

Kuwait Finance House B.S.C (c) (KFH Bahrain)
2024 Sustainability Report

Sustainability Beyond Horizons



Contents

Contents	2
About this Report	3
Message from the Chairman.....	4
Message from the Group CEO.....	6
We are KFH Bahrain	8
2024 EESG highlight.....	10
Memberships, associations and partnerships.....	11
Awards and recognitions	11
Sustainability at KFH Bahrain.....	12
Alignment with SDGs and national priorities.....	14
Materiality assessment	18
Our sustainability framework	19
A Culture of Responsible Governance.....	20
Corporate governance, compliance and business ethics.....	22
Risk management and business continuity	26
Responsible procurement	28
Data privacy and security	29
Responsible Banking	30
Sustainable and responsible finance.....	32
Customer experience	37
Financial resilience	38
Commitment to People and Planet.....	40
Inclusive, talented and responsible workforce.....	42
Employee health, safety and well-being	48
Local impact and community development.....	50
Emissions & climate change.....	52
Environmental footprint	53
Appendices.....	55
Appendix A. Definitions of material topics	56
Appendix B. CBB content index.....	57

About this Report

This is the annual Sustainability Report published by Kuwait Finance House B.S.C (c), (hereafter referred to as "KFH Bahrain," "we," "our," or "the Bank"). It covers the period from 1 January to 31 December 2024. The report presents KFH Bahrain's environmental, social, and governance (ESG) performance and highlights progress made in embedding sustainability across our banking operations, people, and shared environment.

Scope and Boundaries

The report covers KFH Bahrain's operations within the Kingdom of Bahrain. All ESG performance data reflects KFH Bahrain's activities during the 2024 calendar year, unless otherwise specified.

Reporting Frameworks

This report references leading sustainability standards and frameworks, including the Global Reporting Initiative (GRI), the UN Sustainable Development Goals (SDGs), Bahrain Vision 2030, Principles of Responsible Banking (PRB) and most importantly, the report is aligned with the Central Bank of Bahrain (CBB)'s ESG guidelines.

Message from the Chairman



On behalf of the Board of Directors, I present KFH Bahrain's 2024 Sustainability Report, reaffirming our steadfast commitment to responsible growth and ESG integration.

At KFH Bahrain, we believe that sustainable growth is achieved through innovation, responsibility, and people-centered values. The year 2024 marked a period of significant progress as we continued to contribute towards the Kingdom of Bahrain's sustainable development agenda, while remaining fully aligned with the overarching vision and strategic direction of the KFH Group. By integrating advanced technologies and automation initiatives, we enhanced operational efficiency, improved customer experience, and introduced a suite of digital financial solutions designed to meet the evolving needs of our clients and communities.

Our people remain the cornerstone of our success. Guided by KFH Group's values, we continue to foster a healthy and inclusive work environment where Bahraini talent is developed and empowered to thrive. This year, we made meaningful strides in advancing women's representation in leadership, with females in executive roles now account for 19% of senior positions, reflecting the impact of our focused leadership development and inclusion initiatives. We also recorded a 14% increase in training hours compared to the previous year, underscoring our commitment to continuous learning and innovation as drivers of long-term resilience and sustainable growth.

Beyond the workplace, KFH Bahrain takes pride in its active role in supporting national and community priorities. In close collaboration with government institutions and local partners, we delivered impactful initiatives in health, education, youth empowerment, and environmental preservation. These programs embody our faith-driven commitment to creating shared value and reaffirm our position as a trusted partner in advancing Bahrain's Vision 2030 and the KFH Group's broader sustainability objectives.

KFH Bahrain played a prominent role in supporting the local economy and contributed to the development of the infrastructure by financing large scale projects across various sectors. KFH Bahrain also strengthened its role as a strategic partner for small and medium-sized enterprises (SMEs) within the Bahrain banking sector.

As we look ahead, KFH Bahrain remains a vital pillar of the KFH Group's regional sustainability journey, contributing to the Group's ambition to lead in responsible Islamic banking and sustainable finance. I extend my sincere appreciation to the Board of Directors, Executive Management, and our dedicated employees for their commitment and perseverance. To our valued customers and partners, I express my gratitude for their trust and support. Together, we will continue to build on the strength of our shared purpose by advancing innovation, inclusion, and sustainability for Bahrain, the Group and beyond.

