portal, ensuring that all employees receive essential knowledge and guidance in this area.

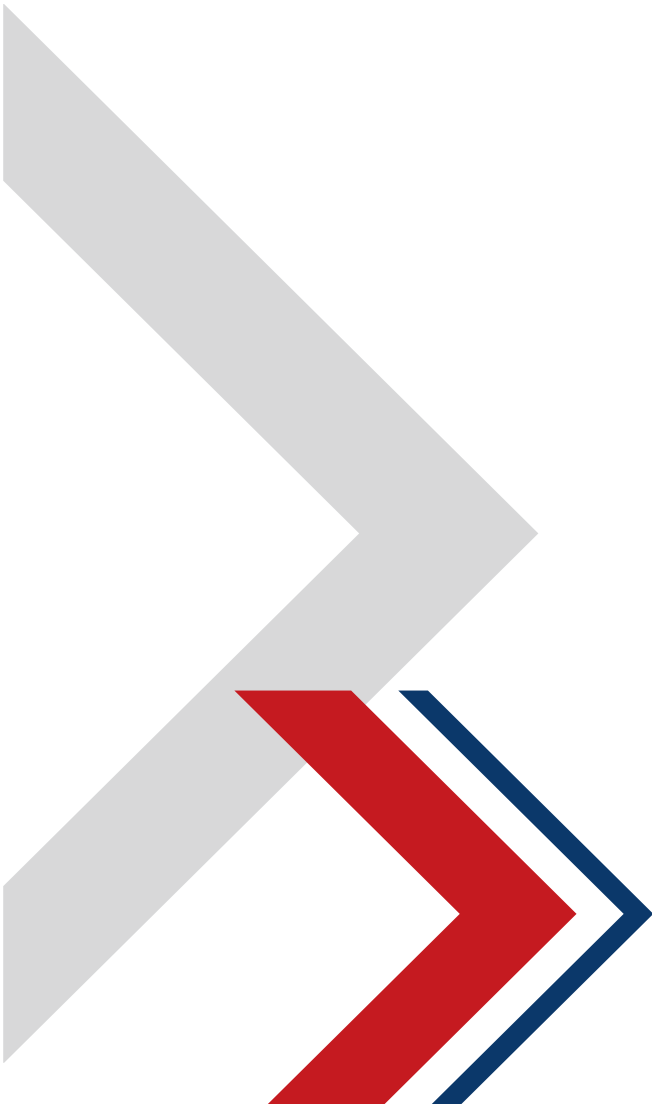
Moreover, to foster a culture of awareness and preparedness, the Bank conducts annual training on information and cyber security through e-learning activities. This training is made available to employees and contractors, ensuring that everyone within the Bank is well-informed about security and cyber-related issues. Throughout the year, multiple modules covering different aspects of information security are delivered, catering to the diverse needs and roles of employees. In addition, specialized information security training is provided to key employees based on their specific responsibilities, further reinforcing the Bank’s dedication to maintaining a secure and resilient environment.

The following illustrates the conducted employee training on data security and privacy during 2022.

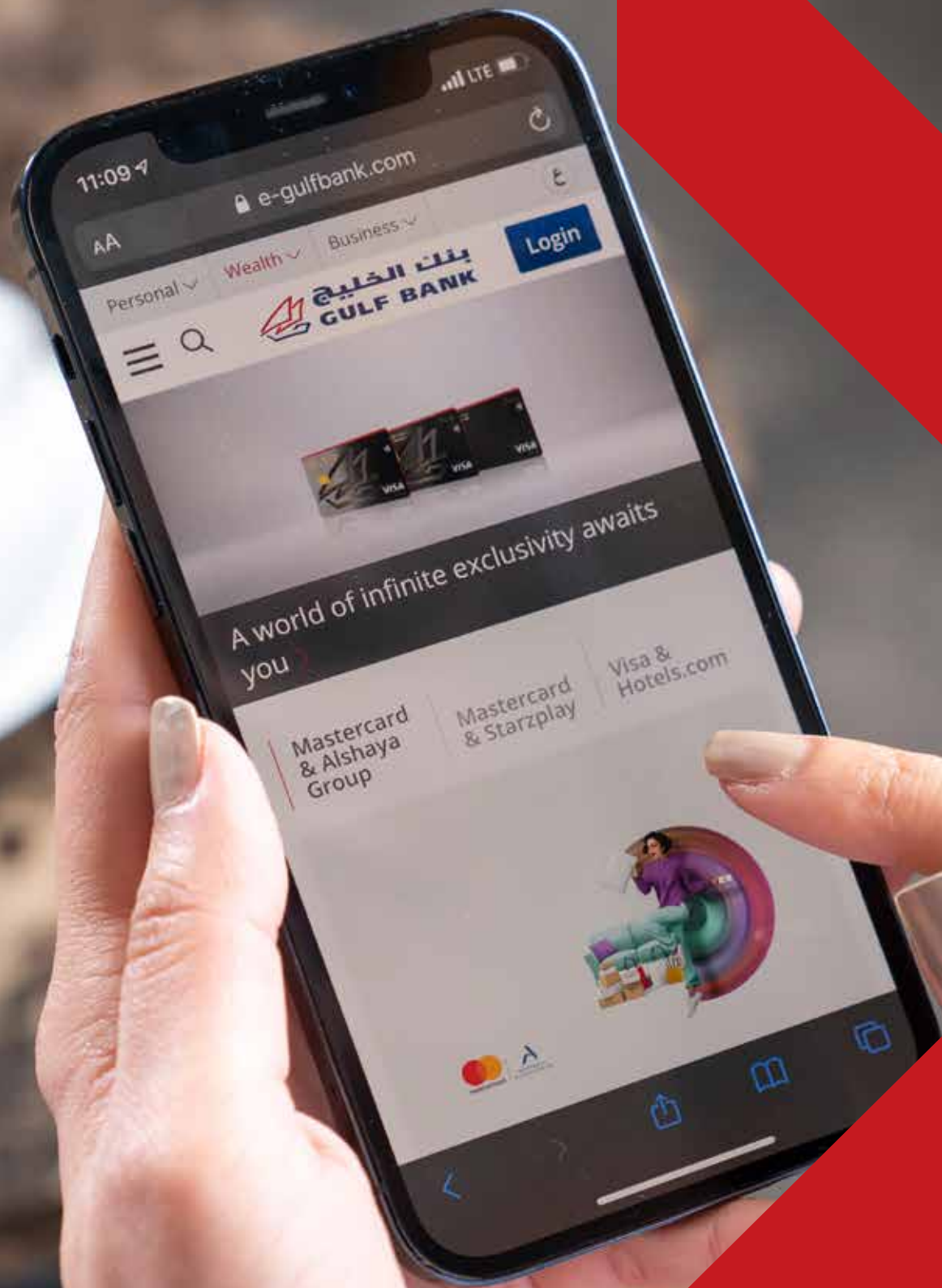
Employee Training on Data Security and/or Privacy-related Risks

Training topic	Number of employees trained	Training hours per employee	Department receiving the training
Phishing Simulation Testing Campaigns	2000+	N/A	Bank-wide (all departments)
Cyber Security Awareness E-learning	2000+	Approx. 30 minutes - 1 hour	Bank-wide (all departments)
Acknowledgement of Society for Worldwide Interbank Financial Telecommunication (SWIFT) Token Guidelines	12	5 - 10 minutes	IS/IT/Business Units
Secure Coding Awareness Training	11	Approx. 30 minutes	Specific IT employees

Training topic	Number of employees trained	Training hours per employee	Department receiving the training
2022 Payment Card Industry’s Data Security Standard (PCI-DSS) (Outsource)	329	Approx. 30 minutes	Vendor employees
Various cyber security topics - Email MEMOs	2000+	N/A	Bank-wide
Social media posts for employees about various cyber security topics	2000+	N/A	Bank-wide
SWIFT Training	Approx. 30	3 days	IS/IT/Business Units
2022 - PCI-DSS (Card Data Security) Awareness Training	2000+	Approx. 30 minutes	Bank-wide
2022 - ISMS Awareness Training	2000+	5 - 10 minutes	Bankwide







# 03'

## MARKETPLACE

Gulf Bank recognizes its role in fostering sustainable economic growth and meeting the evolving needs of its customers. This chapter explores key areas where Gulf Bank strives to excel, including its products and services, digital transformation, data and innovation, customer satisfaction, and support for small and medium-sized enterprises (SMEs).

By offering a diverse range of sustainable financial solutions, the Bank aims to provide value to its customers while aligning with environmental and social objectives. Through digital transformation initiatives, the Bank is committed to enhancing the customer experience, simplifying processes, and promoting financial inclusivity.

Customer satisfaction is at the heart of Gulf Bank's operations, and we continually strive to exceed expectations through tailored solutions, prompt service, and proactive engagement. Moreover, the Bank's support for SMEs is a testament to its belief in their vital role in driving economic growth, and we are dedicated to providing them with the necessary resources, expertise, and financial support to thrive. With a focus on these market-driven elements, Gulf Bank remains committed to sustainable practices and delivering exceptional value to stakeholders.

3.1 PRODUCTS AND SERVICES

Gulf Bank operates a widespread network across Kuwait, encompassing 53 branches strategically located throughout the country. To ensure accessibility, we have established over 300 Automated Teller Machines (ATMs) and Interactive Teller Machines (ITMs) to provide convenient banking services to the Bank’s valued customers. The Bank’s branches are designed to cater for the requirements of its diverse clientele, offering tailored services that meet their specific needs.

In this section we will outline the range of products and services Gulf Bank provides across various business segments, including Corporate Banking, Consumer Banking, Investment Banking, and Treasury.

Corporate Banking Products and Services

Gulf Bank continually endeavors to enhance the banking experience by offering streamlined and convenient services that surpass traditional banking norms. The Bank’s comprehensive suite of Corporate Banking products and services caters to both local and international clients. These encompass a wide range of offerings, including cash and non-cash facilities, advisory services, transaction banking, merchant banking, and cards, among others.

Gulf Bank’s Corporate Banking services offered to customers:

1. Cash Facilities:

- a. Overdrafts
- b. Revolving and non-revolving loans
- c. Promissory notes financing
- d. Project finance
- e. Capital expenditure (CAPEX)
- g. Working capital financing

2.Non-Cash Facilities:

- a. All types of Letters of Credit
- b. Letters of Guarantee
- c. Foreign Exchange

3. Advisory Services for both Corporate Finance and Investment Banking:

- a. Business valuation and feasibility studies
- b. Restructuring advisory service
- c. Investment and growth advisory service
- d. Mergers and acquisitions

4. Transaction Banking:

- a. Corporate online salary transfers
- b. Receivables management (regular cheques collections in Local Currency (LCY) and Foreign Currency (FCY)
- c. Cash deposit and withdrawal
- d. Inward transfers in LCY and FCY
- e. Cash and cheques pickups
- f. Payables management (customized cheque printing, outward transfers, bank drafts/ certified cheques, bulk file upload)
- g. E-channels and information systems
- h. Escrow account management.

5. Merchant Banking:

- a. Point of Sales (POS)
- b. Payment gateways
- c. Payment links
- d. Easy Payment Program
- e. Merchant Discount Program
- f. ATM and ITM

6. Cards:

- a. Credit cards
- b. Debit cards
- c. Prepaid cards
- d. Secure online shopping.

For the purpose of catering specifically to the contracting sector, the Bank has established dedicated services and a team of experienced professionals with industry expertise. In addition to accessing all the services available under the Bank’s Corporate Banking umbrella, its contracting sector clients benefit from the following:

- Tailored Services and Products: The Bank provides a range of specialized services and products that enable our clients to participate in tenders and effectively execute projects. This includes bonding and guarantees, refinancing of Letters of Credit (LC), and contract financing options, designed to support their project-related requirements.
- Expert Advisory Team: The Bank’s specialized team consists of engineers and technical consultants who offer valuable advisory services to clients for both ongoing and potential projects. Understanding the inherent risks involved, they assist clients in mitigating those risks and making informed decisions.

- **Sector-Specific Advisory Reports:** The Bank delivers customized advisory reports specifically tailored to the contracting sector. These reports offer comprehensive insights such as global economic overviews, Kuwait economic analyses, and industry-specific assessments. Furthermore, they provide an in-depth analysis of the client's financials, including a thorough overview of the competitive landscape within the sector.

By offering these dedicated services and resources, the Bank aims to provide its contracting sector clients with comprehensive support and expert guidance throughout their project lifecycle.

### Kuwait National Mega Projects Supported by The Corporate Banking Financing Program

The Bank has financed a number of Kuwait National mega projects which impact the community positively. These include:

1. Remediation works for contaminated soil project
2. Civil works for Sabah Al Ahmad and Khairan areas
3. Construction, completion and maintenance of hospitals
4. Maintenance of roads including 5th Ring Road
5. Infrastructure works for residents in Ahmadi, Jaber Al Ahmad City and Southeast Sabah Al Ahmad areas

## Investment Banking Products and Services

With Its proprietary investment activities, Gulf Bank diversifies income streams, and generates returns within its risk appetite. Gulf Bank also acts as a selling agent, licensed by Kuwait's CMA, to offer investment products to our clients. These Investment products are designed to attain risk-adjusted returns that cater to the investment needs of both individual and institutional investors. Further details on the Bank's investment banking products and services are illustrated in the following:

### Custodian/ Investment controller

- Equity settlement
- Cash clearing
- Securities safekeeping
- Corporate actions
- Fund's activities monitoring
- Fund registrar management
- Reporting

### Portfolio management (Non-Discretionary)

- Equity settlement
- Cash clearing
- Securities safekeeping
- Corporate actions
- Trading
- Reporting

### Gulf Bank Products Sales back-office operations

- Subscriptions/ Redemptions
- Setting deadlines/ sales process flow
- Communicating with products managers
- Reporting

### Bond's Fiscal/ Paying Agent

- Setting coupons' rates
- Handling all communications with KCC and Bond issue
- Reconciliation of funds
- Coupons' payments execution

# WISE Investments

WISE Investments provides Gulf Bank's customers access to a range of investment opportunities, including ETFs and physical gold. WISE's overall profits since inception have reached approximately 38%. WISE Investments leverages an advanced digital platform, empowering customers to easily and transparently invest in diversified international markets. With the ability to track investment progress at any time and from anywhere, WISE portfolios assist clients in realizing their financial goals and growing their wealth over time.



Financial Institutions (FI) and Sovereigns Products and Services

The FI and Sovereigns Unit at Gulf Bank assumes responsibility for managing the Bank’s Nostro/Vostro accounts and overseeing relationships with banks, non-bank financial institutions, and Sovereign entities. The Bank provides a wide range of services to its clients in the treasury and commercial sectors, including cash and non-cash facilities. The Bank’s offerings encompass correspondent banking, trade services, as well as financial institutions’ lending and borrowing.

Treasury Products and Services

The primary objective of the Treasury Group is to optimize the Bank’s balance sheet by supporting the Bank’s asset growth and providing sufficient Stable funding that meets the Bank’s obligation. The Treasury Group actively diversifies the Bank’s funding sources to provide stability of the Bank’s funding base. In addition, one of the main roles of Treasury is the compliance with regulatory and internal liquidity ratios. As part of the Bank’s commitment to delivering exceptional customer service, the Treasury Group strives to provide clients with the best market prices while advising on the best solutions and products for the Treasury-related requirements.

As follows are the Treasury Group’s main products and services:

Foreign exchange

- Spot transactions
- Outright Forward transactions
- Foreign exchange swap transactions

Time deposits

- Offer attractive deposits rates in both local and foreign currencies

Services for financial institutions

- Offer competitive pricing for local and major currencies in the spot, forward, and swap markets
- Money Market - borrowing and lending, including Islamic Murabaha and Wakala
- Reuters / Bloomberg Dealing Code: GBXX
- Reuters Page: GBKKW
- Bloomberg Page: GBKK

Consumer Banking Products and Services

Consumer Banking at Gulf Bank is dedicated to providing a wide array of customer-centric solutions, carefully tailored to meet the unique needs of each segment. The Bank’s product portfolio is diverse and encompasses various offerings such as personal loans, credit and debit cards, and deposit options. Within this range, we have introduced specialized cards such as the Rose Gold card exclusively designed for women, the red plus card, and Mouj card. To further enhance the convenience and security of transactions, the Bank offers Samsung Pay, a contactless payment solution that ensures seamless and safe purchasing experiences for its valued customers.

Moreover, the Bank's strategy involves providing attractive offers and services tailored to meet customers’ specific financial needs. A detailed list of the Bank's Consumer Banking products and services is provided in Appendix G.

Tailored services to suite special needs customers available at specific branches:

- Handicap friendly access for branch and ATM
- ATM with braille keypad for the visually impaired
- ATM with headset jack for voice guidance commands, with audible instructions on how to conduct each transaction
- ATM with private glass chamber to ensure privacy for each user
- Branch employees are ready to use sign language to communicate with the special needs customers

Instant Debit Card Issuance

In order to enhance the customer branch visit experience, Gulf Bank has implemented instant debit card issuance machines in each branch. This enables branches to print the majority of debit cards on-site.

The primary objective is to provide customers with their debit cards instantly during the account opening process. Additionally, this service supports customers who have lost or damaged their cards by issuing them a new card immediately when they visit the branch.

The introduction of the instant issuance machines in the Bank's branches has resulted in the production of over 12,000 cards. This signifies the successful implementation and utilization of the instant issuance machines, allowing the Bank to efficiently provide customers with their debit cards on the spot.

Al Danah Millionaire Account

Since its inception in 1998, the Al Danah Millionaire account has established itself as a sought-after draws and savings account. This account presents an abundance of opportunities for customers to win valuable cash prizes throughout the year. Continuing its tradition for the 17th consecutive year, in 2022 the Al Danah Millionaire account proudly announced the crowning of new millionaires through two grand draws, with prizes totaling KD1,500,000 and KD1,000,000. Additionally, there were two draws worth KD100,000 each, as well as monthly draws awarding KD1,000 each to 10 lucky winners. Apart from the exhilarating prize opportunities, our esteemed customers also benefit from Loyalty chances, a unique feature exclusively offered by Gulf Bank. These chances are calculated by combining the total chances earned by existing customers from the previous year with those earned in the current year, rewarding loyalty and encouraging savings. At Gulf Bank, we take pride in providing our customers with exceptional benefits and opportunities that set us apart as a trusted banking partner.



## Launch of FIFA World Cup Cards

### Overview:

In celebration of the 2022 FIFA World Cup held in Qatar, Gulf Bank unveiled exclusive limited edition card designs. These specially crafted designs were made available for both Visa Infinite and Visa Signature credit cardholders. With these unique card designs, cardholders had the opportunity to showcase their support for the FIFA World Cup while enjoying the chance to win exciting travel packages. By simply utilizing their Gulf Bank Visa Infinite and Visa Signature credit cards, cardholders were eligible to participate in the promotional offer and stand a chance to win memorable travel experiences.

### Objective:

- Enhance customer experience
- Increase customers' engagement
- Increase the acquisition of credit cards

### Outcomes:

As an outcome a total of 2,168 cards were acquired

## Credit Card Offers Exclusive for Women

### Overview:

We continue to provide women with tailored financial solutions that address their unique needs and preferences by offering credit card offers exclusively for them. In 2022 the following offers were provided:

- \* Ikea Cashback Campaign
- \* Ramadan Cashback Campaign
- \* Sephora Cashback Campaign
- \* Dining Cashback Campaign
- \* X-Cite Discount Campaign

### Outcomes:

Increased the acquisition of Rose Gold credit cards  
Increased credit card usage, spending and profitability

## Offers and Events Exclusive for Kuwaiti Working Women

### Overview:

Gulf Bank extends exclusive offers and hosts special events specifically tailored for Kuwaiti females who have a salary transfer to Gulf Bank and possess a Rose Gold credit card. These benefits include an annual fee waiver for the first two years for Mastercard Rose Gold credit cardholders, two complimentary local concierge services for Rose Gold credit cardholders, and a Ramadan Masterclass event in collaboration with Alia Madouh (Life with Petali) at Abyat exclusively for Preferred customers who hold Rose Gold credit cards.

### Objectives:

- Expand the customer base of Rose Gold credit cardholders and encourage increased usage.
- Encourage a shift in consumer payment behavior from debit cards to credit cards
- Foster customer loyalty and maintain long-term banking relationships

### Outcomes:

- An increase of 10% among Kuwaiti salary females, along with an increase in Rose Gold customers and services offered.
- Increased the number of Rose Gold local concierge service registration and usage.

### 3.2 DIGITAL TRANSFORMATION

Digital transformation at Gulf Bank involves delivering a seamless and personalized experience to customers, while upholding high security standards. This transformative journey is driven by a focus on operational efficiency and innovation, achieved through the integration of digital technologies and applications across various aspects of the Bank's operations and within customer interactions.

As a result of Gulf Bank's digital transformation initiatives, 70% of the Bank's customers are active users of online banking services.

In this pursuit, Gulf Bank recognizes several key considerations as part of its digital transformation strategy, including:

- **Embracing Digital Channels:** Gulf Bank embraces digital channels such as online banking, mobile banking applications, and digital platforms.
- **Automation for Efficiency:** Gulf Bank aims to automate manual and redundant tasks and activities. By doing so, the Bank seeks to enhance productivity, operational efficiency, optimization of resource allocation, and redirection of efforts towards value-added activities that directly benefit customers.
- **Harnessing Data Analytics and Machine Learning:** Gulf Bank seeks to harness data analytics and machine learning to extract data and insights for predicting the Bank’s stakeholders’ behavior, needs and for detecting any suspicious incidents and promoting data-driven decisions for marketing and product development.

**Gulf Bank’s Digital Banking Vision, Mission and Goal**

• **Vision:**

To be the leading Kuwaiti bank of the future in Digital and Innovation services

• **Mission:**

To provide customers with simple and innovative digital services, in order to enable sustainable growth

• **Goal:**

To transform Gulf Bank channels into an Omni Channel platform that focuses on customers with a simplified, reliable, secure and personalized experience. The main goal is to make Gulf Bank the first digital bank in Kuwait and in the region

**Digitization Enhancement Initiatives**

In 2022, several initiatives toward digitization and education across the Bank were taken. One of them was the education of corporate clients about digital transformation. In this regard, we offered a range of educational services, including tutorial videos, client visits, and personalized telephone conversations with Corporate Banking Relationship Managers, Transaction Banking Divisions, and branches.

A milestone for 2022 was the launch of the updated version of our mobile banking application. This new version represents a significant improvement in terms of aesthetics, user experience, and design compared to its predecessor. The target audience for the new mobile application includes all Gulf Bank customers, with the primary goal being to ensure a smooth, fast, and secure transaction experience. The application aims to deliver a seamless and efficient service, meeting the diverse needs of customers and providing them with the utmost convenience and security throughout their banking activities.



# Gulf Bank’s New Mobile Application Features



1. Including a visually appealing Pie Chart that provides users with a comprehensive overview of their weekly, monthly, and quarterly expenditures. Additionally, users can effortlessly view and modify individual categories through “My Spends”.
2. Creating and sharing links with others is now simpler and quicker than ever before, offering a seamless experience for users.
3. Offering versatile login options, including Face ID, Pattern, and PIN, providing users with multiple convenient ways to access their accounts.
4. Allowing users to easily navigate through their accounts, cards, loans, and other related information.
5. Incorporating an AI Danah chances calculator, enabling users to calculate their potential winnings effortlessly.
6. Allowing users to save incomplete transactions, such as updating their KYC information or applying for a savings account, with the “Track your application” feature, ensuring a hassle-free process.
7. Enabling users to conveniently review their payment history, whether it involves links shared with others or payments made to telecom companies or vouchers.
8. Enabling users to apply for a prepaid card conveniently through a streamlined and user-friendly process within the application.
9. Having an overall visual appeal, including the presentation of cards, contributing to an enhanced user experience.
10. Providing users with the flexibility to choose between different viewing modes, such as detailed or list formats, allowing them to customize the application to their preferences.



# Corporate Banking Online Services

## Overview:

The Bank's Corporate Banking Department focused on customer experience by creating a new and enhanced platform (Online Banking) with the following features:

- 1. Improved User Management and Authentication
  - Self-service on-Boarding
  - Self-services unlock/reset password
- 2. Inquiries
  - Customer can build dashboards, graphs, charts
  - Enhanced Trade and Limit inquiries
- 3. Payment and Transfers
  - Enhanced Transfer features
  - Enhanced bulk file payment processing
- 4. Trade Finance
  - Enhanced LC/LG issuance
  - Comprehensive Trade Finance inquiries
- 5. Special Features
  - Improved security features
  - Special exchange rates
  - Standing orders
- 6. Merchant Portal

Other key features and functions included:

- 1. Credit and Pre-Paid Card Operation
- 2. Self-Pay
- 3. Advice copy download (including SWIFT copy)

## Objective:

The platform aims to provide:

- 1. Improved efficiency – To allow faster and more efficient processing of transactions
- 2. Enhanced security – Advanced security measures and self-service on-boarding
- 3. Increased accessibility – Access to accounts instantly and quicker transactions
- 4. Better customer experience

## Outcomes

- Meetings with top clients were conducted in order to analyze customers' needs and ensure all requirements are captured.
- Migration of corporate users to the new platform (Online Banking) was completed.
- Improved efficiency, enhanced security, increased accessibility and better customer experience were achieved.:

## Digital Transformation Across Departments

Internally, several departments are embarking on a digital transformation of their operations. One such department is Treasury which is currently anticipating the imminent achievement of full workflow automation. As part of this process, the implementation of the MUREX treasury system was considered in 2021. The introduction of complete automation in operations is anticipated to enhance workflow efficiency, resulting in time and energy savings when addressing client requests. A summary of some of the Bank's inhouse and outsourced digital platforms, applications, technologies, and initiatives is provided in the following table:

## Gulf Bank's Digital Platforms, Applications, Technologies and Initiatives

Name / type	Description
New Retail Mobile Banking App	The Application enhances Retail Online / Mobile Banking to encourage more customers to migrate and reduce branch visits
Self-Service and ATM / ITM Upgrade	The upgrade provides an Omni-channel experience across the physical journey where customers can be guided to a human teller, video teller, an ATM, or a self-service / assisted machine.

## IT-Related Complaints

In **2022** a total of **7,642** employee complaints were raised related to IT.

Each complaint took on average **12 hours, 36 minutes** and **19 seconds** to be resolved.

3.3 DATA AND INNOVATION

2022 witnessed a data-driven transformation for Gulf Bank. With the establishment of the Data Unit in 2021, we embarked on major initiatives to leverage data as a valuable asset, to enhance work efficiency and employee capabilities across all business units. Furthermore, we have prepared our workforce for upcoming transformations by equipping them with the essential knowledge and tools.

To ensure a proactive response to disruptive transformations in the financial industry and local market, the Innovation Unit was established in May 2022. This strategic move aimed to keep the Bank at the forefront of innovation. As a result, two impactful programs were introduced: the Data Ambassador Program and the Bank-wide data literacy initiative.

Data Literacy Program

Overview:

The Data Literacy Program at Gulf Bank is a curated workshop given to all Gulf Bank employees, in which all employees across departments learn about the impact that they have on data and how data quality can enable Gulf Bank to be more innovative, sustainable, profitable, and successful.

Objective:

To turn Gulf Bank into a data-driven organization. This involves educating all members of the Bank, including branch and call center teams, about data concepts, their roles and responsibilities related to data, data quality processes, and objectives. The aim is to ensure data literacy for everyone and prepare for digital transformation.

Outcomes:

Through the program, Bank employees were made aware of their responsibilities and role towards data. Employees across departments had the correct concepts on data and they have the correct tools to be able to make data driven business decisions that help Gulf Bank implement its vision of being the leading Kuwaiti bank of the future. Data literacy training has been incorporated as a crucial component of the onboarding process for new employees, with 99% of the Bank employees having already participated in such training.



Data Ambassadors Program

Overview:

The Data Ambassadors Program was developed to train 140 employees across various departments in key data quality and analytics concepts, upskilling and empowering employees to use advanced data science in order to enhance the Bank’s offerings and services. The curriculum was developed completely in-house by Gulf Bank’s Data and Analytics office and is the first stand-alone Data and Analytics program held in Kuwait. The new curriculum, which was developed primarily by Kuwaiti talent, has also been endorsed by a world-renowned data expert.

Objective:

The new program is part of Gulf Bank’s announced strategy for the year 2025, which aims to provide customers with an unprecedented banking experience based on digital transformation. The launch of the new program marks a remarkable undertaking by the Bank to train employees both quickly and efficiently in key concepts including data quality, data concepts and Tableau training. As part of the new program, 1 out of 10 employees in each team were trained on how to use data and analytics tools, turning them into “Data Ambassadors”, becoming their units’ go-to data champions.

Outcomes:

140 employees graduated as Data Ambassadors, becoming experts in data concepts, data quality and Tableau, spearheading data quality assessments and improvement programs within their own departments. The Data Ambassadors program is now run annually as part of Gulf Bank’s commitment to upskill new employees and enhance existing talent. A Data Ambassadors Playbook was also developed and adopted as an official Gulf Bank procedure manual for all ambassadors to use as a reference point.

INNOVATION UNIT

The establishment of the Innovation Unit was driven by the objective of gaining a comprehensive understanding of customer journeys through the effective utilization of diverse data sources and customer insights. The core mandates, purpose, and goals of the Innovation Unit are centered around this primary objective. By leveraging these valuable inputs to develop innovative products and curated service offerings, the unit strives to foster stronger connections with customers.

“Gulf Bank’s Innovation Unit was formed with its core mandates, purpose, and goals revolving around creating a comprehensive understanding of customer journeys through the effective utilization of diverse data sources and customer insights.”

The Innovation Unit’s primary focus is to act as a catalyst for change by fostering an environment conducive to innovation. This includes aligning innovation activities with strategic opportunities and threats, enabling idea submission pathways, and providing training and development opportunities for employees in the realm of innovation concepts. Additionally, the Unit ensures that the Bank stays updated with emerging technologies and channels, ensuring customer engagement on digital platforms through optimized experiences.

A key aspect of the Innovation Unit’s work involves developing strategies and prototyping ideas that revolve around enhancing existing and potential customer experiences across various channels. This entails leveraging existing or new technologies, services, or products to reduce transaction friction and create new value for customers. Furthermore, these endeavors may explore the possibility of introducing new revenue models.

In the context of mobile and online distribution channels, the Innovation Unit focuses on optimizing and personalizing the digital experience across channels using data and other tools.

Innovation Framework

The establishment of the Innovation Framework serves as the foundation for fostering a culture of innovation within the Bank. It emphasizes that innovation can originate from anyone within the Bank, adopting a bottom-up approach. The dedicated Innovation team has multiple responsibilities, which include gathering innovative ideas, selecting key areas for ideation efforts, enhancing the quantity and quality of ideas, prototyping chosen concepts, and iterating until the idea is fully realized or seamlessly integrated into the business. These endeavors are conducted in alignment with Gulf Bank’s strategy to develop functional products or services.

In developing the Innovation Framework, participants identified specific needs and problems with support from the Innovation Office. Consequently, a comprehensive Playbook was developed as a framework and shared with all participants as supportive material.

Gulf Bank’s innovation initiatives encompassed a wide range of strategies and prototypes generated from various departments. The primary focus was on enhancing existing and potential customer experiences across different channels. Concurrently, the digital experience was optimized and tailored to customers’ needs using data and other tools.

Gulf Bank’s Datathon

Overview:

A Datathon is a fast-paced competitive event where participants gather to solve practical problems through the application of data science tools and techniques, by working together in teams to generate insights, visualizations and potential solutions. This year’s Datathon was organized in collaboration with CODED.

Objective:

Gulf Bank has taken the responsibility to contribute to Kuwait’s digital transformation and Kuwait Vision 2035, and is committed to hosting events and using resources to develop a local tech-savvy community. The Datathon is one of several steps aimed at providing stakeholders with a set of skills and challenges, helping future generations to use data to achieve the Bank’s sustainable development goals, and contribute to collective benefit through digital data and services.

Outcomes:

As a result, in 2022, 230 registered participants took part over the 3-day event, creating a new Data enthusiast and professional community in Kuwait. The success of the Datathon also prompted the launch of the second, larger edition for 2023.





## Innovation Tournament Initiative

### Overview:

As part of Gulf Bank's vision and strategic direction of becoming the leading Kuwaiti bank of the future, the Innovation team launched a pilot "Fekrety" Innovation Tournament for Customer Contact Center (CCC) Department employees, offering them a pathway to innovate with new, value-creating ideas for products, services and customer experiences.

### Objective:

Objective: The Fekrety Innovation Tournament is provided as a platform for employees to help improve customer experience and to create value by identifying novel ideas or solutions for Gulf Bank, its employees, or the wider community. Every opinion and idea of any employee in the Bank regardless of their position is of paramount importance to the progress and growth of the business. The aim of the tournament is to enable change through innovation capability to gain customer share of mind and align innovation activities with strategic opportunities and threats.

### Outcomes:

The outcome of the pilot Fekrety Innovation Tournament was eleven finalist ideas presented on Tournament Day, with a final winning idea which aims to support a more efficient method of servicing customers. The winning idea implementation is already underway. This pilot tournament and its attributed success has planted the seed for a Bank-wide major Innovation Tournament in 2023.

## 3.4 CUSTOMER SATISFACTION

Gulf Bank strives to provide an exceptional customer experience and considers customer satisfaction a priority. To achieve this, the Bank provides its customers with accessible banking services, including online and mobile banking platforms, competitive and innovative products, convenient branch locations, among other aspects. We ensure that employees are readily available to address customer queries, provide assistance, and resolve complaints in a timely manner. By focusing on these factors, among others, Gulf Bank aims to maintain high levels of customer satisfaction and sustain its competitive position in the market.

To provide a banking experience that meets customers' expectations, several methods are utilized to measure customer satisfaction. These include conducting phone surveys, tent cards with QR code links for an online survey and monitoring the Net Promoter Score (NPS). To gather feedback from customers, tent cards with QR code links have been distributed to multiple branches, enabling customers to conveniently participate in the online survey. Additionally, Gulf Bank closely monitors customer satisfaction levels through the NPS, with the 2022 score showing a significant improvement at 51%, representing an increase compared to the previous year's score of 35%.

To promote customer satisfaction, training programs are provided for new hires across front-line positions. These training sessions are specifically tailored to equip employees with the necessary skills and knowledge required for their respective job roles. In addition, certification programs are conducted for employees who are transitioning into new roles, such as relationship officers, relationship managers, and assistant operations managers.

Furthermore, Gulf Bank actively engages in partnerships with esteemed financial institutions to foster improved consumer behavior and enhance financial literacy among its customers. These strategic collaborations include institutions such as the Kuwait Financial Markets Association (KFMA), the International Finance Corporation (IFC), the Institute of Banking Studies (IBS), known for their comprehensive financial training programs, and the Union of Investment Companies (UIC). Through these partnerships, Gulf Bank aims to empower individuals with the knowledge and skills necessary to make informed financial decisions and effectively navigate the intricacies of the financial landscape.

### Customer Complaints

We understand that customer concerns may arise, thus customers can escalate their concerns to the relevant Division Head and General Manager. There are two types of customer complaints as mandated by the CBK. The first type involves customers submitting their complaints directly to the Customer Complaints and Protection Unit at Gulf Bank, with a required response time

NPS  
Score  
in  
2022:  
**51%**

of 15 working days. The second type involves customers submitting their complaints directly to CBK, which then sends a Grievance/Enquiry Letter to Gulf Bank. For these grievances/enquiries, the Bank is expected to respond within three to five working days. In both cases, all complaints and grievances are resolved within the designated timeline. It is worth noting that there is no Board-level committee overseeing customer complaints and reviews. Instead, the Customer Complaints and Protection Unit reports directly to the CEO.

At Gulf Bank we continuously strive to address customer complaints within the turnaround time that is in line with CBK’s requirements. The following table illustrates further details on turnaround times for customer complaints during 2022.

Turnaround Time (TAT) for Addressing Customer Complaints for the Year 2022

Exceed TAT (average team rate)	Within TAT (average team rate)	Resolution rate (resolved and not transferred to CBK)
10.54%	89.46%	99.53%

# 2022 Complaint Statistics

## Total Complaints: 12,879

### 3.5 SME SUPPORT

As part of Gulf Bank’s commitment to sustainability, we recognize the importance of supporting small and medium-sized enterprises (SMEs) as key drivers of job creation, local economic growth, and innovation. The Bank’s support for SMEs encompasses various initiatives, including facilitating access to financing and markets, as well as providing advisory services. Furthermore, we provide SMEs with a range of corporate banking services specifically tailored to meet their needs.

Continuing the Bank’s commitment to SMEs, we have forged collaborations with different entities to offer supplementary services that align with the Bank’s overall SME strategy and support the Kuwaiti government’s objective of enhancing the role of the private sector in driving economic growth, fostering innovation, empowering the youth, and creating employment opportunities.

One major collaboration was that with the National Fund for Small and Medium Enterprise Development (NF). Gulf Bank’s collaboration with the NF dates back to its establishment, and in 2015 we took a pioneering role by launching the inaugural SME Financing Program in partnership with them. This program served as a pilot initiative, aimed at providing vital financial support and resources to SMEs, fostering their growth and contributing to the development of the SME sector in Kuwait.

Every year, Gulf Bank remains dedicated to supporting SMEs. Specifically, we seek to empower and support SMEs by providing the following services:

- 1- Wasel Logistics: Gulf Bank has partnered with a delivery company to offer discounted delivery

services, aiming to support the growth of small and medium-sized enterprises (SMEs) in line with sustainable development goals. Gulf Bank SME clients can enjoy a 20% discount on on-demand orders and a 5% discount on monthly rental contracts for transportation vehicles.

2- Balance Business Advisory: Gulf Bank has collaborated with Kuwaiti SME, Balance Business Advisory, to provide financial advisory services to entrepreneurs and SMEs. This partnership aligns with the Bank’s strategy to offer comprehensive financial and advisory support to the SME sector. Balance Business Advisory offers services such as business and corporate financial valuations, accounting services, and feasibility study services to help clients assess their business value, maintain accurate financial records, and evaluate the viability of expansion plans.

3- Peacock Concierge Services: Access to Peacock Concierge services, both locally and internationally.

### Efforts to Capitalize on Customer and SME Access to Finance Opportunities

- 1.Launching innovative technological systems that serve both SMEs and larger corporations (Digital Transformation) and offering a full-fledged specialized platform to corporate clients in order to maximize client value and support their growth ambitions
2. Streamlining the financing process and dedicating an informative portal on Gulf Bank’s website for SMEs to engage effectively with the Bank with minimal physical presence, including option to submit an online request form with basic information and initial financing requirements
3. Educating customers including SMEs about financing options and providing advisory services by offering industry reports which provide insight to industry trends, opportunities and threats.







# 04

## SOCIAL CONTRIBUTIONS

As we strive towards sustainability and social responsibility, we recognize the importance of holding community events, empowering youth, and responsible procurement practices. Social responsibility helps the Bank bring people together, promote social cohesion, and create a sense of belonging, and serve as enablers to the Kuwait Vision 2035 "New Kuwait" and the SDG goals. Gulf Bank's ongoing events and sponsorships promote humanitarian aid, culture, sports, and environmental conservation, to name a few.

Youth empowerment is critical, as youth represent the future of our society. The Bank's initiatives to support youth development have ranged from scholarships and internships to mentorship programs and skill-building workshops.

Responsible procurement practices ensure that Gulf Bank's supply chain is ethical, sustainable, and account by partnering with suppliers who share the same values, it aims to reduce negative environmental impacts, avoid labor rights violations, and promote local economic development.

By introducing impactful ESG initiatives, the Bank continues to showcase progress in fulfilling its CSR strategy pillars and in its focus areas of youth empowerment, community wellness and social engagement and interactions.



4.1 COMMUNITY ENGAGEMENT

Community engagement is an integral part of the Bank’s ongoing efforts to promote sustainable and responsible business practices. It enables the Bank to develop policies and programs that are well-aligned with the needs of its stakeholders.

In this section we will provide detailed information on the Bank’s community events, specifically the Gulf Bank 642 Marathon, Ramadan campaigns, environmental campaigns, Kuwait’s Championship for Purebred Arabian Horses, and the “Fantasy Football” World Cup competition.

Gulf Bank’s 642 Marathon

The Gulf Bank 642 Marathon is one of the biggest annual events held by the Bank. The Marathon’s eighth version was held in 2022 with an accreditation from “World Athletics” as “Road Race Label”. The Marathon is registered under the list of international marathons (AIMS).

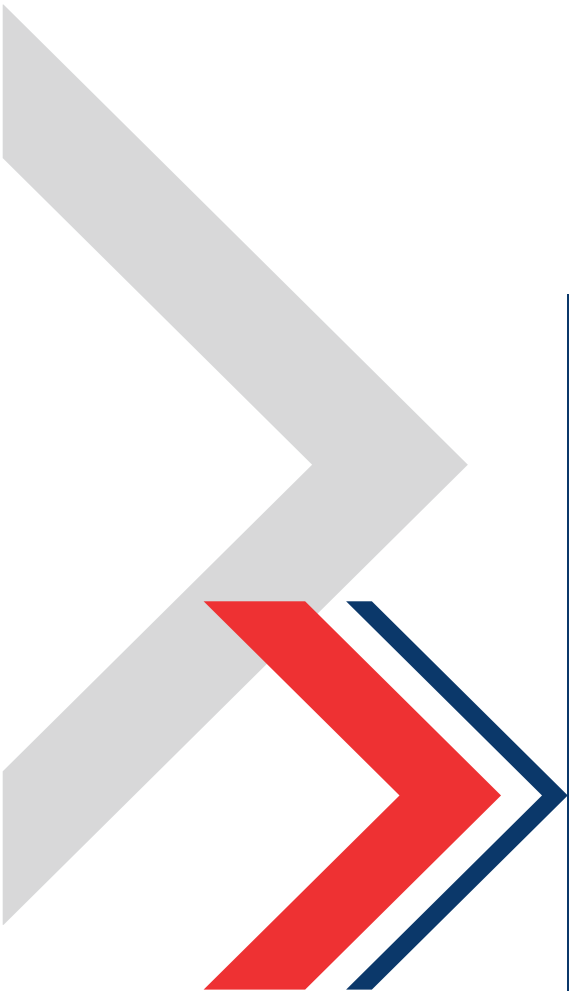
More than 11,000 individuals from 107 different countries took part in Gulf Bank’s 2022 marathon, demonstrating the Bank’s ability to unite diverse people with the aim of promoting healthier habits and lifestyles. As part of the event, this year’s winners in each race category were honored at AlShaheed Park, with attendees including Gulf Bank team members and the Suffix team.

The ceremony highlighted the eighth edition of the marathon’s notable achievements, being:

- The awarding of three male and female Kuwaiti winners in the 42km and 21km categories
- The establishment of a recovery and medical center at the end of the racetrack
- The Bank’s sustained engagement and strategic partnership with Suffix team

Gulf Bank 642 Marathon Statistics

	2022	2021	Difference
Participants	11,000	7,000	4,000
Nationalities	107	93	14
Volunteers	100	350	-250



At the marathon, Gulf Bank’s booth attracted a number of local and international participants who were eager to experience the Bank’s activities, events, competitions, and prizes.

Diraya Campaign Activities at the Marathon

Gulf Bank promoted the Diraya Campaign during the marathon, as part of its keenness to raise financial literacy among society and in keeping with its efforts to support the awareness campaign initiated by the Central Bank of Kuwait and the Kuwait Banking Association. Gulf Bank introduced engaging activities and a competition highlighting the main awareness topics of the Diraya campaign with cash prizes for the winners.