Mr. Hamad Abdulmohsen Almarzouq
Chairman



Beyond the workplace, KFH Bahrain takes pride in its active role in supporting national and community priorities. In close collaboration with government institutions and local partners, we delivered impactful initiatives in health, education, youth empowerment, and environmental preservation.



Message from the Group CEO



2024 was a defining chapter for KFH Bahrain as we strengthened our foundation, deepened our impact, and fully aligned with the broader vision of the KFH Group following our successful rebranding from Ahli United Bank to Kuwait Finance House. This milestone marked not only a change in identity but also a reaffirmation of our commitment to ethical, Sharia-compliant, and sustainable banking that delivers long-term value for our customers, communities, and shareholders.

Our strong performance this year reflects both resilience and purpose. KFH Bahrain achieved a net profit of USD 718.2 million, supported by a strong asset base of USD 27.1 billion and prudent capital management, underscoring our financial strength and ability to navigate dynamic market conditions. We also exceeded our goals in sustainable finance by providing USD 254.9 million in social housing financing and USD 172.3 million in green financing, directly contributing to Bahrain's Vision 2030 and the national agenda for inclusive and sustainable growth.

The year 2024 marked the full completion of our Shari'a conversion across all operations and subsidiaries, a landmark achievement that unified our regional network under one faith-based framework. With the support of the KFH Group and the oversight of our Shari'a Supervisory Board, this transition was executed seamlessly, reinforcing stakeholder trust in our governance and strengthening our position as a regional leader in Islamic finance.

At KFH Bahrain, our people define our success. In 2024, we strengthened our investment in employee development, achieving a 20% rise in average training hours per employee. These results reflect our focus on continuous learning, future-readiness, and professional excellence, underscoring our belief that sustainable performance begins with a capable, diverse, and inspired workforce.

Our progress in sustainability extended beyond the Bank's walls. Through our community investment programs, we supported national health and education initiatives, funded medical equipment and treatment for vulnerable groups, and advanced environmental stewardship through afforestation programs and extending green finance. These efforts reflect our conviction that responsible banking is not only about profitability but about building shared prosperity for the communities we serve.

As we move forward as part of the KFH Group, we are entering a new era of opportunity founded on innovation, integrity, and purpose. With strong governance, a future-ready digital infrastructure, and a clear sustainability vision, KFH Bahrain is well-positioned to continue driving positive change, championing Islamic values, and creating lasting value for all stakeholders.

Dr. Shadi Zahran
Group Chief Executive Officer



With strong governance, a future-ready digital infrastructure, and a clear sustainability vision, KFH Bahrain is well-positioned to continue driving positive change, championing Islamic values, and creating lasting value for all stakeholders.



We are KFH Bahrain

About us

In 2022, Ahli United Bank (AUB) Bahrain was officially acquired by Kuwait Finance House, marking a new chapter in the Bank's journey. Following the acquisition, AUB Bahrain was rebranded as KFH Bahrain, fully aligning with the Group's Shari'a-compliant banking principles and strategic vision.

Headquartered in Bahrain, KFH Bahrain benefits from the strength and scale of the wider KFH Group, which holds significant stakes across the region. The Bank operates through a multinational footprint, with subsidiaries and affiliated entities in the United Kingdom, Egypt, Iraq, Libya, and the UAE, in addition to its strong presence in Bahrain.

KFH Bahrain operates through a network of 18 branches serving over 230,000 clients across the Kingdom. The Bank offers a comprehensive range of Shari'a-compliant financial solutions designed to meet the evolving needs of retail, corporate, and SME clients.

This transformation reinforces our commitment to ethical, responsible, and Shari'a-aligned banking practices. With the backing of KFH Group, KFH Bahrain is well positioned to expand its sustainable growth, enhance its regional presence, and deliver long-term value to customers, communities, and stakeholders alike.