Medals Designed by Local Kuwaiti Artist

As part of Gulf Bank’s efforts to highlight local talent, the Bank was keen to entrust the medal

Ramadan Campaigns

During Ramadan, Gulf Bank launched a variety of humanitarian initiatives designed to support the local community. These included the following:

- Distribution of electrical appliances to local families in need in partnership with the Kuwait Red Crescent Society (KRCS)
- Distribution of Iftar meals with the Kuwait Food Bank for the fifth year in a row
- Support of the Zakat Fund set up by the United Nations High Commissioner for Refugees (UNHCR)
- Participation in the “Charity Begins at Home” campaign organized by Altakaful, which aims to alleviate the distress of debtors who are burdened with debts and have been unable to pay them due to various economic conditions
- Organization of a weekly “Nuqsat Al-Khamees” initiative in collaboration with multiple Kuwaiti restaurants and bakeries
- Distribution of water bottles and cold refreshments to worshipers at the multiple local mosques, following Tarawih and Qiyam prayers during the last 10 days of Ramadan

Ramadan Campaigns Statistics

Partners	Investment	Contribution	Impact	Duration
KRCS TAKAFUL Kuwait Food Bank	KD invested 31,000	30 volunteers from Gulf Bank	Hundreds of families benefited from the campaigns and were impacted by them	Campaigns were held all Rama- dan month long



Gulf Bank Launched Ramadan Activities Week at 360 Mall

To promote healthier lifestyles during the holy month of Ramadan, Gulf Bank launched a week of sports and health-related activities open for community members to attend at the 360 Mall. The initiative encompassed multiple sports and health events, competitions, and prizes, where the activities were open to all family members (16 years and above) both before and after Iftar. Participants were provided with professional training via the Bank’s collaboration with “9Round” health and fitness club in organizing the event.

The activities took place from April 13 to 19, and were distributed across five stations, with each station containing a different sport challenge and difficulty.



Environmental Campaigns

Believing that protecting the environment is crucial for its existence and sustainability, Gulf Bank continues to participate in the annual Environment Month initiative organized by The Scientific Center. This year, the theme was “Investing in Our Planet” and included the celebration of World Recycling Day, World Water Day, World Aquatic Animal Day, and World Health Day. Event activities welcomed a variety of age groups, with tailored workshops and seminars for each.

Furthermore, the Bank continued with its e-waste recycling efforts in cooperation with a third-party recycling company. This year, we managed to safely dispose of a total of 22.3 tons of electronic waste. Such an initiative affirms the Bank’s responsibility and commitment towards the environment as e-waste recycling avoids the spread of harmful substances in our land and water.

Campaigns Gulf Bank Participated in as Part of the Environment Month

- Plastic Bottle Collection Campaign as part of the International Recycling Day held on March 18<sup>th</sup>
- Underwater Cleaning Campaign near Kubbar Island



Kuwait’s Championship for Purebred Arabian Horses

On January 12 to 15, 2022, Gulf Bank sponsored the Kuwait Arabian Horse Championship at Bait Al Arab headquarters in Sabhan, under the patronage of the Minister of Information and Culture, Dr. Hamad Rouh El Din. The competition involved the participation of about 45 horses and was attended by both local and international audiences.

Gulf Bank honored the first and second place winners in one of the categories. In total, the competition awarded 21 winners with various prizes across its categories. The Bank’s sponsorship of the championship comes within the framework of its keenness to support all national events aimed at preserving the heritage, especially among equestrian and horse enthusiasts locally, regionally and internationally.

“Fantasy Football” World Cup Competition

As part of its ongoing efforts to engage with customers and support their interests, Gulf Bank held the fantasy football competition (a simulation game) to mark the occasion of the World Cup launch in Qatar. Fantasy football is one of the most popular simulation games among football lovers around the world.

The Bank’s social media followers and customers were invited to form their fantasy football teams and register prior to the kick-off of the World Cup matches. The total prizes for the competition accounted for KD 5,000, which were distributed over the course of the tournament — from the first round to the final World Cup match.

Social Media Interactions

In 2022, Gulf Bank managed to increase the number of its followers on various social media channels compared to the previous year, with a noticeable increase in interactions in terms of comments, responses and shares.

Such an achievement highlights the Bank’s commitment to community engagement and its active interaction and responsive communication with its customers and the local community.

Gulf Bank is keen to launch initiatives designed to build deeper relationships with the public — both through ongoing events organized by the Bank as part of its social sustainability program and through informative content distributed across the Bank’s social and digital media channels.

The Bank’s social media interactions and campaigns provide news and activities tailored to the interests of the Bank’s followers – this includes weekly competitions, sports news, social and religious events (such as the Bank’s annual Ramadan competitions), and awareness campaigns, such as the ongoing Diraya campaign.

The social media competitions’ rewards range from cash prizes to offers and discounts from the Bank’s SME partners.



The following table provides more details on Gulf Bank's social media channels' performance in terms of interactions and number of followers.

Gulf Bank's Social Media Statistics

		2021	2022
Twitter	Number of followers:	106,300	120,302
	Number of posts:	1,400	1,317
	Number of posts likes and shares:	13,800	10,857
Instagram	Number of followers:	195,000	245,55
	Number of posts:	1,200	1,177
	Number of posts likes and shares:	452,000	418,817
Facebook	Number of followers:	115,200	116,742
	Number of posts:	2,400	3,036
	Number of posts likes and shares:	41,400	12,817
YouTube	Number of followers:	59,541	64,008
	Number of posts:	84	92
	Number of posts likes and shares:	27,300,000	16,000,000
LinkedIn	Number of followers:	46,500	63,246
	Number of posts:	130	145
	Number of posts likes and shares:	2,700	6,143

## 4.2 YOUTH EMPOWERMENT

As confirmation of its long-standing commitment to empower youth Gulf Bank continues to hold various youth empowerment initiatives. With a focus on workforce readiness, entrepreneurship, and financial literacy, we aim to enable young people to reach their full potential and contribute to the nation's growth.

In this regard, and in its efforts to catalyze positive change, the Bank continued its partnership with INJAZ Kuwait, and held the Off-roading Challenge and a Sustainable Fashion Conference.

### Gulf Bank's Partnerships in Support of Kuwaiti Youth Empowerment

- The National Union of Kuwait Students USA in sponsoring its 38th annual conference
- INJAZ Kuwait, a non-profit, non-governmental organization which aims to support youth empowerment and their education

## INJAZ

For 17 years now, INJAZ has been a strategic partner for Gulf Bank. By continuing to renew this partnership every year the Bank anchors its commitment towards empowering local youth and equipping them with the professional skill sets necessary for their success.

We are proud to be the main supporter of the INJAZ Kuwait's activities, regularly providing INJAZ with volunteers and offering training programs for students. Most notably, we supported INJAZ Kuwait's annual "Company Program" competition, which aims to train local youth on how to launch and establish a small business.

This year, INJAZ initiatives managed to train over 8,830 local high school and university students across both genders. Students took part in various training programs, including Innovation Camp, Personal Finance, Career Success, Head Start, and the Job Shadow Day.



## The "Company Program" Competition

The "Company Program" Competition, sponsored by Gulf Bank, is an annual competition held in partnership with INJAZ, focusing on supporting young entrepreneurs and change makers. This year's competition attendees encompassed representatives from both Gulf Bank and the INJAZ Foundation, where the attendees ranged from students, parents, and volunteers to schoolteachers and other sponsoring companies affiliated with INJAZ.

During the competition the Bank's team provided mentorship programs and mock interviews to the Kuwait University (KU) and Box Hill College students who attended the competition.

This year's winner for "Best Student Company for the year 2022" was Eco International in the high school students' category and to Zabeel in the university students' category. The award for the best innovative product in the schools' category was won by the Khutwa team and in the universities' category by Haqibat. The winners of the best social impact product in the high schools' category were the Active team, and the G Pharmacy team won in the universities' category. The winner of the best display booth in the high schools' category was Envo Char and the winner in the universities' category was Tafarudi.

This year’s panel of judges included Gulf Bank’s Head of Investment Management, Dalya Al-Qassem, with multiple Bank volunteers also playing a major role in guiding and assisting competing youth at all stages of their projects.

## Case Study: Ajyal Program

### Overview:

Gulf Bank prioritizes the development of Kuwaiti professionals. One of their notable human capital initiatives is the graduate development program called “Ajyal,” which is renowned for its comprehensive training that shapes the future of banking in Kuwait.

### Objective:

Ajyal is a rigorous six-month training program designed to enable candidates to acquire essential banking skills and cultivate well-rounded bankers who demonstrate personal and professional growth potential.

### Outcomes:

Ajyal offers a valuable opportunity for participants to develop leadership abilities, emotional intelligence, financial knowledge, and the qualities of a holistic banker. The program includes a variety of training courses, such as Risk and Banking, Presentation Skills, Microsoft Office, Business Ethics, and more. Gulf Bank is preparing to host the 9th Cohort of Ajyal in 2023.

## Off-Road Challenge

The “Off-Road Challenge” event was held in cooperation with Suffix and Kuwait Motor Sport Club. Overall, 25 participants joined the challenge, where 20 Gulf Bank employees volunteered at a total cost of KD 30,000.

At the event, participants drove their cars on both natural terrain and industrial courses, with the degree of difficulty ranging from easy to medium. The competition circuit was prepared with various rough and obstacles roads, using sand, rocks, water basins, and other challenges that the competitors had to pass through, all while maintaining the strictest security and safety measures. Contestants were evaluated by a panel of judges, and their performance was judged based on their timing and performance in their respective car categories.

## Sustainable Fashion Conference

Gulf Bank took on the initiative of holding the first sustainable fashion conference in Kuwait. The conference was part of OUD Fashion Talks held in partnership with 3oud.com, which took place from May 31 to June 1, 2022, at the Sheikh Jaber Al Ahmad Cultural Center.

The conference has shed light on the work of a group of international and Kuwaiti designers. It further included a variety of panel discussions between international and local designers on fashion and sustainability in the textile industry. The talented local designers also met with the Bank’s Corporate Management team, who had the chance to present the Bank’s advisory and financing services to them.

Overall, a total of KD 30,000 was invested in the OUD Fashion Talks, in which 11 designers had the chance to present their designs and a total of 11 Gulf Bank employees volunteered at the event.

## 4.3 RESPONSIBLE PROCUREMENT

Responsible procurement means promoting sustainable development and addressing issues related to supplier rights violations, unfair labor practices that may be associated with the production and supply of goods and services, local vs. foreign vendors / suppliers, screening criteria and informed procurement practices. In summary, responsible procurement is a comprehensive approach to incorporating sustainability criteria and ethical standards into the procurement process, from supplier selection and evaluation to contract negotiation and ongoing supplier management.

The following are some of the key aspects of responsible procurement exhibited by Gulf Bank:

### • Governance

- The Bank’s supply chain Third Party Risk Management Policy (TPRM) establishes clear governance and oversight in line with CBK for third-party management and sets out guidance and standards in line with regulatory requirements and industry-leading practices for risk assessments on outsourcing arrangements and on third parties (i.e., vendors, contractors, suppliers, etc.).
- The Internal Controls Governance Committee (ICGC) meets on a quarterly basis to discuss Gulf Bank’s third-party risk exposures (KRIs)
- The Technology Risk and Information Security Committee (TrisCom) provides guidance to comply with applicable cyber security regulations.

### • Risk Management

- The TPRM outlines the risk measures needed to identify, assess, manage, monitor, and mitigate any third-party related risks.
- The supply chain TPRM is structured along the three lines of defense to create a robust risk control and management framework.
- Gulf Bank’s TPRM team further performs activity materiality assessment and activity risk assessment, to identify inherent risk of the service to be outsourced.

• **Due Diligence**

- To safeguard the Bank’s information and ensure that third parties’ capabilities support the Bank’s business processes and activities, the following are evaluated as part of the due diligence assessment by Gulf Bank’s TPRM team:
  - Third-party’s internal control environment for effective cyber security & information security
  - Cloud security assessment to ensure the following:
    - Regulatory requirements (CBK-CSF Clause#6.2)
    - Cyber security effectiveness
- Business Impact Analysis to check the service continuity including the Business Continuity Plan (BCP) and Disaster Recovery (DR) arrangements of service outsourced and/or third party
- Ensuring background checks and screening on its employees by third parties - business reputation and culture, compliance, complaints, and outstanding and potential litigation
- Past experience and competence to implement and support the proposed activity over the contract period.
- Ensuring appropriate data security & protection while the data travel to the fourth parties & while GBK’s assets are being access by the fourth party
- Ensuring appropriate & effective PCI controls for all Third parties accessing/processing/storing any kind of PCI data
- External factors like political, economic, social, and legal environment of the jurisdiction in which the third party operates and the other events that may impact the service performance
- Financial soundness and ability to service commitments, including the evaluation of anti-bribery and corruption

• **Ethical sourcing**

Ethical sourcing involves completing the Key Performance Indicator and the Contract Performance Evaluation for each of the Bank’s vendors / suppliers.  
The evaluation is conducted on a quarterly basis of the agreement’s duration and to evaluate the level of ethical behavior that the vendor is exhibiting.

• **Performance evaluation**

A performance evaluation form is completed for all contracts, agreements, or any type of contractual is completed by the contracts’ owners - where factual and unsubstantiated opinions are considered while completing the form.  
Each vendor or contractor’s performance is rated based on the following factors:

- Work performance in compliance with the contract terms
- Responsiveness and employee’s availability
- Procured material, supplies and equipment
- Timeliness of work and Milestone achievement
- Customer service
- Professionalism
- Quality of work
- Documentations
- Technical ability
- Service delivery
- Project understanding
- Pricing

Risks Identified as part of Gulf Bank’s Third-Party Risk Management Policy  
The TPRM policy has Identified major key risks that may arise from third parties as follows:

• **Operational Risk**

- Technology failure.
- Fraud or error.
- Inexperienced or unqualified personnel available or key staff leaving the organization.
- Risk that Gulf Bank finds it difficult/costly to undertake inspections.
- Inadequate expertise to oversee the service provider.
- Failure to implement appropriate oversight of the outsource provider.
- Outsourcing arrangement hinders ability of Gulf Bank to provide timely data and other information to Gulf Bank.

• **Business Continuity Risk**

- Business service disruption.
- Site failure.
- Unavailability of alternate site

• **Data Privacy Risk**

- Misuse of data and/or data breaches.
- Compliance and regulation risk.
- Employee/customer data theft.

• **Cyber Security Risk**

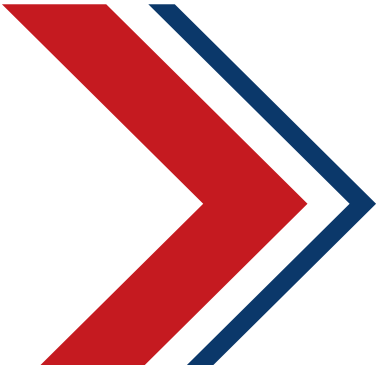
- Malware, phishing. DoS (denial of service) etc. attacks.
- Insider theft.
- Hacking, loss of data.

• **Cloud Security Risk**

- Theft or loss of intellectual property.
- Compliance violations.
- Shared vulnerabilities.
- Attacks to deny service to legitimate users.
- Diminished customer trust, revenue loss

• **IT General Controls Risk**

- Failed to prevent detect unauthorized access.
- Loss of confidentiality, integrity, and availability.





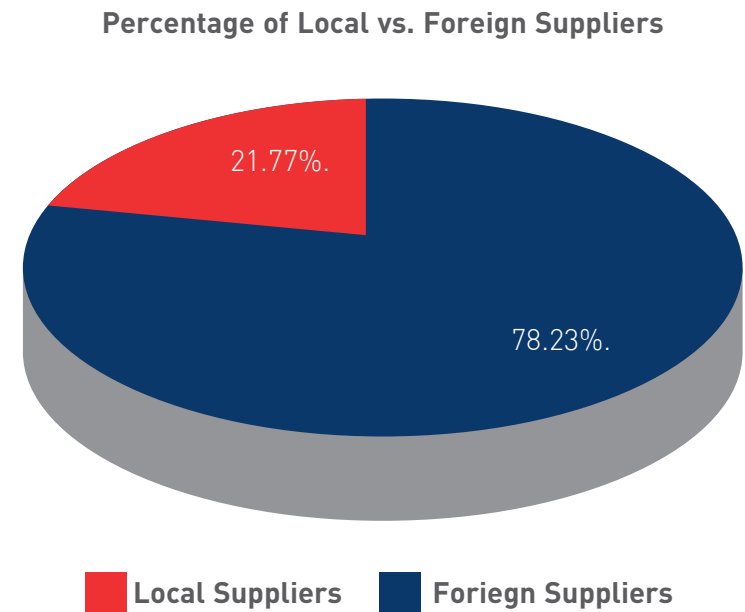
• Financial Risk

- Damage to organizational reputation.
- Disruptive technologies.
- Third party liability.

:  
Gulf Bank ensures that its suppliers and vendors are aware of the Bank’s available policies that govern its supply chain. Examples of these include:

- TPRM Policy
- Contracts management procedure
- Procurement manual
- Health and Safety Policy (under the Security Manual)

In case any supplier / vendor does not comply with said policies or in case of any violation or incident (including those that are related to social or environmental supply chain incidents), a penalty is issued as per the business terms and conditions mentioned in the signed contract.



By purchasing goods and services from local suppliers, we seek to build strong relationships with local businesses and communities and contribute to the development and growth of these areas.

In this regard, in 2022 Gulf Bank’s local procurement accounted for 78.23%. In comparison with 2021, the Bank increased its foreign and local suppliers by 55 and 14, respectively. The following table provides further details and comparisons with 2021.

Gulf Bank Supplier Expenditure Statistics

	2022	2021	Difference	2022 Allocation
KD amount spent with local suppliers	21,601,075.25	41,990,845.90	-20,389,770.65	77.56%
KD amount spent with foreign suppliers	6,250,806.26	5,835,501.21	415,305.05	22.44%
Total expenditure on supplies (foreign and local)	27,851,881.51	47,826,347.11	-19,974,465.60	100.00%

Gulf Bank Supplier Numbers Statistics

	2022	2021	Difference	2022 Allocation
Number of local suppliers	406	392	14	78.23%
Number of foreign suppliers	113	58	55	21.77%
Total suppliers	519	450	69	100.00%





# 05

## WORKPLACE MANAGEMENT

In the pursuit of a sustainable and inclusive workplace, Gulf Bank recognizes the importance of effective workplace management. This chapter delves into several critical aspects that contribute to the Bank's commitment to creating a supportive and thriving work environment. By focusing on talent management, employee well-being efforts, and empowering women, Gulf Bank aims to foster a workplace culture that values diversity, promotes growth, and prioritizes the holistic well-being of the Bank's employees. Through addressing these areas, Gulf Bank strives to build a strong foundation for its workforce, enhance employee engagement, and ensure that every individual at the Bank feels empowered, valued, and motivated to reach their full potential.

Workplace management plays a vital role in the broader context of Environmental, Social, and Governance (ESG) practices. Firstly, environmental considerations in workplace management involve implementing sustainable practices that reduce the overall carbon footprint of the Bank. This may include energy-efficient buildings, waste reduction and recycling initiatives and digital transformation and automation. By prioritizing environmentally responsible practices, companies can demonstrate their commitment to mitigating climate change and minimizing landfill waste.

Secondly, workplace management in the domain of social responsibility entails fostering a diverse, inclusive, and safe work environment. This involves creating equal opportunities for all employees, regardless of their gender, or any other demographic characteristics and ensuring that employees are treated fairly.

Lastly, governance in workplace management encompasses transparent and ethical decision-making processes. It involves having strong corporate governance structures, clear lines of management, and effective policies in place.

More details on Gulf Bank’s workplace management approach are outlined in this chapter, including employee data, performance management, employee engagement, among others.

5.1 EMPLOYEE DATA

We continuously seek to cultivate a diverse and inclusive workforce that does not favor nor discriminate individuals based on their demographic background. By ensuring that its workforce is representative of the diverse communities it serves, Gulf Bank seeks to better understand and meet the needs of its customers and contribute to the social and economic development of Kuwait.



To fulfill the Bank’s commitment to diversity and inclusion, we have set the following policies:

1.Non-Discrimination and Harassment Policy

The Bank’s Non-Discrimination and Harassment Policy is aimed at creating a work environment that is free from harassment, discrimination, and bullying and provides guidance for conducting internal investigations of alleged unlawful and/or unethical behavior. The policy applies to all employees, including managers and supervisors; full-time, part-time, temporary and permanent employees; job candidates; student placements; apprentices; contractors and sub-contractors; and volunteers.

The Non-Discrimination and Harassment Policy prohibits discrimination or harassment in any form based on age, religion, gender, family status, disability, race, color, association, or relationship with someone belonging to any of these categories, or if there is a perception that any of these factors apply.

The policy also prohibits retaliation or retribution against any employee who has lodged a complaint. Gulf Bank is committed to providing equal employment opportunities and in maintaining a workplace

that is free of any discriminatory treatment, harassment, or intimidation.

Employees are encouraged to report any concerns of discrimination or harassment promptly to their manager or HR department, where prompt action will be taken if the incident is substantiated.

Discriminatory Harassment

According to the Non-Discrimination and Harassment Policy, harassment or intimidation due to race, age, color, gender, physical or mental disability, or religion, whether verbal or non-verbal or via any communication channel is specifically prohibited and may be grounds for termination. Harassment and intimidation include abusive, foul, or threatening language or behavior. Gulf Bank is committed to maintaining a workplace that is free of such harassment and does not tolerate discrimination against employees. Issues of discriminatory treatment, harassment, or intimidation on any of these bases should immediately be reported to an immediate supervisor or the HR team. If the incident is substantiated, prompt action will be taken.



Complaint Process

The complaint process at Gulf Bank is designed to address instances of prohibited conduct. If individuals believe they have experienced or witnessed such conduct, they are encouraged to discuss their concerns with their immediate supervisor and/or the HR team. Department/Unit heads and managers who are aware of discrimination or harassment and fail to report it to HR will be considered in violation of the policy and may face disciplinary action. For those who feel they have been subjected to prohibited conduct, they have the option to directly contact the General Manager of Human Resources via email, with the assurance of utmost confidentiality.



2. Code of Ethics and Conduct

The Code of Ethics and Conduct is shared with every director, executive and employee of Gulf Bank, and the guidelines mentioned within it are considered to be strictly adhered to and followed by each of whom has a duty to conduct him/herself based on the principles of good faith and integrity.

The Code of Ethics and Conduct provides details on:

- Customer relations
- Integrity in relationships
- Personal conduct
- Confidentiality of banking information



- Whistleblowing
- Declaration of secrecy
- Outside business
- Working for third parties
- Avoidance of inducements
- Entertainment and gifts
- Overdraft and loans
- Al Danah draws
- Dealing with the media
- Insider trading
- Money laundering
- Loan sharking
- Financing terrorism
- Borrowing, lending and guaranteeing
- Salary and personal details
- Corporate governance
- Employee accounts monitoring
- Customer confidentiality
- Conflicts of interest
- Power of Attorney for employees
- Social media guidelines (internal and external social media) for Gulf Bank

For further information on our code of ethics and good conduct [Click Here](#)

• Gender Data

As a signatory to the Women Empowerment Principles (WEPs), Gulf Bank continues to promote gender diversity and inclusivity to build a stronger and more sustainable organization. According to the Bank’s 2022’s gender statistics, the percentage of men to women has remained the same in comparison with 2021.

Employee Data Per Gender

	Year	2022	2021	Difference
Gender type	Men	56%	56%	0
	Women	44%	44%	0

The Bank’s salary scale does not differentiate between genders  
All employees are offered packages that are in line with their qualifications, overall experience, and job level.

• Nationality Data

In 2022, Gulf Bank managed to increase the Kuwaitization rate out of total employment by 1.30%, and by 4.37% in managerial positions in comparison respectively to 2021 data. This indicates Gulf Bank’s efforts in attracting and hiring local Kuwaiti talents.

Employee Data Per Nationality

	Year	2022	2021	Difference
Nationality	Kuwaiti	77.80%	7.50%	1.30%
	non-Kuwaiti	22.20%	23.50%	-1.29%

\* Note: Minimum required % of Kuwaitization Gulf Bank should maintain as per regulatory requirements is 70%

Year	2022	2021	Difference
Kuwaitization rate in managerial positions	60.37%	56.0%	4.37 %

• Age Data

We recognize that different age groups carry different perspectives, experiences, and skill sets, which contribute to the Bank’s overall success. Therefore, we aim to create an age-diverse and inclusive workforce that reflects the communities we serve.

In terms of age diversity, the Bank’s employment statistics indicate a slight increase in the under 30 years category (1.84%) and a slight decrease in 30-50 years category (-1.85%). This is shown in further details as follows.

Employee Data Per Age Group

	Year	2022	2021	Difference
Age Group	Under 30	32.04%	30.20%	1.84%
	30-50	64.15%	66.00%	-1.85%
	Over 50	3.79%	3.80%	-0.01%

• Special Needs Data

Gulf Bank aims to increase the number of special needs hires on a yearly basis by participating in campaigns and career fairs. In 2022, we managed to increase the number of special needs employees to 13, a significant increase from 2021 which was four employees.

Case Study:  
Gulf Bank as the Largest Employer  
at the Career Fair for People with  
Special Needs

Overview:

As part of its comprehensive strategy to support young Kuwaiti talent and develop their skills and capabilities, and in support of the “Partners in their Employment” campaign, Gulf Bank participated in the Career Fair for People with Special Needs. The campaign was organized by the Public Authority for Disabled Affairs, in partnership with the Human Construction Institute and the Youth Public Authority.

Objective:

The career fair was held with the aim of gathering recent graduates (who graduated in 2020/2021) with various entities — led by the banking sector — coming together to support their employment.

Outcomes:

Empowering women, youth and people with special needs is a major focus of Gulf Bank’s approach to implementing its sustainability program, pointing out that the Bank pays special attention to minority groups, and implements deliberate plans for their financial inclusion and employment.



5.2 TALENT MANAGEMENT

We realize the importance of attracting, developing, and retaining skilled individuals to the sustainability of the Bank’s operations. Through managing talent, we ensure alignment between the Bank’s workforce strategies and sustainability goals. Gulf Bank manages talent through recruitment, training, performance evaluations, career development, and succession planning, among others.

This section delves into the Bank’s talent management procedures in more detail, highlighting major activities, developments and achievements in this area.

Talent Attraction

Attracting talent from different backgrounds and abilities entails that we offer different employment opportunities according to their needs. Thus, we offer full-time, part-time and internship employment opportunities. In comparison with 2021, the total number of full-time employees at Gulf Bank has increased by 1.83%. On the other hand, both part-time and internship positions have decreased.

Gulf Bank Employment Types as Percentages

Year	Allocation 2022	Allocation 2021	Difference
Full time	98.19%	96.36%	1.83%
Part time	0.68%	1.01%	- 0.33%
Internship	1.13%	2.63%	-1.50%
Total	100.00%	100.00%	0.00%

Fresh Graduates at Gulf Bank

Gulf Bank monitors the total number of fresh graduates employed as part of its approach towards attracting talent. In 2022, Gulf Bank employed 119 fresh graduates, which is -54 less compared to 2021 .

Number of Fresh Graduates Employed by Gulf Bank			
Year	2022	2021	Difference
Number of fresh graduates	119	173	-54

Developing a career path for youth talent is a crucial step towards building a better future for the community. It involves providing them with the tools, resources, and opportunities needed to fulfill their professional potential and become active members in society. With this in mind, we ensure to provide training and development opportunities to the Bank’s interns and graduates.

In 2022, several career-coaching webinars took place as part of Gulf Bank’s participation in the virtual career fairs that were held in the American University of the Middle East (AUM), Australian College of Kuwait (ACK), Kuwait International Law School (KiLAW), Gulf University for Science and Technology (GUST) and Manpower and Government Restructuring Program (MGRP) – where the total of number of attendees in 2022 reached 400 attendees. Several interviews were conducted during the career fairs.

### Gulf Bank's Diamond Sponsorship for GUST Career Fair

As part of the Bank's ongoing youth empowerment initiatives, we were diamond sponsors of the Gulf University of Science and Technology (GUST) annual Career Fair, which took place on March 13-14, 2022.

During the career fair, Gulf Bank representatives shed light on the nature of the workplace at the Bank, providing detailed overviews of career prospects and job opportunities available for recent graduates. Representatives also conducted on-the-spot interviews with interested applicants.

The Bank's pavilion attracted a large number of male and female students who were eager to learn about its various departments and work environment. At the end of the event, students and GUST employees planted 500 trees, in addition to receiving greenery giveaways with plantable seeded tags from the Bank.

The career fair included an awareness seminar on "cyber security" and data science to help and enable students to obtain jobs in the field of technology and data science.

### Sponsorship of Kuwait University's Human Investment and Career Opportunities Forum

In July 2022, Gulf Bank sponsored the Human Investment and Career Opportunities Forum at Kuwait University. As part of the Bank's participation in the forum, Gulf Bank representatives shed light on the nature of the workplace at the Bank and provided a detailed explanation of the work mechanisms and job opportunities available for recent graduates. In addition, Gulf Bank representatives conducted personal interviews for the applicants.

In line with the New Kuwait 2035 Vision "to better prepare youth to become competitive and productive members of the workforce", Gulf Bank continues to offer internship programs in collaboration with various universities and institutions. One major collaboration is the Bank's partnership with the National Union of Kuwait Students (NUKS). In 2022, the Bank maintained its strategic partnership with NUKS and sponsored its 38th annual conference. The conference took place from November 24-27 in Los Angeles, USA, and was held under the auspices of His Highness the Prime Minister Sheikh Ahmad Al-Nawaf Al-Ahmad Al-Sabah.

Gulf Bank's strategic partnership with NUKS is especially significant in light of the conference slogan, "Young people transcend the nation." As the conference's strategic banking partner and as one of the most prominent employers in the Kuwaiti private sector, Gulf Bank conducted interviews with students, and introduced them to the various fields of work available at the Bank, and engaged attendees with raffles, events and valuable gifts.

It is important to note that NUKS is the largest organization of Kuwaiti international students, taking care of more than 12,000 Kuwaiti students studying abroad in the United States. NUKS is responsible for sponsoring new students and organizing conferences, seminars, and events. NUKS' activities are designed to connect students to their homeland and provide an opportunity for private sector institutions, led by Gulf Bank, to recruit distinguished national hires.

## Learning and Development

Through talent management processes we identify the needed skills and ensure that employees receive the necessary training and development opportunities that meet evolving ESG demands and are in line with market demand and tailored to their respective professional roles within the Bank. In 2022, 72.04% of employees received training, which is a 16.93% increase compared to last year's performance. A comprehensive list of all conducted employee training courses is provided in Appendix F, while the following presents more details on Gulf Bank's performance concerning the development of talent.

### Learning and Development Statistics

	2022	2021	Difference
Total employees receiving training	1,252.00	890.00	362.00
Total training hours	4,195.00	4,006.00	189.00
Average training hours per employee	4.00	4.50	-0.50
Percentage of employees receiving training out of total employees	72.04%	55.11%	16.93%

### The Role of the Treasury Department in Providing Training and Raising Awareness

Gulf Bank ensures that employees are well-trained and informed on various aspects of the Bank's sustainability. This includes training on combating money laundering, addressing cyber threats, understanding whistleblowing policies, and more. The Treasury Department takes a prominent role in training employees and raising their awareness on procedures related to treasury. Additionally, the Department provides training opportunities for senior university students who seek internships or are working on projects related to banks and the banking system. Each year, Treasury welcomes numerous trainees, offering them insights into the nature of treasury operations and its pivotal role in maintaining the Bank's liquidity and resilience while supporting other business functions.

## Retention and Turnover

Retention refers to the ability of an organization to keep its employees engaged, satisfied, and committed for an extended period. Retention and talent management are two critical aspects of human resource management that focus on attracting, developing, and retaining skilled and high-performing employees within an organization.

We realize the interconnection between effective employee talent management and employee



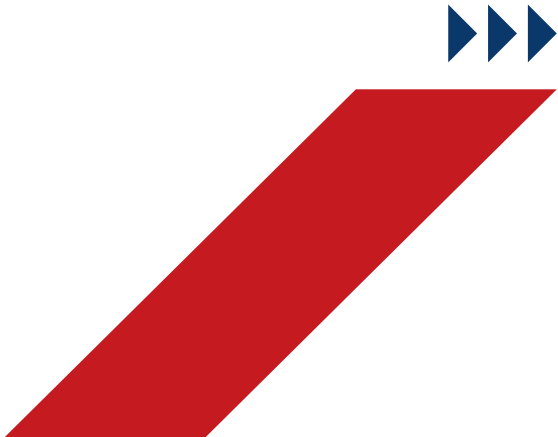
retention rates. We carefully select suitable training programs according to each employee’s career path, and ensure we keep an open dialogue with employees to identify complaints and feedback.

Effective Talent Management and Retention Strategy Components

- Recruitment and Selection: Attracting top talent through targeted recruitment efforts and implementing a rigorous selection process to ensure the right fit for the Bank.
- Onboarding and Orientation: Providing a comprehensive onboarding process to help new employees acclimatize to the Bank’s culture, values, and expectations, facilitating a smooth transition into their roles. It should be noted that Gulf Bank provides both induction and corporate orientation to all new joiners at all levels, as part of its learning and development strategy. The former is delivered to entry level employees for a month with sufficient rotations and exposure to the Bank before being introduced into the Bank’s branches and customer call center. The latter is an introductory session (one-day) provided to new joiners at all levels entering the Bank’s departments (non-branch/call center).
- Performance Management: Establishing clear career paths and providing regular feedback and recognizing and rewarding high performers to motivate and retain employees.
- Exit Interviews and Feedback: Conducting exit interviews to understand reasons for employee voluntary turnover and obtaining their feedback to identify areas for improvement in talent management practices.

Further efforts to retain employees include the Bank’s “Stay Interview” surveys conducted for newly hired employees. The main objective of this initiative is to ensure that employees are satisfied with their job, the Bank’s culture, their team and various other aspects. Through this initiative we can proactively identify issues related to employee turnover and associated areas of improvement.

In 2022, Gulf Bank increased its new hires by 30 compared to 2021, and reduced employee turnover rate by 2.44% This is depicted in the following.



Turnover and New Hires Numbers and Comparisons

Year	2022	2021	Difference
Employee new hires	362.00	332.00	30.00
Employee turnover	257.00	276.00	-19.00
Net employee change	105.00	56.00	49.00
Turnover percentage	15.06%	17.50%	-2.44%

Performance Appraisals

The Bank’s key area of talent management is providing employees with performance appraisals. This is done on an annual basis to all Gulf Bank’s employees. The following represent the key components of Gulf Bank’s key performance appraisal process:

- 1- A track of appraisal disagreements is maintained annually.
- 2- A mid-year check up for a progress update is conducted with the manager and employee separately.
- 3- Glint employee engagement surveys are conducted periodically.
- 4-Peer reviews are done to assess competencies. The Human Resources officer reviews the employee’s ratings from previous years and compares them annually.
- 5-An assessment is conducted to pinpoint areas of development.
- 6-Risk heat maps are used to identify the percentage likelihood of any employee resigning, as well as stating how unique they are. This is done for management and executive levels.

5.3 EMPLOYEE WELL-BEING

In its efforts to enhance employee well-being, Gulf Bank regularly offers competitive compensation pack including salaries, bonuses, and benefits that align with market benchmarks and reflect each employee’s performance.

Regarding occupational health and safety, we are in the process of establishing a health and safety management related to the banking industry. Within the Bank’s Facilities Management Department, we ensure that all technical rations which may have dealings with heavy or dangerous machinery adhere to the manufacturers’ recommendations. In addition, the necessary first aid toolkits are available, and first aid training is provided as needed. Accordingly, we recorded zero incidents with respect to injuries and ill health occurring in the workplace.

One notable step towards employee well-being made in 2022 was the establishment of a specific unit in HR dedicated to looking after employees’ well-being and boosting their engagement; the unit is called Employing and Experience. More details on Gulf Bank’s employee well-being efforts are outlined further in this section.

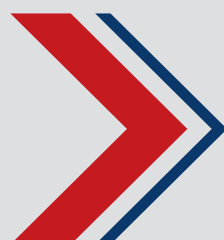
## • Employee Satisfaction

Employee satisfaction is monitored through the Glint surveys and engagement sessions conducted by Employee Branding and Experience Unit. The results of the Glint survey indicate a 1% increase in employee satisfaction in 2022 when compared to 2021.

### Gulf Bank's Glint Survey Results:

2021: **83%**

2022: **84%**



## • Employee Recognition and Rewards

Each employee's contribution to Gulf Bank's success and progress is recognized and honored. We highly value the efforts made by the Bank's dedicated employees who work round the clock to maintain excellent operational performance. Hence, at the end of each year, an Employee Recognition Award Ceremony is held for all non-branch departments. From each department, 25% of employees are recognized.

In addition, the Bank's Internal Communications Department assists departments that require certificates and recognition on a quarterly basis, namely: Facilities, IT, Data, and Consumer Banking Departments. As an example, we recognized approximately 80 IT employees for their efforts made on the Omni-channel project.

## • Employee Benefits

We understand that the Bank's employees have different needs and priorities, thus we offer a range of benefits, including healthcare, retirement plans, paid time off, and more. By contributing to the well-being of the Bank's employees, we are able to create a positive work environment and a strong corporate culture that promotes personal and professional growth. A detailed list of the Bank's employee benefits is provided next.



## Employee Benefits at Gulf Bank

Activity	Sub Activity
Salaries	Merit
	Promotion
	Salary adjustments
	Qualifications enhancements
Incentives	Performance bonus
	Consumer incentive
	Wholesale incentive
	Executive incentive
Allowances	Job-related allowances
	Grade-related allowances
	Overtime
Advance payments	Personal
	Education
	Club membership
Repatriation	N/A
Insurance	Medical insurance
	Workmen & life insurance
Leaves	Annual leave
	Sick leave
	Marriage leave
	Maternity / Paternity leave
End of service	N/A
Ex gratia	N/A
Retirement	N/A

Regarding maternity leaves, we offer 70 calendar days of paid leave as per Kuwaiti Labor Law. In terms of advances and assistance, we offer education assistance, salary advances and personal advances. In 2022, the total employees who received such advances were 354. Further information on employee advances and assistance is provided in the following.

## Employee Advances and Assistance

	2022	2021	Difference
Number of employees receiving education assistance	58	59	-1
Number of employees receiving salary advances	55	116	-61
Number of employees receiving personal advances	241	133	108
Total	354	308	46

• Employee-related Events

In 2022, the Bank invested an estimated total of KD 31,600 in organizing a range of employee events across multiple categories. These events encompassed various aspects of employee well-being and engagement, including sports activities, social gatherings, health and wellness initiatives, as well as employee recognition. Further details on each employee event are provided in the following.

Employee-related Events

Event name	Brief on the event	Duration of event	Attendee number	Investment made in KD	Event category
End of Year Recognition Ceremony	An end of year recognition held for all non-branch departments, as explained previously in this section	2 hours	100	2,600	Recognition
IT Omni-Channel Project	IT employees were recognized for their efforts in the Omni-channel project	2 hours	100	5,000	Recognition
Breast Cancer Awareness Walkathon	The Walkathon included an awareness session by Dr. Heba AlKhashnam on the importance of early breast cancer screening and detection methods	4 hours	100	5,000	Health/Wellness
Gulf Bank – Ghabga	Employees got together to celebrate Ramadan in AlRaya Tower	3.5 hours	800	19,000	Social event
Sports Tournaments, Activities, Ceremonies	Sports activities included a bowling tournament and a football tournament	N/A	N/A	N/A	Sports activity

5.4 EMPOWRING WOMEN

We are committed to creating a work environment that promotes gender equality and provides equal opportunities for all employees. We support women’s career development through training, mentorship, and leadership programs that help them advance in their careers. We believe that by empowering women, we can create a more equitable and sustainable environment for all.

Women empowerment was taken into consideration while drafting Gulf Bank’s Strategy, on that basis the Bank was able to increase women representation in middle management from 20% to 36%. Furthermore, gender succession targets are actively monitored and reported as part of the Quarterly Strategy Report presented to the Board.

Gulf Banks Commitment to Gender Equality

Gulf Bank is firmly committed to gender equality among its employees, striving to provide equal employment benefits for both women and men. This dedication reinforces the Bank’s prominent position as a leading institution in Kuwait. Gulf Bank has prioritized this objective in accordance with its 2025 Strategy and the fifth principle of the United Nations’ Sustainable Development Goals (SDGs), which aim to promote gender equality and empower women in the workplace and society.

As a testament of its women empowerment efforts, Gulf Bank continues to follow the Women Empowerment Principles (WEP), being a signatory since 2019. Some key highlights reflecting the Bank’s commitment to the WEP principles are provided in the following.

Gulf Bank’s Achievements in Relation to the WEPs

WEP Principle	How Gulf Bank reflects its commitment to the principle
High-level corporate leadership	Overall women in managerial positions have increased by 1.12% in comparison with 2021. A new female Board Member has been appointed in 2022 - Ms. Reem Abdullah Al Saleh.
Treat all women and men fairly at work without discrimination	A new internal Equality Policy for equal pay and benefits was formulated. Gulf Bank’s HR Department is committed to treating all women and men fairly at work, in alignment with international human rights principles. This includes providing equal opportunities for career advancement, eliminating gender-based discrimination, promoting equal pay and benefits for both genders fairly, and fostering a work environment that is free gender bias or harassment.
Employee health, well-being and safety	Gulf Bank’s female employees are provided with medical insurance and maternity leaves. In addition, the walkathon organized during the breast cancer awareness month promotes employee health and well-being.
Education and training for career advancement	81 employees were provided with women empowerment and leadership trainings in 2022. In addition, a total of 24 female employees received education and career advancement courses during 2022. (A detailed list of these courses is provided in <a href="#">Appendix F.</a> )
Enterprise development, supply chain and marketing practices	N/A
Community initiatives and advocacy	Gulf Bank sponsored a panel discussion on female leadership in the diplomatic corps and lit up our headquarter in orange in support of “Orange the World” initiative. Moreover, the Bank organized an event called “Levelling the Playing Field” where leaders from the Bank participated by sharing their wisdom and success stories in relation to empowering women. The Bank also sponsored a panel discussion organized by the Soroptimist Kuwait association for community development. The panel discussed female leaders in the diplomatic corps.
Measurement and reporting	The Bank continues to measure and report the Bank’s gender statistics on a yearly basis as part of its sustainability reports.



## “Levelling the Playing Field” Workshop

On the occasion of International Women’s Day 2022, Gulf Bank’s Human Resources Department organized a workshop for all Bank employees to attend - titled “Levelling the Playing Field”, where a number of leaders from the Bank participated by sharing their wisdom and success stories in relation to empowering women.

The workshop included a panel discussion that revolved around topics that affect women in the workplace, such as: self-empowerment, how to be an ally to your colleagues, different ways to balance work and social life, and showing appreciation to those who deserve it.

Another indicator of the Bank’s support to women is ensuring their presence in Science, Technology, Engineering and Math (STEM) positions. In 2022 we managed to increase the overall number of women in STEM positions by 4.

More details on the specific STEM positions and number of women in each are provided in the following.

### Number of Women in Science, Technology, Engineering and Math (STEM) Positions

Group Name	Organization	STEM Category	2022	2021
Consumer Banking	Digital Banking	Technology	9	5
Consumer Banking	Management Information Systems (MIS)	Technology	0	2
Corporate Affairs	The Economic Research Unit	Technology	0	1
Deputy CEO’s Office	Data and Analytics	Technology	5	2
Finance	Data Management Information Systems (MIS) and Reporting	Technology	1	1
Finance	Financial Accounting and Reporting	Mathematics	1	1
Finance	Financial Controller and Business Development Support	Mathematics	1	1
Finance	Financial Planning, Reporting, and Analysis	Mathematics	3	3
Finance	Investor Relations	Mathematics	1	1
Finance	Payment Processing	Mathematics	2	2
Finance	Retail Financial Planning, Reporting and Analysis	Mathematics	2	1
Finance	Treasury/International Financial Planning, Re- porting and Analysis	Mathematics	1	1
Information Technology	BT Consumer Banking	Technology	2	2
Information Technology	Database Administration	Technology	1	1
Information Technology	Information Technology	Technology	1	1
Information Technology	Infrastructure and Security Engineering	Technology	1	1
Information Technology	Middleware	Technology	1	1
Information Technology	System Access Management	Technology	2	2
Risk Management	Management Information Systems (MIS) Re- ports and Post-fact Review	Technology	2	3
Total women in STEM-related positions			36.00	32.00
Difference			4.00	

We realize the importance of hiring women in managerial positions and the advantages this may have to the Bank’s talent pool. Hence, we pay special attention to increasing the percentage of women in executive and managerial levels. We managed to increase the percentage of women in such positions by 1.12% in 2022. Further details are provided as follows.