Kuwait Finance House B.S.C (c)

100%

Owned by KFH Kuwait

- Incorporated in 2000
- CBB regulated

Kuwait Finance House PLC

United Kingdom

100%

- Incorporated in 1965 as United Bank of Kuwait
- PRA and FCA regulated

Kuwait Finance House Bank - Egypt (S.A.E)

Egypt

95.7%

- Incorporated in 1978 as Delta International Bank
- CBE regulated

KFH Bahrain (DIFC) Branch

UAE

- Established in 2016 and converted to a branch in 2018
- DFSA regulated

Commercial Islamic Bank of Iraq P.S.C.

Iraq

85.3%

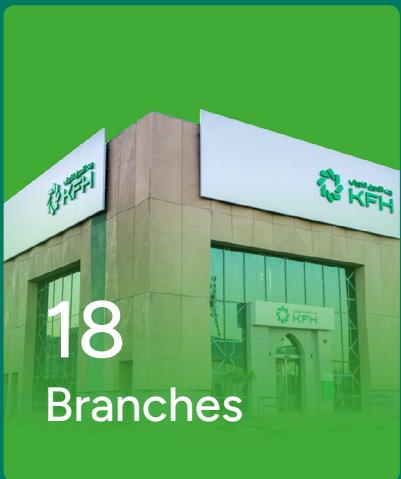
- Incorporated in 1992
- CBI regulated

United Bank for Commerce and Investment S.A.L.

Libya

40%

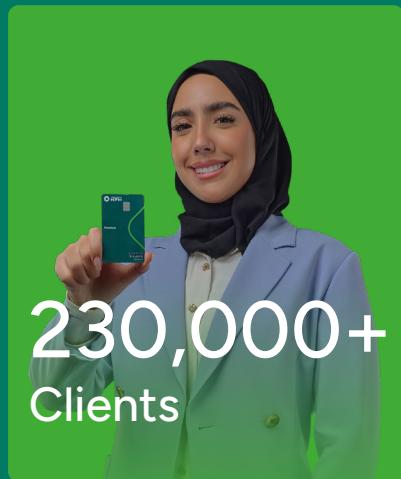
- Incorporated in 2007
- CBL regulated
- Associate Entry



**18
Branches**



**730+
Employees**



**230,000+
Clients**

KFH Bahrain is committed to creating long-term value for shareholders while delivering exceptional customer service to a diverse client base. As part of the wider Kuwait Finance House Group, the Bank provides an extensive range of Shari'a-compliant financial solutions that address the evolving needs of retail, corporate, and SME clients.

RETAIL BANKING

The Retail Banking division covers Shari'a-compliant individual customers' deposits, commodity Murabaha receivable, credit cards and ijara home financing. The division provides a variety of services, including current accounts, saving plans, savings certificates and time deposits, including both treasury and call deposits. The MYHassad draw account is also offered to all customers. Moreover, the division offers different types of finance facilities such as Murabaha consumer, car Murabaha receivable, Tawaruz personal financing, credit card, internet banking, and SMS banking.

TREASURY AND INVESTMENT SERVICES

The Treasury and Investments Department is responsible for managing the bank's financial resources to ensure liquidity, stability, and long-term sustainability. Its role spans across Money Markets, Foreign Exchange, risk mitigations through Hedging Solutions, Structured products, and investment management. By overseeing Balance Sheet Management, and trading activities, the department safeguards the bank's financial health, supports business growth, and ensures efficient allocation of Funding resources in line with strategic and regulatory requirements.

CORPORATE BANKING GROUP (CBG)

Oversees the Bank's corporate and institutional banking activities, including corporate, project, trade and working capital finance while delivering structured, value-added transactional banking solutions through its innovative digital platforms. CBG supports the growth plans of local and regional economies focusing on strategic projects and major corporate operating in diverse economic activities.

PRIVATE BANKING AND WEALTH MANAGEMENT SERVICES

The Private Banking and Wealth Management division provides services to high-net-worth and ultra-high-net-worth individuals as well as family offices. The division operates with a lower capital intensity and combines private banking and wealth management solutions.

- Private Banking covers deposit, credit, and financing services delivered through dedicated relationship managers.

- Wealth Management includes investment products, portfolio and asset management, trust services, and real estate investment solutions.