### Percentage of Females in All Management Positions

	2022	2021
Executive level 1	13.33%	14%
Executive level 2	33.33%	26%
Executive level 3	30%	36%
Manager level 1	20%	20%
Manager level 2	32.50%	33%
Manager level 3	41.76%	41%
Overall Executive and Management Levels	33.12%	32%
Difference %	1.12%	

## Case Study: Treasury Department’s Role in Increasing Women’s Roles in the Investment Sector

### Overview:

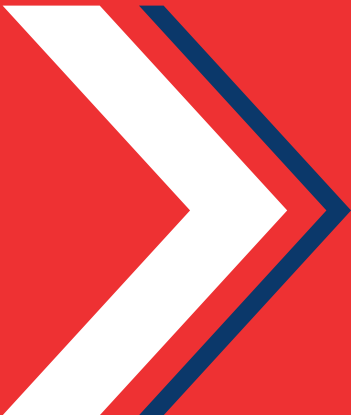
The Treasury Department adheres to the general guidelines set by the Bank’s management, emphasizing equality. Over 40% of the department’s employees are women, holding positions from Deputy General Managers to associates with equal representation. The Treasury Department aims to maintain this balance in alignment with the Bank’s strategy.

### Objective:

By promoting equality between male and female colleagues, we aim to empower women to achieve their utmost productivity, leading to a more enriching work environment and the elimination of longstanding barriers.

### Outcomes:

The desired outcome is a healthy work environment where an employee’s gender is inconsequential, and tasks are accomplished objectively. Effort is recognized and rewarded through a performance-based incentive structure.





# 06

## ENVIRONMENTAL ASPECTS

Gulf Bank recognizes the vital importance of monitoring and measuring environmental impacts, particularly in terms of carbon emissions, water consumption, and waste production and management. As a responsible financial institution committed to sustainability, we understand that these factors have far-reaching implications for the environment, society, and economy.

By closely monitoring and measuring its environmental impacts, Gulf Bank can accurately assess its progress, identify areas for improvement, and develop effective strategies to minimize its carbon footprint. Tracking carbon emissions allows the Bank to quantify its contribution to climate change and take proactive steps to reduce them. Similarly, monitoring water and waste consumption helps the Bank conserve valuable resources, promote efficient practices, and minimize environmental pollution.

In this chapter we provide a close look into the Bank's environmental management efforts in terms of carbon emissions and waste reductions, as well as water consumption data. It is worth noting that this year consumption patterns recorded in several aspects have increased in comparison to 2021. Recorded consumption increases are largely due to the fact that for the majority of 2021 COVID 19 restrictions were still applicable and a significant number of employees were working remotely.



## 6.1 CARBON EMISSIONS

The state of Kuwait is making significant effort to harmonize economic growth with a low-carbon, climate-resilient development. This includes its commitment to the Sustainable Development Goals (SDGs), which are embedded in its Kuwait Vision 2035. Specifically, the 14th SDG: Conserve and sustainably use the oceans, seas and marine resources for sustainable development is directly linked to the Kuwait Vision 2035 pillar: “Sustainable Living Environment”. In addition, Kuwait has made several initiatives under the larger umbrella of the Clean Development Mechanism to reduce GHG emissions. Most recently, during the 27th Conference of Parties (COP) held by the United Nations Framework Convention on Climate Change in Egypt, Kuwait has pledged to become carbon neutral in the oil and gas sector by 2050 and in the whole country by 2060.

In light of this, Gulf Bank seeks to contribute positively to our country’s climate change commitments, and continues to measure, assess and report on its GHG emissions for the third consecutive year.

### Scope 1

To understand the Bank’s overall direct contribution to climate change, we calculate Scope 1 emissions. Those emissions refer to direct greenhouse gas (GHG) emissions that occur from sources owned or controlled by an organization, and primarily include the combustion of fossil fuels such as natural gas, diesel, and gasoline within the organization’s operations. Gulf Bank’s main sources of Scope 1 emissions are its owned cars and generators.

Across the past three years Gulf Bank has witnessed a continuous decrease in emissions from owned cars, which was also reflected in the emissions’ intensities. This decrease has resulted from decreasing the total number of owned cars by Gulf Bank, from seven (in 2021) to five (in 2022). Accordingly, the Scope 1 emissions (from owned cars) decreased 27.51 mtCO<sub>2</sub>e between 2021 and 2022. This is displayed clearly in the following.

#### GHG Scope 1 Emissions - Owned Cars

	2022	2021	Difference
GHG emissions (mtCO <sub>2</sub> e)	31.03	58.55	-27.51
Intensity (mtCO <sub>2</sub> e/employee)	0.02	0.04	-0.02
Total cars	5.00	7.00	-2.00
Total yearly expenditure (KD)	1,425.00	2,760.00	-1,335.00

Gulf Bank’s Scope 1 emissions further include those resulting from its generators. Such emissions have increased between 2021 and 2022 going from 2.67 to 4.23. The reason behind this increase is the addition of 25 generators in 2022. This is depicted in the following.

#### GHG Scope 1 Emissions - Generators

	2022	2021	Difference
Number of generators	36.00	11.00	25.00
GHG emissions (mtCO <sub>2</sub> e)	4.23	2.67	1.56
Intensity (mtCO <sub>2</sub> e/employee)	0.0024	0.002	0.0004

Overall, the Bank’s total Scope 1 emissions have decreased in 2022 by 25.96 in comparison with 2021. As shown in the following.

#### Total GHG Scope 1 Emissions

	2022	2021	Difference
CO <sub>2</sub> Emissions (mtCO <sub>2</sub> e)	35.26	61.22	-25.96
Intensity (mtCO <sub>2</sub> e/employee)	0.022	0.042	- 0.02

### Scope 2

Scope 2 emissions are indirect greenhouse gas (GHG) emissions that result from an organization’s consumption of purchased or acquired electricity, heat, or steam. These emissions occur outside the organization’s operational boundaries but are still associated with its activities. Scope 2 emissions are typically generated during the production of electricity and heat by third-party providers.

In this context, Gulf Bank maintains ongoing measurement of its Scope 2 emissions while actively striving to minimize its power consumption and explore reliable renewable energy sources and solutions and decrease reliance on traditional energy sources. Thus, the Bank implements energy-efficient practices to ensure a sustainable and responsible approach to increasing energy efficiency, those can be summarized as per the following.

#### Gulf Bank’s Initiatives Towards Increasing Energy Efficiency:

- Transitioning the lighting within Gulf Bank to Light Emitting Diode (LED) technology, with LED lights accounting for 95% of the Bank’s lighting system. This switch not only reduces energy consumption but also contributes to environmental sustainability.
- Upgrading air conditioning units in 10 branches to models that offer improved heating and cooling performance while consuming less energy. This replacement ensures more efficient energy usage and enhances overall climate control within the Bank’s facilities.
- Consolidating all maintenance contracts into a single agreement, which includes a comprehensive preventive maintenance program. This unified approach optimizes equipment operation and promotes energy-efficient practices across Gulf Bank.
- Adhering to optimal standards for maintaining air conditioning equipment, minimizing the use of refrigerant gases and ensuring energy-efficient operation.
- Implementing a monitoring platform that generates analytical charts to track and analyze temperature, flood, and humidity levels. This platform enables proactive identification of energy-saving opportunities and enhances environmental monitoring within the Bank’s facilities.
- Introducing Computer Aided Facility Management (CAFM) to monitor all operational activities, including maintenance, across Gulf Bank’s facilities. This technology streamlines processes, improves resource allocation, and supports efficient facility management practices.



In 2022, we measured the Bank's electricity consumption emissions from 37 locations, which is 16 locations more than 2021. Hence, calculations indicated an increase from 2021's emissions rising from 5,974.30 mtCO<sub>2</sub>e in 2021 to 11,085.30 mtCO<sub>2</sub>e in 2022, as shown in the following.

### GHG Scope 2 Emissions – Electricity

	2022	2021	Difference
Locations	37.00	21.00	16.00
Consumption(kWh)	17,595,705.67	9,374,146.00	8,221,559.67
Total GHG emissions (mtCO <sub>2</sub> e)	11,085.30	5,974.30	5,110.99
Intensity (mtCO <sub>2</sub> e/employee)	6.38	3.70	2.68

### Scope 3

In addition to measuring the Bank's Scope 1 and 2 emissions, we measure the Bank's Scope 3 emissions. Those emissions encompass indirect greenhouse gas (GHG) emissions that occur throughout the entire value chain, including activities such as purchased goods and services, business travel, employee commutes, and waste management. While Scope 1 and 2 emissions represent direct emissions within the Bank's operational boundaries, Scope 3 emissions capture the broader environmental impact associated with Gulf Bank's entire business operations.

Scope 3 measurements for the Bank in 2022 cover its emissions from non-owned cars, employee commutes, employee business travels, and courier services. A detailed breakdown of the Bank's Scope 3 emissions sources is provided across this section.

Gulf Bank's Scope 3 emissions from non-owned cars have decreased in 2022. Although the number of non-owned cars has increased, the yearly expenditure on them has decreased leading to the decrease in emissions. Further details on the intensity and fuel use reductions are shown as follows.

### GHG Scope 3 Emissions – Non-owned cars

	2022	2021	Difference
Number of cars	11.00	10.00	1.00
{Yearly Fuel Expenditure on all cars (KD)	2,529.00	3,013.00	-484.00
Yearly Fuel Volume (liters)	24,092.00	28,695.00	-4,603.00
Total GHG emissions (mtCO <sub>2</sub> e)	55.09	65.61	-10.52
Intensity	0.03	0.04	-0.01

Gulf Bank's scope 3 resulting from business travels have also decreased. Such decrease resulted due to a decrease in the number of trips travelled during 2022. In terms of trip locations, they were from Kuwait to Boston, Washington DC, Doha and Dubai.

### GHG Scope 3 Emissions – Travel

	2022	2021	Difference
Total GHG emissions (mtCO <sub>2</sub> e)	0.31	32.28	-31.97
Total number of trips	4.00	18.00	-14.00
Intensity	0.0002	0.0200	- 0.0198

In 2022, we managed to estimate the Bank's employee commute emissions. This covers the emissions resulting from each employee's commute from home to work and back over the whole year. To estimate this, we collected data about fuel consumption as a result of commuting to work and back from 41 employees and extrapolated the Bank's GHG emissions calculation to cover the total number of employees.

The calculation assumption was made based on gasoline as a fuel type. The result was a total of 7,064.31 mtCO<sub>2</sub>e at an intensity of 4.06 per employee.

### GHG Scope 3 Emissions – Employee commutes

	2022
GHG emissions (mtCO <sub>2</sub> e)	7,064.31
Intensity (mtCO <sub>2</sub> e/employee)	4.06

Gulf Bank further monitors its Scope 3 emissions as a result of courier services. Such emissions refer to the greenhouse gas (GHG) emissions generated during the transportation and delivery of goods by courier or delivery service providers. For the Bank, courier emissions have increased this year going from 255 mtCO<sub>2</sub>e in 2021 to 712.76 mtCO<sub>2</sub>e. Though the total courier trips in 2022 have decreased, the fuel cost per branch visit caused the increase in total emissions, as shown in the following.

### Scope 3 GHG Emissions – Courier

	2022	2021	Difference
GHG emissions (mtCO <sub>2</sub> e)	712.76	255.00	457.76
Intensity (mtCO <sub>2</sub> e/employee)	0.41	0.16	0.25
Total trips per year to all branches	686.00	728.00	-42.00
Fuel cost per branch visit	334.00	111.00	223.00

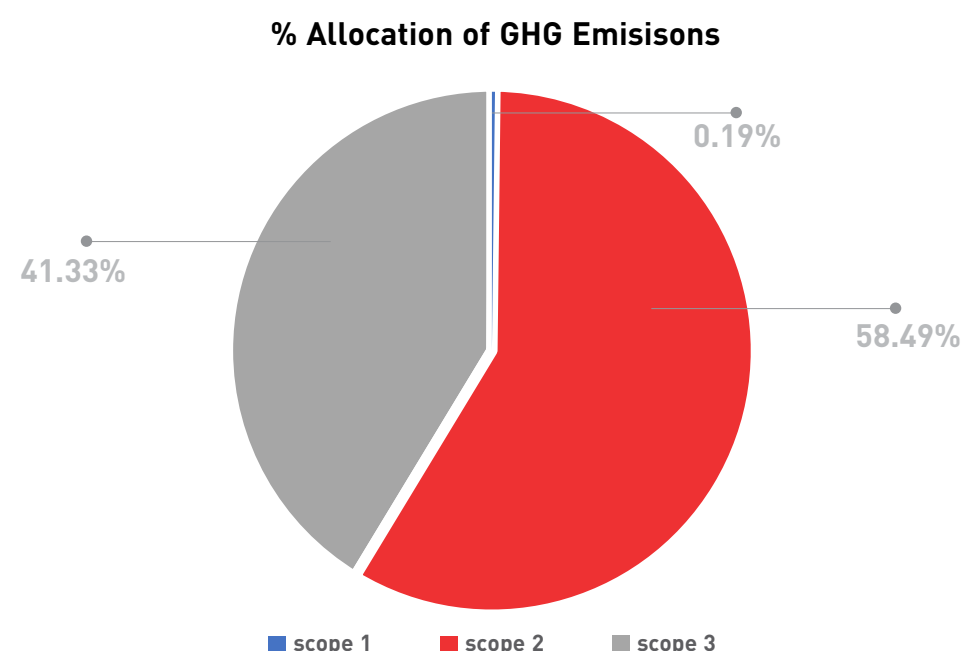
Overall, the Bank's total GHG Scope 3 emissions were 7,832.47 at an employee intensity of 4.50.

### Total GHG Scope 3 Emissions

	2022
CO <sub>2</sub> emissions (mtCO <sub>2</sub> e)	7,832.47
Intensity (mtCO <sub>2</sub> e/employee)	4.50

## Total GHG Scopes

In summary, we estimate the Bank's total emissions for 2022 to be 18,953.02 mtCO<sub>2</sub>e at an overall intensity of 10.91 mtCO<sub>2</sub>e/Employee. Most of the Bank's GHG emissions result from Scope 2 sources at **58.49%**, whereas the Bank's Scope 3 emissions sources cover 41.33% of the total emissions. The least emissions come from the Bank's Scope 1 sources at only 0.19%. Further details on the allocation and values of each emission scope are provided in the following.



## Total GHG Emissions in 2022

Emissions (mtCO <sub>2</sub> e)	2022
Scope 1	35.26
Scope 2	11,085.30
Scope 3	7,832.47
<b>Total GHG</b>	<b>18,953.02</b>

## 6.2 WATER MANAGEMENT

As part of the Bank's efforts towards water management we continue to measure and report on water consumption. In 2022 we calculated the total water consumed across 37 locations, which is 16 more locations than in 2021. In addition, in 2022 we witnessed an increase in the Bank's total full-time employees. This has led to an increase in water consumption as well, as shown in the following.

	2022	2021	Difference
Locations	37.00	21.00	16.00
Consumption (Liters)	606,305,256.00	4,389,920.00	601,915,336.00
Intensity (Liter/Employee)	348,852.28	2,718.22	346,134.06

## 6.3 WASTE MANAGEMENT

Gulf Bank recognizes the importance of waste management as a crucial component of its sustainability efforts. In its commitment to reducing environmental impact, the Bank has implemented various initiatives to address waste generation and promote responsible practices. This includes electronic waste recycling, process automation and promoting digital banking services, such as online and mobile banking, among others.

As part of its electronic waste management efforts, the Bank has partnered with a specialized local company. By cooperating with such organizations, we strive to reduce the disposal of environmentally harmful waste in Kuwait. Accordingly, we managed to recycle a total of 9.6 tons of e-waste in 2022, compared to 12.7 tons in 2021. In 2022, the recycling of e-waste successfully prevented an estimated total of 10.39 mtCO<sub>2</sub>e greenhouse gas (GHG) emissions from being released into the atmosphere.

Total electronic waste recycled in 2021 and 2022:  
**22.3 tons**

Total emissions saved from E-waste recycling:  
**10.39 mtCO<sub>2</sub>e**

Regarding paper waste management, we initiated an ATM paperless campaign back in 2020 and are progressively transitioning towards paperless operations. The Bank's Internal Audit Department has embraced a paperless environment by utilizing dedicated software, and by employing data analysis tools. Similarly, the Bank's Treasury Procedure was updated to embrace a 100% paperless approach and digital archiving, optimizing energy and resources and minimizing waste. In addition, the Human Resources Department is undergoing a digital transformation process to unify its systems and minimize paper consumption.

## ATM Paperless Initiative 2022 Key Figures

**Paper rolls saved: 690**  
**KD amount saved: 1,490**



# 07

## APPENDICES



Appendix A - GRI Standards Index

Statement of use	Gulf Bank K.P.S.C. has reported in accordance with GRI Standards for the period starting from January 1, 2022, to December 31, 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not Applicable

GRI STANDARD/ OTHER SOURCE	STANDARD DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	DISCLOSURE
			Requirement(s) omitted	Reason	Explanation		
GRI 2 used	GRI 2: GENERAL DISCLOSURES						
	<b>2-1: Organizational details *</b> <b>The organization shall:</b> a. report its legal name; b. report its nature of own- ership and legal form; c. report the location of its headquarters; d. report its countries of operation.	A,b,c,d. Pg.5					
GRI 2 used	<b>2-2: Entities included in the organization's sustainability reporting *</b>  The organization shall:  a. list all its entities included in its sustainability reporting;  b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial re- porting and the list included in its sustainability reporting;  c. if the organization consists of multiple entities, explain the approach used for con- solidating the information, including:  i. whether the approach involves adjustments to infor- mation for minority interests; how the approach takes into account mergers, acquisi- tions, and disposal of entities or parts of entities;  ii. whether and how the approach differs across the disclosures in this Standard and across material topics.	Pg.5	c. N/A	Not applicable to Gulf Bank	Not applicable to Gulf Bank	a. Gulf Bank K.S.C.P.  b. This is available in the Bank's 2022 Annual Report, available on <a href="http://www.e-gulfbank.com">http://www.e-gulfbank.com</a> c. N/A	

GRI 2 used	<b>2-3: Reporting period, frequency and contact point *</b> <b>The organization shall:</b> a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	c. and d. Pg.5					a. January 1, 2022 – December 31, 2022, Yearly b. January 1, 2022 – December 31, 2022
GRI 2 used	<b>2-4: Restatements of information *</b> <b>The organization shall:</b> a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	a. Pg.66					a. Scope 3 non- owned cars 2021 emissions: 65.61 mtCO2e.
GRI 2 used	<b>2-5: External assurance *</b> <b>The organization shall:</b> a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider						a. Gulf Bank did not seek external assurance for this reporting period b. Not applicable

	ACTIVITIES AND WORKERS						
GRI 2 used	<b>2-6: Activities, value chain and other business relationships The organization shall:</b> a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organization's activities, products, services, and markets served; ii. the organization's supply chain; iii. the entities downstream from the organization and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	A, b, c, d. Pg.5					
GRI 2 used	<b>2-7: Employees The organization shall:</b> a. report the total number of employees, and a breakdown of this total by gender and by region; b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.					c. The data was compiled at the end of the reporting period, as an average across the reporting period	

GRI 2 used	<b>2-8: Workers who are not employees The organization shall:</b> a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: i. the most common types of workers and their contractual relationship with the organization; ii. the type of work they perform; b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; c. describe significant fluctuaGRI 2 used Governance						c. The data was compiled at the end of the reporting period, as an average across the reporting period
	Governance						
GRI 2 used	<b>2-9: Governance structure and composition govern The organization shall:</b> a. describe its governance structure, including committees of the highest governance body; b. list the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people; c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation.	a. and b. Pg.18					

GRI 2 used	<p><b>2-10: Nomination and selection of the highest governance body</b></p> <p><b>The organization shall:</b></p> <p>a. describe the nomination and selection processes for the highest governance body and its committees;</p> <p>b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:</p> <p>i. views of stakeholders (including shareholders);</p> <p>ii. diversity;</p> <p>iii. independence;</p> <p>iv. competencies relevant to the impacts of the organization.</p>	A, b. Pg.18-24					
	<p><b>2-11: Chair of the highest governance body</b></p> <p><b>The organization shall:</b></p> <p>a. report whether the chair of the highest governance body is also senior executive in the organization;</p> <p>b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.</p>						a. and b. Gulf Bank's Chairman is independent of Executive Management

GRI 2 used	<p><b>2-12: Role of the highest governance body in overseeing the management of impacts</b></p> <p><b>The organization shall:</b></p> <p>a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;</p> <p>b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:</p> <p>i. whether and how the highest governance body engages with stakeholders to support these processes;</p> <p>ii. how the highest governance body considers the outcomes of these processes;</p> <p>c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b and report the frequency of this review.</p>	a., b., and c. Pg. 23-24					
	<p><b>2-13: Delegation of responsibility for managing impacts</b></p> <p><b>The organization shall:</b></p> <p>a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:</p> <p>i. whether it has appointed any senior executives with responsibility for the management of impacts;</p> <p>ii. whether it has delegated responsibility for the management of impacts to other employees;</p> <p>b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.</p>	a. and b. Pg.23-24					



<b>GRI 2 used</b>	<p><b>2-14: Role of the highest governance body in sustainability reporting</b></p> <p><b>The organization shall:</b></p> <p>a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;</p> <p>b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this</p>	a. and b. Pg.23-24					
<b>GRI 2 used</b>	<p><b>2-15: Conflicts of interest</b></p> <p><b>The organization shall:</b></p> <p>a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;</p> <p>b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:</p> <p>i. cross-board membership;</p> <p>ii. cross-shareholding with suppliers and other stakeholders;</p> <p>iii. existence of controlling shareholders;</p> <p>iv. related parties, their relationships, transactions, and outstanding balances.</p>						<p>a. Our Conflicts of Interest Policy is overseen by the Board. This policy encompasses a clear definition of conflicts of interest, as well as independence of implementation of the policy and disclosure of such conflicts. It applies to situations where conflicts may arise between Board Members and the Bank, as well as between the Executive Management and the Bank.</p> <p>b. The Board Secretary maintains a register of dealings in securities and declarations of interest by Board Members and reports them to the Board as necessary.</p>
<b>GRI 2 used</b>	<p>2-16: Communication of critical concerns</p> <p>The organization shall:</p> <p>a. describe whether and how critical concerns are communicated to the highest governance body;</p> <p>b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.</p>		b. Unavailable	b. Unavailable	b. Unavailable		<p>a. Critical concerns are communicated through the Board Secretary</p>