The division applies established risk management standards and incorporates sustainability considerations into its investment approach to ensure long-term resilience and alignment with regulatory expectations.

2024 EESG highlight

ECONOMIC

USD 718.2 Mn

Net Profit

Achieved

USD 172.3 Mn

in Green Financing

Provided

USD 254.9 Mn

in Social Housing Financing

Completed an oversubscribed

USD 800 million

sustainability-linked Murabaha

ENVIRONMENT

2.7%

annual decrease in scope 3
emissions

75%

decrease in printing volumes in
the last two years.

SOCIAL

Representation of women in
senior management rose to
19%

14%

increase in training hours annually

9,244

participation hours in well-being
initiatives.

11%

of employees under the age of 30

GOVERNANCE

Local suppliers represented

65%

of total suppliers

Completed

the full conversion to Islamic
banking across Bahrain and
subsidiaries

Zero

personal data breaches

Memberships, associations and partnerships

NOTABLE STRATEGIC PARTNERSHIPS

Arab Trade Finance Program (ATFP)

Through KFH Bahrain's partnership with ATFP, we bolster trade finance activities, contributing to regional economic growth and strengthening cross-border trade relationships.

Tamkeen

Collaborating with Tamkeen, KFH Bahrain plays an integral role in supporting Bahrain's entrepreneurial ecosystem, fostering the development of local businesses and enhancing economic diversification.

Mazaya Housing Scheme

KFH Bahrain's involvement in this scheme underscores its commitment to promoting affordable housing solutions for the community and extending homeownership opportunities.

Principal Asset Management Partnership

Through this partnership, KFH Bahrain extends a robust suite of asset management services to its clientele, facilitating effective wealth management and investment strategies.

Bahrain Institute of Banking and Finance (BIBF)

By collaborating with BIBF, KFH Bahrain contributes to the continuous development of banking and financial skills, strengthening the industry's human capital.

Anty initiative of Raye7 Corporation with CTEK

KFH Bahrain's participation in anty-initiative with Raye7 Corporation and CTEK demonstrates its commitment to leveraging technology and innovation to improve transportation experience and contribute to sustainable urban development.

Waste Management Partnership

KFH Bahrain's involvement in waste management partnerships reflects its dedication to environmental responsibility. These collaborations aim to address waste-related challenges and promote sustainable practices.

Awards and recognitions

KFH Bahrain was honored to receive the prestigious Straight-Through-Processing (STP) Excellence Award from Citi for the third consecutive time, recognizing the Bank's outstanding efficiency and accuracy in international transaction processing. In addition, KFH Bahrain received the J.P. Morgan Elite Quality Recognition Award for achieving exceptional performance in USD payments, reflecting the Bank's commitment to operational excellence and service quality at global standards.

In addition, KFH Bahrain received 4 awards from Global Finance:

BEST BANK IN BAHRAIN

BEST ONLINE PRODUCT OFFERING IN BAHRAIN

BEST SME BANK IN BAHRAIN

BEST MOBILE BANKING APP IN BAHRAIN

KFH Bahrain received the award for Best Bank for Corporate from Euromoney as well as the Best Private Bank in Bahrain in 2024.

Sustainability at KFH Bahrain

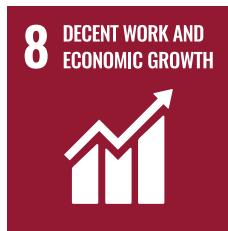
At KFH Bahrain, sustainability is at the core of everything we do. We are guided by strong governance and a commitment to creating long-term value for each stakeholder. Building on our role and responsibility as one of the world's leading Islamic financial institutions, we integrate ESG considerations into every aspect of our operations.

Our focus extends beyond financial growth and gains to driving impactful positive social and economic impact, supporting our prideful national development priorities, and aligning with global frameworks such as the UN SDGs and the PRB. Through responsible finance, climate-conscious initiatives, and financial inclusion efforts, KFH Bahrain continues to strengthen its position as a trusted and responsible financial partner.



Alignment with SDGs and national priorities

A mapping of how KFH Bahrain's ESG initiatives align with national regulatory frameworks and globally recognized standards, ensuring compliance and best practices.