<b>GRI 2 used</b>	<p><b>2-17: Collective knowledge of the highest governance body</b></p> <p><b>The organization shall:</b></p> <p>a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.</p>						<p>a. To ensure ongoing update of the Board's knowledge in line with market trends, they are required to annually attend at least one training program and participate in conferences and seminars on banking and financial business.</p>
<b>GRI 2 used</b>	<p><b>2-18: Evaluation of the performance of the highest governance body</b></p> <p><b>The organization shall:</b></p> <p>a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;</p> <p>b. report whether the evaluations are independent or not, and the frequency of the evaluations;</p> <p>c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.</p>	c. Pg.23					<p>a. Our Board of Directors are assessed through an external party</p> <p>b. Evaluations are annual and independent</p> <p>c. Identifying sources needed to improve Board skills</p>
<b>GRI 2 used</b>	<p><b>2-19: Remuneration policies</b></p> <p><b>The organization shall:</b></p> <p>a. describe the remuneration policies for members of the highest governance body and senior executives, including:</p> <p>i. fixed pay and variable pay;</p> <p>ii. sign-on bonuses or recruitment incentive payments;</p> <p>iii. termination payments;</p> <p>iv. claw backs;</p> <p>v. retirement benefits;</p> <p>b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.</p>		a. Not to be disclosed	Confidentiality constraints	a. They are not to be disclosed		<p>b. All employees of the Bank including executives have a BSC against which they are evaluated. This includes financials of the Bank as well as other aspects.</p>

RESPONSIBLE BANKING	GOVERNANCE AND OVERSIGHT	MARKETPLACE	SOCIAL CONTRIBUTIONS	WORKPLACE MANAGEMENT	ENVIRONMENTAL ASPECTS	Appendices
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GRI 2 used	<p>2-24: Embedding policy commitments</p> <p>The organization shall:</p> <p>a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:</p> <p>i. how it allocates responsibility to implement the commitments across different levels within the organization;</p> <p>ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures;</p> <p>iii. how it implements its commitments with and through its business relationships;</p> <p>iv. training that the organization provides on implementing the commitments.</p>	a. Pg. 25,26,28						
	<p><b>2-25: Processes to remediate negative impacts</b></p> <p><b>The organization shall:</b></p> <p>a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</p> <p>b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in;</p> <p>c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;</p> <p>d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms;</p> <p>e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.</p>	a., b., c., d. and e. Pg.45-46						

GRI 2 used	<p><b>2-26: Mechanisms for seeking advice and raising concerns</b></p> <p><b>The organization shall:</b></p> <p>a. describe the mechanisms for individuals to:</p> <p>i. seek advice on implementing the organization's policies and practices for responsible business conduct;</p> <p>ii. raise concerns about the organization's business conduct.</p>	a. Pg.28					
GRI 2 used	<p><b>2-27: Compliance with laws and regulations</b></p> <p><b>The organization shall:</b></p> <p>a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:</p> <p>i. instances for which fines were incurred;</p> <p>ii. instances for which non-monetary sanctions were incurred;</p> <p>b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:</p> <p>i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;</p> <p>ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;</p> <p>c. describe the significant instances of non-compliance;</p> <p>d. describe how it has determined significant instances of non-compliance</p>	a., b., c. and d. not disclosed	Confidentiality constraints	a., b., c. and d. Confidential for Gulf Bank			
GRI 2 used	<p><b>2-28: Membership associations</b></p> <p><b>The organization shall:</b></p> <p>a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role</p>	a. Pg.62					a. Gulf Bank is a signatory of the Women Empowerment Principles



	STAKEHOLDER ENGAGEMENT						
GRI 2 used	<b>2-29: Approach to stakeholder engagement</b> <b>The organization shall:</b> a. describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organization seeks to ensure meaningful engagement with stakeholders	Pg. 13-14					
GRI 2 used	<b>2-30: Collective bargaining agreements</b> <b>The organization shall:</b> a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.		a, b.	Not applicable	Gulf Bank is not involved in collective bargaining agreements		
	MATERIAL TOPICS						
GRI 3 used	<b>3-1: Process to determine material topics *</b> <b>The organization shall:</b> a. describe the process it has followed to determine its material topics, including: i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii. how it has prioritized the impacts for reporting based on their significance; b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	a. and b. Pg.15-16					

GRI 3 used	3-2: List of material topics * The organization shall: a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	A, b. Pg.15-16					
GRI 3 used	3-3: Management of material topics  For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)	a., b., c. and e. Appendix I, Pg.88  f. Pg.88					d. To assess our performance, we conduct surveys for both customer and employees assessing their satisfaction and allow them to raise complaints and give feedback on an ongoing basis

Topic-specific Standards

Topic	Explanation	Material topic	Location
ECONOMIC PERFORMANCE 2016 (201)			
201-1	Direct economic value generated and distributed	N/A	N/A
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Aspects, Carbon Emissions	Environmental Aspects Chapter
201-3	Defined benefit plan obligations and other retirement plans	N/A	N/A
201-4	Financial assistance received from government	N/A	N/A

Topic	Explanation	Material topic	Location
MARKET PRESENCE 2016 (202)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N/A	Not disclosed
202-2	Proportion of Senior Management hired from the local community	Talent Management, Development and Retention	Talent Management, Development and Retention Chapter

Topic	Explanation	Material topic	Location
INDIRECT ECONOMIC (203)			
203-1	Infrastructure investments and services supported	Sustainable Finance	Section: Risk Assessment
203-2	Significant indirect economic impacts	Sustainable Finance	N/A

Topic	Explanation	Material topic	Location
PROCUREMENT PRACTICES 2016 (204)			
204 -1	Proportion of spending on local suppliers	Responsible Procurement	Responsible Procurement section

Topic	Explanation	Material topic	Location
ANTI-CORRUPTION 2016 (205)			
205-1	Operations assessed for risks related to corruption	Risk Assessment	Sustainable Procurement section
205-2	Communication and training about anti-corruption policies and procedures	Business Conduct and Compliance	Business Conduct and Compliance section
205-3	Confirmed incidents of corruption and actions taken	Business Conduct and Compliance	Gulf Bank does not have any confirmed incidents of corruption

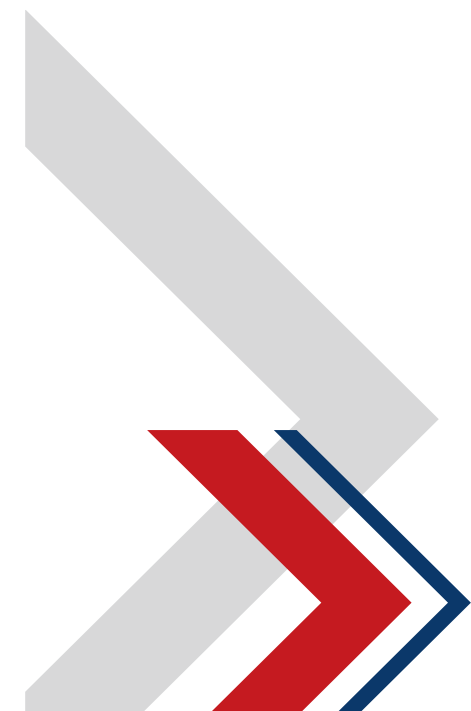
Topic		Material Topic	Location
ANTI-COMPETITIVE BEHAVIOR 2016 (206)			
206	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Conduct and Compliance	Business Conduct and Compliance section

Topic	Explanation	Material topic	Location
TAX 2019			
207-1	Approach to tax	N/A	N/A
207-2	Tax governance, control, and risk management	Risk Assessment	Risk Assessment section
207-3	Stakeholder engagement and management of concerns related to tax	N/A	N/A
207-4	Country-by-country reporting	N/A	N/A

ENVIRONMENTAL MATERIALS 2016 (301)			
301-1	Materials used by weight or volume	Environmental Aspects	N/A
301-2	Recycled input materials used	Environmental Aspects	N/A
301-3	Reclaimed products and their packaging materials	Environmental Aspects	N/A
ENERGY 2016 (302)			
1- 302	Energy consumption within the organization	Environmental Aspects	Environmental section
302-2	Energy consumption outside of the organization	Environmental Aspects	Environmental section
302-3	Energy intensity	Environmental Aspects	Environmental section
302-4	Reduction of energy consumption	Environmental Aspects	Environmental section
302-5	Reductions in energy requirements products and services	Environmental Aspects	Environmental section
WATER AND EFFLUENTS 2018 (303)			
303-1	Interactions with water as a shared resource	Environmental Aspects	Environmental section
303-2	Management of water discharge-related impacts	Environmental Aspects	Environmental section
303-3	Water withdrawal	Environmental Aspects	Environmental section
303-4	Water discharge	Environmental Aspects	Environmental section
303-5	Water consumption	Environmental Aspects	Environmental section
BIODIVERSITY 2016 (304)			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Aspects	None
304-2	Significant impacts of activities, products, and services on biodiversity	Environmental Aspects	No material impacts on biodiversity recorded
304-3	Habitats protected or restored	Environmental Aspects	N/A
304-4	IUCN Red List species and national list species with habitats in areas affected by operations	Environmental Aspects	N/A
EMISSIONS 2016 (305)			
305-1	Direct (Scope 1) GHG emissions	Environmental Aspects	Environmental section
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Aspects	Environmental section
305-3	Other indirect (Scope 3) GHG emissions	Environmental Aspects	Environmental section
305-4	GHG emissions intensity	Environmental Aspects	Environmental section
305-5	Reduction of GHG emissions	Environmental Aspects	Environmental section
305-6	Emissions of ozone-depleting substances (ODS)	N/A	N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	N/A	N/A
WASTE 2020 (306)			
306-1	Waste generation and significant waste-related impacts	Environmental Stewardship, Green Projects	Environmental section
306-2	Management of significant waste-related impacts	Environmental Aspects	Environmental section
306-3	Waste generated	Environmental Aspects	Environmental section
306-4	Waste diverted from disposal	Environmental Aspects	Environmental section
306-5	Waste directed to disposal	Environmental Aspects	Environmental section
SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
308-1	New suppliers that were screened using environmental criteria	Responsible Procurement	Sustainable Procurement section
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Procurement	Sustainable Procurement section
SOCIAL EMPLOYMENT 2016			
401-1	New employee hires and employee turnover	Talent management, development and retention	Employee Data section
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent management, development and retention	Employee Well-being section
401-3	Parental leave	Talent management, development and retention	Employee Well-being section

LABOR/MANAGEMENT RELATIONS 2016 (402)			
402-1	Minimum notice periods regarding operational changes	Talent management, development and retention	Gulf Bank does not have minimum notice periods regarding operational changes. However operational changes are communicated to stakeholders as necessary.
OCCUPATIONAL HEALTH AND SAFETY 2018 (403)			
403-1	Occupational health and safety management system	Employee Well-being	Employee Well-being section
403-2	Hazard identification, risk assessment, and incident investigation	Employee Well-being	Employee Well-being section
403-3	Occupational health services	Employee Well-being	Employee Well-being section
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Well-being	Employee Well-being section
403-5	Worker training on occupational health and safety	Employee Well-being	Employee Well-being section
403-6	Promotion of worker health	Employee Well-being	Employee Well-being section
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Well-being	Employee Well-being section
403-8	Workers covered by an occupational health and safety management system	Employee Well-being	Employee Well-being section
403-9	Work-related injuries	Employee Well-being	Employee Well-being section
403-10	Work-related ill health	Employee Well-being	Employee Well-being section
TRAINING AND EDUCATION 2016 (404)			
404-1	Average hours of training per year per employee	Talent management, development and retention	Talent management, development and retention section
404-2	Programs for upgrading employee skills and transition assistance programs	Talent management, development and retention	Talent management, development and retention section
404-3	Percentage of employees receiving regular performance and career development reviews	Talent management, development and retention	Talent management, development and retention section
DIVERSITY AND EQUAL OPPORTUNITY 2016 (405)			
405-1	Diversity of governance bodies and employee	Talent management, development and retention	Employee Data section
405-2	Ratio of basic salary and remuneration of women to men	Talent management, development and retention	No data is available on the ratio of basic salary and remuneration of women to men
NON-DISCRIMINATION 2016 (406)			
406-1	Incidents of discrimination and corrective actions taken	Business Conduct and Compliance	Business Conduct and Compliance section
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016 (407)			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible Procurement	Gulf Bank does not have operations nor suppliers in which the right to freedom of association and collective bargaining may be at risk
CHILD LABOR 2016 (408)			
408-1	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Procurement	Gulf Bank does not have operations nor suppliers at significant risk for incidents of child labor
FORCED OR COMPULSORY LABOR 2016 (409)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Procurement	Gulf Bank does not have operations nor suppliers at significant risk for incidents of forced or compulsory labor

SECURITY PRACTICES 2016 (410)			
410-1	Security personnel trained in human rights policies	Responsible Procurement	Security personnel at Gulf Bank are not trained in human rights policies
RIGHTS OF INDIGENOUS PEOPLES 2016			
411-1	Incidents of violations involving rights of indigenous peoples	Employee Well-being	Gulf Bank has no recorded incidents of violations involving rights of indigenous peoples
LOCAL COMMUNITIES 2016 (413)			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement	Community Engagement section
413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement	N/A
SUPPLIER SOCIAL ASSESSMENT 2016 (414)			
414-1	New suppliers that were screened using social criteria	Responsible Procurement	N/A
414-2	Negative social impacts in the supply chain and actions taken	Responsible Procurement	N/A
PUBLIC POLICY 2016 (415)			
415-1	Political contributions	N/A	None
CUSTOMER HEALTH AND SAFETY 2016 (416)			
416-1	Assessment of the health and safety impacts of product and service categories	Responsible Products and Services	N/A
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible Products and Services	N/A
MARKETING AND LABELING 2016 (417)			
417-1	Requirements for product and service information and labeling	Responsible Products and Services	N/A, not applicable to our sector or activities
417-2	Incidents of non-compliance concerning product and service information and labeling	Responsible Products and Services	None
417-3	Incidents of non-compliance concerning marketing communications	Responsible Products and Services	None
CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction	None





Appendix B - MSCI Index

Ref #	Disclosure	Gulf Bank's Statement
1	Breach of continuing obligations that apply to the listing of its securities, which may threaten the continued listing or trading of those securities	None
2	Formal management systems to assess ESG risks in financing activities	No formal systems are finalized yet.
3	Scope of management system to assess ESG risks in financing activities	No formal systems are finalized yet. However, the Bank is planning to cover the scope of the management system including (but not limited to) geographical area, business divisions, products and services, borrower types and regulatory requirements.
4	Environmental Credit Policy across four sectors and one theme: <ul style="list-style-type: none"><li>• Agriculture</li><li>• Power utilities</li><li>• Mining</li><li>• Oil &amp; gas</li><li>• Biodiversity (theme)</li></ul>	Current credit policies of the Bank do not specify the subjects in this disclosure. Once the policies are created, they will be synergized.
5	Involvement of group credit risk in ESG due diligence	<p>The Bank is in the process of establishing a process to assess the potential credit risks associated with a borrower's ESG performance as part of its involvement in ESG due diligence especially when it comes to group credit risk.</p> <p>This process involves reviewing the borrower's ESG policies, performance, and potential impact on the environment and society. The risk management group is also planning to use third-party ESG rating agencies to evaluate the borrower's ESG risk profile.</p>
6	ESG due diligence triggers and risk-escalation process clearly defined	<p>It is worth noting that our Bank does not currently have an approved policy or procedure specifically outlining due diligence procedures. However, we are actively working on developing a comprehensive Policy and Procedure Manual that will address this aspect and ensure the implementation of due diligence practices.</p> <p>ESG Due Diligence Triggers are planned to include the borrower's industry or sector, the geography of the transaction, or any specific ESG concerns that have been raised by internal or external stakeholders.</p> <p>For ESG Risk Escalation; the risks identified through due diligence process will be escalated to the Board level ESG Sub-Committee set up in the Bank. The thresholds and the process are yet to be finalized.</p>
7	Oversight of ESG risk management in financing activities	The Bank has already set up a Board level ESG Sub-Committee that would oversee the governance and oversight structures that would be established to manage ESG risks.
8	Evidence of Board-level engagement on climate-related risk	Nothing was submitted to the Board during 2022; however, CBK Circular has already been discussed in BRC meeting 19-03-2023.
9	Conducted climate-related risk analysis	Risk Management is selectively looking at opportunities to finance green initiatives.
10	Involvement in green bonds	In terms of green bond structuring/consulting services, Gulf Bank has been involved in the following, Deniz Bank AS- Turkey (ESG Linked), QNBfinans Bank-Tukey (ESG Linked), MOF Egypt (Green Loan)
11	Sustainability-related financial product development	At the end of 2022, the FI & Sovereigns united had USD 120M worth of ESG-linked Loans and Green Loans in its books.
12	Investment Controversies, if any	None

13	Involvement in lending or underwriting activities	Corporate Banking collaborates with Risk Management to assess the creditworthiness of the client, evaluating potential risks and determining the conditions of the financing. Corporate Banking provides all relevant documents to Risk Management in order to carry out the above.
14	Environmental intensity of loan portfolio calculated based on the weighted average of environmental risk associated with the industry exposures of the loan portfolio	N/A
15	Debt collection policy	N/A
16	Employee training on consumer financial protection	Training details are available in Appendix D.
17	Fair advertising policies and procedures for financial products	None
18	Financial education initiatives and stakeholder outreach	Gulf Bank takes part in the Diraya Campaign.
19	Loan modification options	The Bank offered a COVID- related loan moratorium to all clients
20	Oversight of complaint resolution process	Complaints are overseen by the line manager, unit head, then the HR then the investigation committee then discussed with GM HR and Group GM
21	Financial product complaint handling process	Our customers have the ability to escalate their concerns to the relevant Division Head and General Manager, to ensure that their feedback is heard and addressed effectively.
22	Oversight of financial product or service reviews	No Board Level Committee overseeing customer complaints and reviews. Instead, the Customer Complaints and Protection Unit reports directly to the CEO.
23	Involvement in high-risk lending, insurance or investment products	the Bank's lending strategy is based on the risk framework as governed by its board of directors and CBK regulations.
24	Complaint growth	Outlined in the Customer Complaints section of the report
25	Product safety controversies, if any	N/A
26	Talent pipeline development strategy	To ensure we set the right development plans for those identified as highflyers, keeping them on the fast track and nurturing them within the Group or utilizing their skills across functions.
27	Formal grievance reporting or escalation procedures	An employee may raise a grievance about a colleague or customer to the Line Manager. If he /she does not resolve the issue, then the employee will escalate a grievance to the next higher level of authority for more discussion and resolution. If the grievance concerns the person to whom they report, the grievance will be escalated to Unit Head or HRBP directly. If the case is not resolved within the Unit Head level, HR will call for the Investigation Committee to investigate the case with the concerned parties. They will provide the final recommendation and it will be discussed and agreed with GMs (GM HR and Group GM) before execution.
28	Monitoring of employee satisfaction on a regular basis	Glint surveys and engagement sessions are conducted by the employee Branding and Experience Unit. Gulf Bank also conducts interviews to assess the satisfaction of newly joined employees.
29	Employee stock ownership plan (ESOP) or employee stock purchase plan (ESPP), if any	None
30	Variable component to pay	Not for public disclosure
31	Non-compensation benefits and work/life balance	Provided in Employee Well-being section in the report

32	Regular performance appraisals and feedback processes	<input type="checkbox"/> Keeping track of appraisal disagreements annually <input type="checkbox"/> Mid-year check up for a progress update. This is conducted with the manager and employee separately <input type="checkbox"/> Glint surveys <input type="checkbox"/> Peer review to assess competencies. HR can preview the employee's ratings from previous years and compare them annually <input type="checkbox"/> Assessment center conducted to pinpoint areas of development <input type="checkbox"/> Risk-heat maps out the % likelihood of employee resigning, as well as stating how unique they are. This is done for M and E levels
33	Job-specific development training programs	Seven courses have been offered to employees at Gulf Bank: <input type="checkbox"/> Development programs across all levels <input type="checkbox"/> Development programs across managerial levels <input type="checkbox"/> Development programs for executive level (KFAS + EXTERNAL) <input type="checkbox"/> Women empowerment and leadership training <input type="checkbox"/> Anti-Fraud Awareness program <input type="checkbox"/> Internal Auditing training <input type="checkbox"/> Training for branch employees
34	Leadership training and talent management programs	Women empowerment and leadership training
35	Percentage annual employee turnover	15% during 2022
36	External recognition as employer of choice (last three years), if applicable	Gulf Bank has conducted multiple career fairs, sponsorships and hosted several events that had an impact on the Bank's brand exposure. Several new joiners have applied to the Bank for that reason. Also, the bank received reports from LinkedIn to touch base on our performance and perception in the market for being the employer of choice. The engagement survey addresses that as well.
37	Labor management controversies, if any	None
38	Collective bargaining controversies, if any	None
39	Discrimination and workforce diversity controversies, if any	There are no controversies.  Gulf Bank's policies on Non-Discrimination & Harassment and Code of Ethics and Conduct govern the Bank in maintaining a workplace that is free of harassment and does not tolerate discrimination against employees.
40	Percentage of operations in business segments with high/moderate/low levels of employee specialization, education and qualification needs	Gulf Bank considers this information as confidential.
41	Percentage of operations in business segments with high/moderate/low levels of compensation per employee	Gulf Bank considers this information as confidential.
42	Incidents of layoffs in the last three years that affect more than 10% of workforce or more than 1,000 employees, if any	At Gulf Bank, layoffs have not affected more than 10% of our workforce in the last three years.
43	Incidence of major merger & acquisition (M&A) activity in the last three years that affect more than 10% of workforce or more than 1,000 employees, if any	There has been no incidence of major merger and acquisition activity in the last three years.
44	Microfinance/microinsurance involvement	N/A
45	Product innovation – small and medium businesses	Outlined in the SME Support section of the report
46	Product innovation – retail and households	Outlined in the Products and services section of the report
47	Innovation in mobile/-online distribution channels	Outlined in the Products and services section of the report
48	Reach of points of service (branches, ATMs, self-service, etc.)	Outlined in the Products and services section of the report
49	Innovation in alternative branchless distribution channels	Outlined in the Products and services section of the report
50	Outreach programs and initiatives (e.g., financial literacy, public-private partnerships)	Outlined in the Community Engagement section of the report; Gulf Bank takes part in the Diraya Campaign
51	Loans to small and medium-size enterprises (SMEs): as a percentage of total lending	Gulf Bank considers this information as confidential

52	Loans to small and medium-size enterprises (SMEs): SME lending growth rate (percentage year-on-year)	The Bank continues to support SMEs every year,
53	Business to underserved communities (including rural development)	N/A
54	Restricted or discriminatory access to products and services, if any	N/A
55	Business or assets mix (property and casualty insurance, life and health insurance, reinsurance, asset management, other)	Please refer to Gulf Bank financial statements
56	Percentage of operations in countries with high/moderate/low levels of opportunity to provide increased financial access.	N/A
57	Scope of Gulf Bank's publicly available Data Protection Policy	Gulf bank has an online customer privacy policy, available at: <a href="https://www.e-gulfbank.com/en/privacy-policy/#:~:text=You%20have%20the%20following%20rights,rectify%20or%20add%20to%20it.">https://www.e-gulfbank.com/en/privacy-policy/#:~:text=You%20have%20the%20following%20rights,rectify%20or%20add%20to%20it.</a>
58	Rights provided to Gulf Bank employees and stakeholders regarding the control of their data (i.e., right of access, rectification, and deletion of individuals' data)	Gulf Bank has internal policies, including a Data Subject Rights Procedure and a Privacy Policy which are aligned with the Kuwait Central Bank Cybersecurity Framework and Kuwait law more broadly. GB controls and processes personal data of employees and stakeholders transparently and in accordance with applicable laws and regulations. GB's internal policies govern how personal data can be used, the retention periods for this data, and the intended recipients of personal information. These policies also encompass the ability to access, rectify, and request the deletion of personal data in accordance with applicable data protection regulations.
59	Data breach/incident response plan.	Gulf Bank has a Data Breach Procedure.
60	Audits of information security policies and systems	The Bank conducts both internal and external audits of the Information Security policies, as well as the systems. These follow a structured plan throughout the year.
61	Percentage of revenue derived from business segments that: <input type="checkbox"/> Require collection and/or handling of sensitive personal data. <input type="checkbox"/> Have witnessed high cost and frequency of data breaches. • Percentage of operations in countries with: <input type="checkbox"/> Strengthening or evolving data and privacy regulations. <input type="checkbox"/> o High cost and frequency of data breaches	N/A
62	Transfer of personal data to third parties and consent requirement.	Third party agreement follows the Data Privacy impact assessment procedure in coordination between the data office, legal and facilities' department
63	Efforts to minimize data collection and retention with respect to data and IT	Covered under the Data Retention Policy at Gulf Bank, which is part of the IT policies and procedures
64	Data protection and/or privacy programs cover suppliers and business partners.	Employee training on data security covers the Bank's contractors, and training courses are rolled out for both employees and contractors.
65	Executive body responsible for privacy and data security.	The Technology Risk and Information Security Committee (TrisCom) is the body responsible for privacy and data security.
66	Training on data security and/or privacy-related risks and procedures to your employees.	In 2022, Gulf Bank has conducted a Bank-wide data literacy program including HO, call center, branches and direct sales teams to understand the value of data quality and importance of data integrity for the Bank.  Also, a Data Protection training course has been created and will be rolled out for Bank-wide training.

67	Certification to widely recognized standards (e.g., ISO 27001, TRUSTe, Privacy Mark, SSAE16 soc2 standards).	<ul style="list-style-type: none"> <li>□ The Central Bank of Kuwait's (CBK) Capital Adequacy Standard - Basel III for local conventional banks</li> <li>□ International Financial Reporting Standards (IFRS)-9</li> <li>□ The Central Bank of Kuwait's (CBK) Cybersecurity Framework</li> <li>□ Payment Card Industry's Data Security Standard 3.2.1 (PCI-DSS)</li> <li>□ ISO 27001</li> <li>□ SWIFT Customer Security Program CSP</li> </ul>
68	Privacy-enhancing technologies and initiatives.	<ul style="list-style-type: none"> <li>□ ATM with Private glass chamber to ensure privacy for each user.</li> <li>□ To clear issues around customer data privacy, the Bank has outlined the Data Processing agreement, in line with CBK Privacy Framework, this highlights all details on how customer data is processed and protected.</li> <li>□ Also, employee data has been identified as an area of potential risk over privacy and so another procedure and guideline has been created for employee data processing (Employee Privacy Notice).</li> </ul>
69	Privacy and data security controversies, if any	None
70	Non-executive chair classified as not independent of management or not independent of other interests (links to employees, government or major owners)	Non-Executive is a member of the Board of Directors who is not part of the Bank management (Board Members who are not Managing Directors are Non-executive Members).
71	Cases of non-independent chair, where there has been a failure to designate an individually named non-executive lead director or independent deputy chairman who is classified as both independent of management and independent of other interests (links to employees, government or major owners)	No such instances have been recorded at Gulf Bank.
72	Combined CEO/chair	Gulf Bank does not have a combined CEO/Chair.
73	Concerns that there is a leader with excessive influence, including where there is an executive chair serving alongside a CEO, where the chair is a former CEO or CFO, where a founder or co-founder remains on the board but not as chair or CEO, or where there are unregistered directors providing leadership direction	N/A
74	Directors' Independence	In 2022 Gulf Bank had 4 independent directors.
75	Number of independent directors	Less than a majority of Directors at Gulf Bank are independent of other interests.
76	Board members active on boards of other companies	More than 30% of Board Members are active on boards of other companies.
77	% of Female Directors on board	Gulf Bank currently has 9% of females in Board management.
78	Board composed entirely of directors who do not meet the criteria for independence from management	The Board is not composed of directors who do not meet the criteria for independence from management
79	Flagged Directors (Flagged Directors include those that have been flagged for certain concerns, including conflicts of interest or related party transactions)	None of Gulf Bank's Directors are/have been flagged.
80	Non-executive Board members serving on the boards of three or more additional issuers	Gulf Bank's has non-executive Board Members serving on the boards of three or more additional issuers.
82	Board members suggesting obstacles to effective oversight and decision-making	No obstacles to effective oversight and decision-making at Gulf Bank have been identified thus far.
83	One or more directors on the board who received a negative or withheld shareholder vote in excess of 10% in the most recently reported election	None
84	Less than four directors on supervisory board	N/A.

85	Board attendance failure (at least 75% of all board and committee meetings held during the last reporting period)	In 2022, the total attendance percentage of the Board committee meetings reached 95%
86	Percentage of long-tenured, aging directors suggests a problem with board entrenchment	None
87	More than 30% of the board composed of currently active corporate CEOs from other companies	None
88	Board and risk management experience	Gulf Bank has considered for risk management experience in the Board.
89	Failed to establish an audit committee (or audit board) comprising only Directors who are independent of management	Gulf Bank's audit committee comprises of 2 independent members out of a total 3 members
90	Company executives are serving on the audit committee or audit board	None
91	Audit committee lack at least one non-executive member with general expertise in accounting or financial management	All members of the Audit Committee have financial background and expertise.
92	Audit committee lack at least one non-executive member who has substantial industry knowledge	All members of the Audit Committee has financial background and expertise.
93	Any independent members of the audit committee serve on the boards of three or more additional companies (i.e., four total boards, including the rated company) (whether included as an equity or debt issuer)	None
94	Any non-independent members of the audit committee serve on the boards of two or more additional companies	None
95	If pay committee established, are there directors serving on the committee who are not independent of management	All members of the Pay Committee are non-executive members, and the committee is chaired by an independent member as mandated by BNRC laws and regulations.
96	Company executive(s) are serving on the pay committee	There are no executives serving on the Pay Committee at Gulf Bank.
97	Company lacks a standing pay committee, and current company executives serve on its board	Board Nomination and Remuneration Committee
98	Pay Committee members suggesting obstacles to effective oversight and decision-making	No obstacles to effective oversight and decision-making at Gulf Bank have been identified thus far.
99	The composition of the pay committee raises concerns about the presence of active CEOs on the committee or in relation to the past record of the pay committee chair	The CEO is not part of the nomination and compensation committee.
100	Standing nomination committee	Gulf Bank has a Nomination Committee.
101	Independence of Nomination Committee Chair	The Chair of the Nomination Committee at Gulf Bank is an Independent Member.
102	Majority of Nomination Committee members independence of management and other interest	Majority of Nomination Committee members are independent of management and other interests.
103	Situations that may distract the Board from focusing on business operations and strategic matters	No situations that may distract the Board from focusing on business operations and strategic matters have been identified by Gulf Bank.
104	Evidence of governance failures at the Company	No evidence of governance failures have been observed at Gulf Bank.
105	Variable Investment Entities	N/A
106	Pay on votes	N/A
107	Confidential voting	Gulf Bank has implemented confidential voting without reasonable exceptions.
108	Binding majority voting	N/A
109	Constituency Provision	N/A
110	Business Combination Provision	N/A
111	Fair Price Provisions	N/A
112	CEO hold shares with a value below 5x salary	N/A



113	Effective stock ownership	N/A
114	Uninvested equity awards eligible for investing	N/A
115	Potential dilution of traded shares	Please refer to note 22 of Gulf Bank financial statement as of 31 December 2022.
116	Current run rates	There is no percentage of company shares that Gulf Bank grants as incentive awards to its shareholders.
117	Specific stock ownership guidelines for non-executive directors	Gulf Bank has set up the Insider Trading Policy that outlines the stock ownership guidelines for non-executive directors.
118	Involvement in ongoing tax-related controversies, if any	Gulf Bank is not currently involved in any ongoing tax-related controversies.
119	Frequency and scope of audits related to anti-corruption and business ethics	N/A
120	Scope of the bribery and anti-corruption policy in place for suppliers	As part of TPRM due diligence (third party's) Anti-Bribery and Ethics assessments (ABAC) is evaluated.
121	Exposure to business activities or geographies facing a higher incidence of corruption and involvement in ongoing corruption-related controversies	All Assurance engagements, the internal audit function assesses the exposures of fraud risks which include corruption
122	Auditors under investigation for issues related to its work on the audit of the company	None
123	Internal investigations into accounting or come under investigation from a regulatory body, or been subject to fine, settlement or conviction for issues related to your accounting practices	None
124	Audits of ethical standards	Gulf Bank conducts a risk audit which covers Ethical Standards every three years.
125	Entity is so widely held that there are no principal shareholders or other large-bloc holders	N/A
126	Assessment of any corruption risk exposure or controversies that are related to bribery, corruption, lobbying, public policy or sanctions	As part of all planned assurance engagements, auditors are assessing the fraud risks (internal and external) in the audit planning phase and document the required audit program.
127	Shareholders' rights to afford the requisition for an extraordinary general meeting (EGM)	Shareholders with 10% are afforded the right to requisition an extraordinary general meeting (EGM).
128	Qualified shareholders' permission to nominate directors for election at the annual general meeting	Any person can be nominated for the membership of the Board of Directors after the approval of the Central Bank of Kuwait, and then voting and election is carried out by the shareholders
129	Presence of a plurality vote standard for director elections	Gulf Bank allows standard cumulative voting for director elections.
130	Combination with other limitations on shareholder rights that further limit shareholders' ability to affect the make-up of the Board	Gulf bank doesn't have a classified or staggered board in combination with other limitations on shareholder rights that further limit shareholders' ability to affect the makeup of the board.
131	Shareholders' right to remove individual directors without cause	Gulf Bank does not provision its shareholders the right to remove individual directors without cause.
132	Voting rights are different for foreign or non-resident shareholders	Gulf Bank does not have differential voting rights different for foreign or non-resident shareholders.
133	Adoption of a takeover defense such as a poison pill, shareholder rights plan, or equivalent provision	Gulf Bank has not adopted a takeover defense such as a poison pill, shareholder rights plan, or equivalent provision.
134	Capital structure inclusion in single share class	Gulf Bank has a single class of shares with equal voting rights.
135	Ownership structure or governance arrangements indicate special concerns for minority public shareholders	N/A
136	% of the voting shares, which can elect more than 50% of Gulf Bank's Board	More than 30% - Shareholders' voting process is dependent on the shares owned by each shareholder.

137	Board composition	Board composed entirely of directors who meet the criteria for independence from management.
138	Percentage of operations in countries with high levels of opportunity to provide increased financial access	N/A as we do not operate outside Kuwait. Kuwait is not under the medium level financial access category.
139	Products or services that are considered to provide an added social value compared to standard products/services	Our products and services seek to comply with social standards. The below branches offer tailored service that is suitable for the special needs customer such as the below:  <input type="checkbox"/> Handicap friendly access for branch and ATM <input type="checkbox"/> ATM with Braille keypad for the visually impaired. <input type="checkbox"/> ATM with Headset jack for voice guidance commands, with audible instructions on how to conduct each transaction. <input type="checkbox"/> Branch employees are ready to use sign language to communicate with the special needs customers <input type="checkbox"/> Our support to SMEs provided in detail in: Section 3.5 SME support
140	Incidents of violation or non-compliance with respect to directors	No current or recent member of the board or a senior executive of Gulf Bank (and while serving at Gulf Bank) allegedly failed to act with honesty and integrity, nor has engaged in actions contrary to the interests of Gulf Bank and its shareholders, breached trust or confidence, nor engaged in criminal actions or actions that caused damage to the bank's reputation.
141	Any shareholder-elected Directors stand for re-election at intervals greater than one year	The term of the board of directors is three years, after which a new board is nominated and elected by the shareholders. Therefore, the current members can nominate for the board of directors again, and the membership tenure of the independent director shall not exceed two terms. as CBK Rules and regulations of Governance.
142	Environmental risk associated with the industry exposures of the loan portfolio	N/A
143	Loan modification options related to environmental operations	N/A
144	Scope of the bribery and anti-corruption policy in place for suppliers	As part of Third-Party Relationship Management due diligence (third party's) suppliers are evaluated.
145	Incidents of conflicts of interests with respect to leadership	There have been no instances of conflicts of interests that have been identified with respect to leadership.
146	Scope of group-wide code of conduct policy specifically include corruption and bribery	Bribery is considered under section 2.4 of the report
147	Whistleblower Policy	Gulf Bank's Whistleblowing Policy and Procedure intend to encourage and enable employees to raise concerns / potential violation(s) to appropriate channels within the Bank including a mechanism to contact the Board Chairman and communicate their concerns regarding any potential violations, so as to allow independent investigation and monitoring of these concerns. All channels and mechanisms in place promise anonymity to the reporter.
148	Scope of employee training on data security and/or privacy-related risks & procedures cover the Bank's contractors	Employee training on data security covers the Bank's contractors, and training courses are run for both employees and contractors.  Data Classification Guideline Training has been imparted to Gulf Bank's contractors
149	Entity has faced allegations that investors have not been given access to certain basic facts about the company, whether in the process of issuing new securities or following issuance. Or the company has faced substantive allegations of breaches of investor protection requirements (including in relation to offers it makes for third parties)	None

150	Training on data security and/or privacy-related risks and procedures to your employees	<p>The Cyber Security team conducted training for new employees with a total of 9 training sessions for 9 inductions.</p> <p>Topic of the conducted training: Cyber Security</p> <p>Number of employees receiving the training: 149</p> <p>Number of training hours per employee: Each training course was 1 hour</p> <p>Department receiving the training: Consumer Banking</p> <p>Operational Risk team conducted bank-wide training:</p> <p>Topic of the conducted training: Incident Management Training</p> <p>Number of employees receiving the training: 821</p> <p>Number of training hours per employee: 3 sessions, each 1 hour long</p> <p>Department receiving the training: Bank-wide</p>
151	Concerns identified by the Board or been reported in the press in relation to the going-concern assumption, or evidence that the company, or a material subsidiary, may be facing financing difficulties	None
152	<p>Business or assets mix as percentage of:</p> <ul style="list-style-type: none"> <li>- Property and casualty insurance</li> <li>- Life and health insurance</li> <li>- Reinsurance</li> <li>- Asset management</li> <li>- Other</li> </ul>	N/A
153	Significant green bond investments and/or targets for future increases	While Gulf Bank is not currently involved in the green bonds market, it remains open to exploring opportunities and expanding into this space if suitable prospects arise.
154	For the most recently reported period, company receive a negative vote in excess of 10% on its pay policies and practices	None
155	Incorporation of links to sustainability performance in its current executive pay policies	None
156	Where the company offers variable or incentive pay, it adopted a claw back policy applicable to both the annual and long-term incentives, that would recoup incentive pay based on accounts that were restated at a later date	Gulf Bank considers this information as confidential
157	Specific pay totals for its top executives, including the CEO	Pay for top Executives is disclosed in the Bank's annual report
158	The most recently reported total realized CEO pay figure falls into an extreme range relative to your pay peer group	Gulf Bank considers this information as confidential
159	The most recently reported total awarded CEO pay figure falls into an extreme range relative to the company's pay peer group	Gulf Bank considers this information as confidential
160	The most recently reported total fixed CEO pay figure falls into an extreme range relative to the company's pay peer group	Gulf Bank considers this information as confidential
161	Most recently reported CEO perquisites (perks) and other pay figure exceed common thresholds	Gulf Bank considers this information as confidential
162	The most recently reported total awarded CEO pay figure falls into an extreme range relative to the company's pay peer group	Gulf Bank considers this information as confidential

163	Pension contribution rate made by the company on behalf of the CEO is excessive relative to the company's pay peer group	Gulf Bank considers this information as confidential
164	Most recently reported CEO accumulated pension figure (divided by the number of years of pensionable service) is excessive relative to the company's pay peer group	Gulf Bank considers this information as confidential
165	The pension contribution rate made by the company on behalf of the CEO is excessive relative to the company's pay peer group	Gulf Bank considers this information as confidential
166	The CEO's total awarded pay for the last reported period exceed the median pay for the other named executive officers by more than 3x	Gulf Bank considers this information as confidential
167	The CEO's potential cash severance pay exceed five times their annual pay	Gulf Bank considers this information as confidential
168	Unvested equity awards are still eligible for vesting when the CEO's employment is terminated	N/A
169	AML policy, and scope	<p>The AML/CFT Policy is applicable to Head Office and local branches only. Gulf Bank does not have any foreign branches.</p> <p>The Bank implements a risk-based approach using policy, procedures, processes, system and controls to identify, manage and mitigate money laundering and terrorism financing risk. The approach begins with customer identification and verification procedures in line with the legal and regulatory requirements.</p> <p>Customer transactions for evidence of suspicious activity are monitored and report such activity to the competent authority.</p> <p>The policy addresses issues of ongoing training of Bank employees regarding AML/CFT issues and their responsibilities.</p>
171	AML policy's implementation strategy in terms of ensuring its effectiveness	<p>AML Unit ensures that the Bank has proper and effective controls to combat Money Laundering and Terrorism Financing transactions.</p> <p>Reputational, operational and regulatory risks are mitigated by adequate controls and knowledge transfer to all bank employees including Board Members and upper management.</p>
172	Involvement in anticompetitive and business ethics controversies	N/A
173	Bankruptcy situation	None. Gulf Bank is not currently in receivership, under bankruptcy protection, or facing liquidation.
174	Controversial investments if any	There are no controversial investments on Gulf Bank's books.
175	Revenue from Variable Interest Entities (VIEs)	the Bank's revenue does not come from at least 5% Variable Interest Entities (VIEs) where the company has no/minimal voting stake

Appendix C - Financial Disclosures

Disclosure	Financial Disclosure in KD
Total amount of shareholder dividends	Cash dividend of KD 32,005,382 + 5% bonus shares
Total amount spent to KFAS (KD)	648 ,000
Total amount spent to NLST(KD)	1,609 ,000
Total amount spent to Zakat (KD)	648 ,000
Total amount spent to Taxes (KD)	N/A
Total amount spent for employee compensation and remuneration (executives' level) (KD)	5,246 ,000
Total amount spent for all employees' compensation and remuneration (KD)	55,550 ,000
Total revenue of Gulf Bank (KD)	181,057 ,000
Net income of Gulf Bank (KD)	61,804 ,000
Total expense of Gulf Bank (KD)	86,206 ,000
Related party transactions in Gulf Bank (in KD)	Please refer to note 23 on page 141 in the Annual report: <a href="https://e-gulfbank.com/media/6523e3cc567c52ef9d90f0d1d8d0f-c0a_C1Ulw8g.pdf">https://e-gulfbank.com/media/6523e3cc567c52ef9d90f0d1d8d0f-c0a_C1Ulw8g.pdf</a>
Total number and monetary value of fines for instances of non-compliance with laws and regulations that were paid (KD)	50,000
Financial assistance received from government (KD).	26,084
Financing projects that have negative environmental impact	Gulf Bank is free from financing any projects that have a negative impact on the environment (i.e., coal mines, etc.), although the Bank supports the activities of the Kuwait Petroleum Company (KPC) and its subsidiaries.

Appendix D - Boursa Kuwait Index

Metric	Calculation	Disclosure / Page Number
Environmental		
GHG Emissions	E1.1) Total amount, in CO <sub>2</sub> equivalents, for Scope 1 (if applicable)	Section 6.1
	E1.2) Total amount, in CO <sub>2</sub> equivalents, for Scope 2 (if applicable)	Section 6.1
	E1.3) Total amount, in CO <sub>2</sub> equivalents, for Scope 3 (if applicable)	Section 6.1
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	Section 6.1
	E2.2) Total non-GHG emissions per output scaling factor	Section 6.1
Energy Usage	E3.1) Total amount of energy directly consumed	Section 6.1
	E3.2) Total amount of energy indirectly consumed	Section 6.1
Energy Intensity	Total direct energy usage per output scaling factor	Section 6.1
Energy Mix	Percentage: Energy usage by generation type	Section 6.1
Water Usage	E6.1) Total amount of water consumed	Section 6.2
	E6.2) Total amount of water reclaimed	N/A
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, no	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	No
	E7.3) Does your company use a recognized energy management system? Yes/No	No
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	No
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	N/A
Social		
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	N/A
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	15.06%
	S3.2) Percentage: Year-over-year change for part-time employees	N/A
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	N/A
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Section 5.1
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Section 5.1
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Section 5.1
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	Section 5.1
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	Section 5.1
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Zero
Global Health and Safety	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	Yes, under the security manual
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	N/A
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	N/A
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	N/A
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	N/A
Nationalization	S11.1) Percentage of national employees	77.80%
	S11.2) Direct and indirect local job creation	Section 5.1



Governance		
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	Section 2.2
	G1.2) Percentage: Committee chairs occupied by men and women	Section 2.2
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	N/A
	G2.2) Percentage: Total board seats occupied by independents	36%
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	As part of Third-Party Relationship Management due diligence (third party's) suppliers are evaluated.
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	N/A
Ethics and Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes, we have a compliance manual
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	N/A
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	To clear issues around customer data privacy, the Bank has outlined the Data Processing agreement, in line with CBK Privacy Framework, this highlights all details on how customer data is processed and protected.
		Also, employee data has been identified as an area of potential risk over privacy and so another procedure and guideline has been created for employee data processing [Employee Privacy Notice].
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	No
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	N/A
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	No
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No	No

Appendix E - Gulf Cooperation Council (GCC) Stock Exchange ESG Metrics Index

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Environment	E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO <sub>2</sub> equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016	Actual or estimated atmospheric emissions produced as a direct (or indirect) result of the company's consumption of energy.  Please refer to the WRI/ WBCSD GHG protocol.	Pg.65-67
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor  E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016	Dividing annual emissions (numerator) by relevant measures of economic output (denominator).  Scaling factors set by reporting company. Examples include Revenues, sales, production units, employee headcount, physical floor space.	Pg.65-67
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016	Typically measured in megawatt- hours (MWh) or gigajoules (GJ).  Direct energy is produced and consumed on company-owned or operated property.  Indirect energy is produced elsewhere (i.e., utilities).	Pg.65-67
Environment	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016	Dividing annual consumption (numerator) by relevant measures of physical scale (denominator).  Examples include Revenues, sales, production units, employee headcount, physical floor space.	Pg.65-67
	E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	Quantifying the specific energy sources most directly used by the company. "Generation type" set by reporting company; examples include renewables, hydro, coal, oil, natural gas.	Pg.65-66
	E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018	Water consumed, recycled, and reclaimed annually, in cubic meters (m3).	Pg.67

	E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No E7.3) Does your company use a recognized energy management system?	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.  Examples of management systems: ISO14001: Environmental management system. ISO 50001: Energy management system.	Pg.65-67
Environment	E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Does your company cover sustainability issues in senior management (as part of the official agenda) or has a management committee dedicated to sustainability-related issues?	Pg.23-24
	E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Does your company cover sustainability issues in board meetings (as part of the official agenda) or has a board committee dedicated to sustainability-related issues?	Pg.23-24
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development		Companies measure the total AED amount invested in climate-related issues, including R&D spend, if any.	-
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016	As a ratio: the CEO Salary & Bonus (X) to Median (FTE - Full Time Equivalent) Salary, usually expressed as "X:1"  Use total compensation, including all bonus payments and incentives.	-
	S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	As a ratio: the median total compensation for men compared to the median total compensation for women.  Reported for Full Time Equivalent (FTEs) only; Use total compensation, including all bonus payments and incentives.	-
	S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees S3.2) Percentage: Year-over-year change for part-time employees S3.3) Percentage: Year-over-year change for contractors/consultants	GRI 401: Employment 2016	Percentage of total annual turnover, broken down by various employment types.  Turnover includes all job changes, whether due to dismissal, retirement, job transition, or death.	Pg.60

Social	S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive- level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	Percentage of male-to-female metrics, broken down by various organizational levels.	Pg.57
	S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016	Percentage of Full-Time (or FTE-equivalent) positions held by non-traditional workers in the value chain.	Pg.58
	S6. Non-Discrimination	Does your company follow non-discrimination policy? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	Pg.56
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	Total number of injuries and fatalities, relative to the total workforce.	Pg.60
Social	S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	Pg.60
	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	-
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016	Publish a commitment, position statement, or a policy document that covers this subject.	Pg.28
Governance	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	The percentage of women at the board. The percentage of committee chairs held by women.	Pg.19-22

	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No  G2.2) Percentage: Total board seats occupied by independent board members		Highlight the separation of the role of chairman and CEO.  Disclose the percentage of independent board members.	Pg.19-22
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?		Describe links between executive performance and sustainability performance, if any.	-
	G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		Publish a commitment, position statement, or a policy document that covers this subject.	Pg.52-54
<b>Governance</b>	G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No  G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		Publish a commitment, position statement, or a policy document that covers this subject.	Pg.56
	G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No		Publish a commitment, position statement, or a policy document that covers this subject.	G6.1) Yes G6.2) No
	G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No		A company can publish a stand-alone sustainability report or integrate sustainability information in its annual report.	Yes
	G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No  G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No		Does your company publish a GRI, CDP, SASB, IIRC, or UNGC based report?	G8.1 and G8.2) Yes G8.3) No
	G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	* GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards	Please specify whether your sustainability data has been verified by a third party. Please highlight the Key Performance Indicators (KPIs) that have been verified, if any.	No

## Appendix F - Training Index

Training course	Number of employees trained
Development programs across all levels	329
Development programs across managerial levels	279
Development programs for executive level	29
Women empowerment and leadership trainings	81
Anti-fraud awareness program	17
Internal auditing training	17
Training for branch employees	500

## Female Participants in Employee Training Courses

Program title	Female participants
Leading in a World Transformed	1
Senior Executive Leadership Program – Middle East	1
Navigating Change: Decision-Making, Negotiation and Adaptive Leadership Strategies	1
KFAS Innovation Challenge	3
Behavioral Science in Business: Understanding People to Drive Results	1
Corporate Venturing and Innovation	2
The Technologies Driving Digital Transformation	2
Corporate Directors Program	4
Building Emotional Intelligence	1
Lego Serious Play	2
EQ Women in Leadership	3
Securing Project Success	1
Operations Management Essentials training workshop	1
Adding Confidence to Business Decisions	1



Appendix G - Consumer Banking Products and Services

Products and Services
Saving Accounts
E-Saving
Golden Investor
Gulf Saving
Youth Program
Children Accounts
Red Program
Sight Accounts
Current
Al Danah
Gulf Premier
Salary Gold Packages
- Kuwaiti Salary Package
- Expat Salary Package
Fixed Deposit Accounts
Interest paid on maturity
Interest in Advance
Monthly Interest
Loans
Al Afdal (Housing/Installment)
Consumer loan
Auto loan
Cash collateral simple interest loan
Business Banking
Business Banking Lending Products
Digital Banking Channels
Online Banking
Mobile Banking
KSE Online Trading
SMS Banking Service
Customer Contact Center
Interactive Teller Machine ("ITM")
ePayment Gateway
INVESTMENT PRODUCTS
ISLAMIC FUNDS
Markaz Real Estate Fund (Shariah-compliant-Islamic Fund)
CONVENTIONAL FUNDS
Markaz Mumtaz Fund
Markaz Gulf Corporation Council (GCC) Real Estate Fund
KAMCO Real Estate Yield Fund
PRIVATE / PRIORITY / PREFERRED BANKING
SAFE DEPOSIT BOXES

Appendix H - Gulf Bank Cards  
Gulf Bank Cards

Samsung Pay
Mastercard Titanium Card
Mastercard Rose Gold
Mastercard Titanium Cashback Card
VISA Platinum Card
Visa Platinum Cashback Card
Mastercard Platinum Card
VISA Signature Card
VISA Business Signature Card
Mastercard World Card
Visa Infinite Card
Mastercard World Elite Credit Card
Mastercard Titanium Prepaid Card
Mastercard MOUJ Prepaid Cashback Card
Mastercard Prepaid Gift Card
VISA Internet Card
Charge Card

Appendix I - GRI 3-3 Disclosures

Gulf Bank Material Topics list	Material topic's actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on Gulf Bank's human rights	Gulf Bank involvement with negative impacts through its activities or as a result of its business relationships	Policies or commitments regarding the material topic	Actions taken to prevent or mitigate potential negative impacts	Actions taken to address actual negative impacts	Actions taken to manage actual and potential positive impacts	Processes used to track the effectiveness of the aforementioned actions	Goals, targets, and indicators used to evaluate progress of the aforementioned actions	Effectiveness of the actions, including progress toward the goals and targets	Lessons learned and how these have been incorporated into Gulf Bank's operational policies and procedures
Business Conduct and Compliance	Economy: We apply strict policies against Anti-Money Laundering (AML) / Combatting the Financing of Terrorism (CFT). People: We ensure fair business practice and adhere to ethical principles, with no preferential treatment to Board members.	Economy-impacts: Gulf Bank ensures that Bank departments and employees are aware of the risks affecting the Bank in relation to AML and the controls needed to keep the Bank, its employees and customers safe from money laundering and terrorism financing. People-impacts: Our Human Resources Department addresses employee complaints via the email address: Trust@gulfbank.com.	Customer Protection Manual, Related Parties Policy, Compliance Manual.	Continuous Bank-wide testing to avoid any violations of CBK and CMA Laws. In addition to periodic assessments by the Internal Audit Department	Ongoing Training. More details in section 2.4	No preferential treatment for BOD members or top-level management.	Approvals on the Credit application, Risk Department Review, Committee approval, Audit Department review.	N/A	N/A	N/A
Business Continuity Plan	People: Ensuring business continuity	N/A	Business Continuity Policy	The Bank adopts a consistent and integrated approach so that collective response of the units in a contingency scenario meets planned results and thus, customer impacts are minimized. In addition, have a crises management plan	N/A	N/A	Business Impact Analysis (BIA) document	Business Impact Analysis (BIA) document	N/A	N/A

Carbon Emissions	Environment: Measuring our carbon emissions aids in reducing them and reducing negative impacts on the environment	Our operations result in greenhouse gas (GHG) emissions	N/A	Reducing business travel, numbers of owned cars and other sources of GHG emissions for the Bank	N/A	N/A	Annual monitoring and reporting of GHG emissions	N/A	Reduction in emissions from owned cars and business travel	N/A
Community Engagement	Economy: Our events provide economic support to vulnerable community groups. Environment: We hold environmental campaigns People: We support fitness through our Marathon and other community events	Gulf Bank is not involved in negative impacts related to this materiality topic	N/A	People: we consider health and safety in our community events (ex.at the 642 Marathon we ensured availability of First Aid)	None	N/A	Continuous monitoring of community engagement event participants, as well as other indicators	<input type="checkbox"/> Number of participants <input type="checkbox"/> Number of recycled waste <input type="checkbox"/> Social media interactions	Statistics indicate increased numbers of Marathon participants; increased number of social media interactions	N/A
Customer Satisfaction	Details are available in section 3.4	Gulf Bank is not involved in negative impacts related to this materiality topic	We are committed to efficiency and automation of the workflow.	We exercise due diligence, in-line with the Bank's policies and recommendations	We exercise due diligence, in-line with the Bank's policies and recommendations	We exercise due diligence, in-line with the Bank's policies and recommendations	We measure customer satisfaction levels through net promoter score	We measure customer satisfaction levels through net promoter score	Our net promoter score (NPS) has increased in comparison to 2021	N/A
Digital Transformation	Details are available in section 3.2	Gulf Bank is not involved in negative impacts related to this materiality topic	The Bank's strategy focuses on digitization & automation and the Bank has a 5-year plan to achieve this.	- Detailed Planning: Involvement for experts / consultants to identify and mitigate negative impact Periodic Steering and Management Committee meetings to discuss any negative impacts on people, environment and other socio-economic factors	None	Key Performance Indicators and Key Risk Indicators are defined and measured	Periodic reporting and management presentation on progress	Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs) are defined and measured as Data Quality scores. <input type="checkbox"/> Data Quality scores improved over the past year.	<input type="checkbox"/> Periodic reporting and management presentation on progress <input type="checkbox"/> Periodic reporting of Key Performance Indicators and Key Risk Indicators <input type="checkbox"/> Lessons learned are being used to write the Data and Analytics policies & procedures.	<input type="checkbox"/> Issues & Risks are reported in periodic updates and steering committees for remediation and direction.
Employee Well-being	People: Ensuring the well-being of our employees	Gulf Bank is not involved in negative impacts related to the materiality topic	Gulf Bank Code of Conduct, Non-Discrimination and Harassment Policy	Adherence to the aforementioned policies	Employees are allowed to raise complaints that are addressed appropriately	N/A	Tracking employee complaints and performing Glint survey	NA	Gulf Bank's Glint survey results: 2021: 83% 2022: 84%	Employee complaints are used to enhance internal operations
Empowering Women	Economy: Women's participation in the workforce People: Gender equality and equal opportunities is a way for us to ensure justice and human rights are addressed.	Gulf Bank is not involved in negative impacts related to the materiality topic	Being a signatory to the Women Empowerment Principles (UN WEP)	New policies set to empower women. In addition, Gulf Bank's Code of Ethics Policy emphasizes our zero tolerance of harassment or discrimination.	Any employee who does not follow Gulf Bank's Policy, will result in facing consequences including termination.	Gulf Bank's Human Resources Department organizes numerous initiatives highlighting women's achievements, and those supporting them.	Statistics on numbers of women employees are monitored and reporting on a yearly basis	Gulf Bank is aiming to empower females across the Bank and is focusing on also targeting that they are represented in top leadership positions and Boards as well.	Progress is apparent on the increase in numbers of females in STEM positions, as well as in Board and Executive Management	NA

<b>Environmental Aspects</b>	Details are available in chapter 6	Through our operations, we emit greenhouse gas emissions, and produce waste. However, we continuously seek to mitigate such impacts.	N/A	E-Waste recycling, paper waste reduction and GHG emissions monitoring and reporting	E-Waste recycling, paper waste reduction and GHG emissions monitoring and reporting	N/A	Annual monitoring and reporting of impacts	N/A	Details are disclosed in the chapter: Environmental Aspects	N/A
<b>ESG Inclusion</b>	N/A	Gulf Bank is not involved in negative impacts related to the materiality topic	Gulf Bank has a financial awareness procedure in alignment with the CBK.	None	None	Gulf Bank is not involved in negative impacts related to the materiality topic	<p>Social:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Sold out shows</li> <li><input type="checkbox"/> Financial Awareness Campaigns. (Say No ad): by the number of views</li> <li><input type="checkbox"/> Women in leadership conference: by number of attendees and management feedback</li> </ul>	<p>We are working to reduce paper waste.</p> <p>We are encouraging Kuwaiti talent to be more productive and creative.</p>	<p>People:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Supporting young Kuwaiti talents in the play, "A Successful Deposit".</li> <li><input type="checkbox"/> Holding financial Awareness Campaigns.</li> <li><input type="checkbox"/> Supporting young Kuwaiti talent for red account</li> <li><input type="checkbox"/> Holding the women in leadership conference</li> <li><input type="checkbox"/> Supporting local talent to arrange Gulf Bank events.</li> <li><input type="checkbox"/> Environmental: <ul style="list-style-type: none"> <li><input type="checkbox"/> Using reusable bags using billboard ads.</li> <li><input type="checkbox"/> Using reusable water containers instead of plastic</li> <li><input type="checkbox"/> Replacing print material with screens and QR codes in Alfanar branch.</li> </ul> </li> </ul>	Lessons learned would be reflected once the ESG Strategy and KPI's are launched. Considering ESG and sustainability aspects across our operations and activities, including marketplace, community, workplace, and environmental related matters. More information about this can be found across our sustainability report.
<b>Governance and Oversight</b>	People: Proper governance and oversight over a range of matters across our activities and operations.	No involvements for Gulf Bank with money laundering cases or other governance and oversight-related matters.	Our governance related policies include Related Party Policy Conflict of Interest Policy Whistleblowing Policy, among others listed in detail in the section2.4	Details are provided in section 2.1	Details are provided in section 2.1	Details are provided in section 2.1	Details are provided in section 2.1	Issues found in the audits are followed up closely internally and by the auditors to ensure that they are covered and/or have provided a justification.	Audits and follow-up ensure effectiveness in tackling internal AML risks and issues posed. Therefore, controls are determined beforehand to avoid future reputational and/or financial risks.	N/A
<b>Innovation</b>	Details are available in section 3.3	Gulf Bank is not involved in negative impacts related to this materiality topic	None officially	Risk Mitigation studies and action plans	N/A	Pathways are created for Bank-wide participation in the innovation effort	Post-mortem reports dissecting actions and results.	N/A	N/A	N/A

<b>Privacy and Security</b>	Details are available in section 2.7	N/A	The Bank has comprehensive Security and Privacy policies, both public customer Privacy policies, as well as internal Privacy and Data protection policies to ensure that the security of the systems reflects the privacy and security objectives the Bank wishes to achieve for its customers	The Bank continually enhances its Privacy and Security technical controls, solutions and conducts security "Penetration and vulnerability tests" as well as breach and attack simulations for weaknesses to ensure that on an ongoing basis there is continual improvement in the Bank's environment and controls.	Negative impacts are managed using the Cyber Incident Management plan, and this is managed in a structured manner between Cyber and IT teams to ensure that any negative impact is managed carefully, and any risks identified mitigated quickly and effectively.	N/A	The Bank has comprehensive procedures in both Privacy, IT and IS teams to manage the business process of privacy, as well as the technical implementation of the controls and assurance components that underpin the enablement of these controls	The Bank has a system of Key Risk Indicators (KRIs) and Key performance indicators (KPIs) to manage and track the effectiveness of these activities, and these are tracked at multiple management forums in different levels of detail, to ensure that all levels of the Bank are aware of the current state and risks that are currently in place for each area of Privacy and Security	The KPIs and KRI actions are committed and tracked in the management objectives of the Bank's Information Security Management System (ISMS) and this management system ensures that actions are tracked, followed up and prioritized with the right level of attention needed to ensure the objectives are met.	Lessons learned from issues that occur and plans that are delayed are incorporated as part of the continual improvement cycle of the Bank's Information Security Management System (ISMS). The Bank certifies its ISMS framework using the British Standards Institute (BSI), which reviews and annually certifies the bank's framework for continual security improvement.
<b>Responsible Procurement</b>	Economy: Responsible procurement benefits the economy by sourcing locally. People: Locals also benefit from sourcing locally. In addition, setting standards for vendors encourages them to adhere to human rights and ethical standards.	N/A	Third-part Risk Management (TPRM) Policy Contracts management procedure Procurement manual Health and Safety Policy (under the security manual)	Each vendor or contractor's performance is rated based on the following factors: <ul style="list-style-type: none"> <li><input type="checkbox"/> Work performance in compliance with the contract terms</li> <li><input type="checkbox"/> Responsiveness and employee's availability</li> <li><input type="checkbox"/> Provided material, supplies and equipment procured</li> <li><input type="checkbox"/> Timeliness of work and Milestone achievement</li> <li><input type="checkbox"/> Customer service</li> <li><input type="checkbox"/> Professionalism</li> <li><input type="checkbox"/> Quality of work</li> <li><input type="checkbox"/> Documentations</li> <li><input type="checkbox"/> Technical ability</li> <li><input type="checkbox"/> Service delivered</li> <li><input type="checkbox"/> Project understanding</li> <li><input type="checkbox"/> Pricing</li> </ul>	In case any supplier / vendor does not comply with the said policies or in case of any violation or incident including those that are related to social or environmental supply chain incidents), a penalty is issued as per the business terms and conditions mentioned in the signed contract.	N/A	We measure the percentage of local procurement on an annual basis	N/A	We increased our local suppliers by 4% in 2022	N/A
<b>Responsible products and services</b>	Details are available in section 4.3	Gulf Bank is not involved in negative impacts related to this materiality topic	Customer Privacy and Data Security Responsible Marketing and Advertising Transparent Pricing and Fee Structure	Enhanced data security measures Responsible lending practices Reporting and transparency	Grievance mechanisms Internal process improvements External communication	Develop and promote responsible products Marketing Campaigns	Establishing clear objectives and KPIs Periodic reporting Internal and external audits	Number of employees trained in data security Number of complaints. Customer satisfaction	Meeting targets for customer satisfaction, complaints and financial objectives	Providing different benefits and features to meet customers' needs Launching innovative cards campaigns Launching new products and services Analyzing feedback and data Continuous improvement



Risk Assessment	Details are available in section 4.5	Gulf Bank is not involved in negative impacts related to this materiality topic	Credit Risk Policy, Risk Management Framework	Our strategy is risk averse. More details are provided in section 2.5	The Bank maintains a comprehensive Risk Appetite document, which serves as a constant monitoring tool against internally established thresholds	N/A	The Risk Management Department plays a vital role in monitoring risk exposure against the Bank's risk appetite, continuously identifying capital requirements, and assessing decisions pertaining to accepting specific types of risks.	N/A	N/A	N/A
SME Support	Details are available in section 3.5	Gulf Bank is not involved in negative impacts related to this materiality topic	N/A	N/A	None	Gulf Bank has forged collaborations with different entities to offer supplementary services that align with our overall SME strategy	N/A	N/A	N/A	N/A
Sustainable finance	N/A	Gulf Bank is not involved in negative impacts related to this materiality topic	Gulf Bank will follow the global rising interest towards more sustainable finances and therefore will invest in opportunities with the highest ESG standards, subject to availabilities of those investment opportunities and in line with the Bank's ESG policies	Exercising due diligence, in-line with the Bank's policies and recommendations	Exercising due diligence, in-line with the Bank's policies and recommendations	Exercising due diligence, in-line with the Bank's policies and recommendations	N/A	N/A	N/A	N/A
Talent management, development and retention	Details are available in section 5.2	Gulf Bank is not involved in negative impacts related to this materiality topic	N/A	Gulf Bank is a firm believer in developing its people and providing them with opportunities to grow and prosper. The Talent Management team continually provides training opportunities to all employees at various levels covering their needs and also uses this as a retention method by investing in the employees' growth.	N/A	N/A	Annual monitoring of employee data, performance management and training attendance	N/A	N/A	N/A
Youth Empowerment	People: empowering youth	Gulf Bank is not involved in negative impacts related to the materiality topic	N/A	N/A	None	Education: - Annual Ajyal Program- Annual National Union for Kuwaiti Students (NUKS) program - Annual Coding Bootcamp and datathon competition	Monitoring the number of youth participants, and beneficiaries of our youth empowerment initiatives	N/A	N/A	N/A