2024 Contribution	
	<p>Ensure healthy lives and promote well-being for all at all ages</p> <p>In 2024, KFH Bahrain implemented several health-focused employee and community initiatives including a Blood Donation Campaign in partnership with local health authorities, a Breast Cancer Awareness Program with on-site screenings, the 100-Day FIT Quest Program promoting fitness and nutrition, and Mental Health and Resilience Training conducted through BIBF. A total of 474 employees participated, contributing 9,244 engagement hours.</p>
	<p>Achieve gender equality and empower all women and girls</p> <p>KFH Bahrain continued advancing inclusion and empowerment across its workforce, with women representing 19% of executive positions, up from 16% in 2023 and 12% in 2022. The Bank launched mentorship initiatives, leadership development programs, and collaborated with the Supreme Council for Women to promote financial literacy and professional growth for Bahraini women.</p>
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>KFH Bahrain reinforced its contribution to economic growth through Social Housing financing of USD 254.9 million and Green Financing of USD 172.3 million, surpassing 2024 targets. The Bank was recognized as Best SME Bank in Bahrain 2024, expanded access to digital banking, and enhanced financial inclusion through SME financing, capacity building, and innovative service delivery.</p>
	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>The Bank continued modernizing its technological infrastructure through major upgrades across core systems, CRM, B2B platforms, and digital channels to strengthen operational reliability and service efficiency. Cloud integration, automation, and the establishment of a dedicated Security Operations Center enhanced resilience, scalability, and cyber protection, positioning KFH Bahrain among the region's most digitally advanced Islamic financial institutions.</p>

Material Topic	Framework Pillar	Contribution to Bahrain Vision
<ul style="list-style-type: none"> Employee Health, Safety and Well-being Local Impact and Community Development 	<ul style="list-style-type: none"> Commitment to People and Planet 	<p>Fairness: Ensure equal access to essential health services for all Bahraini citizens</p>
<ul style="list-style-type: none"> Inclusive, Talented and Responsible Workforce Local Impact and Community Development 	<ul style="list-style-type: none"> Commitment to People and Planet 	<p>Fairness: Foster equal opportunities and empowerment for Bahraini women and girls</p>
<ul style="list-style-type: none"> Corporate Governance, Compliance and Business Ethics Data Privacy and Security Sustainable and Responsible Finance Financial Resilience 	<ul style="list-style-type: none"> A Culture of Responsible Governance Responsible Banking 	<p>Competitiveness: Drive private-sector led growth, increase productivity and employment</p>
<ul style="list-style-type: none"> Risk Management and Business Continuity Data Privacy and Security Customer Experience 	<ul style="list-style-type: none"> A Culture of Responsible Governance Responsible Banking 	<p>Competitiveness: Strengthen infrastructure and innovation in the private sector</p>

		2024 Contribution
10	REDUCED INEQUALITIES	<p>Reduce inequality within and among countries</p> <p>KFH Bahrain reinforced its commitment to inclusion by maintaining an 81% Bahraini workforce and embedding strong diversity, equity, and non-discrimination policies. The Bank continued empowering individuals with disabilities through targeted employment programs and maintained support for educational and social initiatives serving children with autism and underserved groups thus strengthening national inclusion and social cohesion.</p>
12	RESPONSIBLE CONSUMPTION AND PRODUCTION	<p>Ensure sustainable consumption and production patterns</p> <p>In 2024, KFH Bahrain advanced resource-efficiency initiatives through sustained digital transformation, achieving further reductions in paper and material use. The Bank expanded its Supplier Code of Conduct training, implemented energy-efficient technologies such as LED lighting and UPS systems, and introduced water-saving measures including sensor taps across facilities. These efforts reflect KFH Bahrain's ongoing commitment to embedding sustainability principles across procurement, operations, and daily practices.</p>
13	CLIMATE ACTION	<p>Take urgent action to combat climate change and its impacts</p> <p>In 2024, KFH Bahrain reinforced its climate action agenda through the continued implementation of its SEMS and ESG Policy, integrating climate considerations into financing, operations, and disclosure practices. The Bank expanded its green portfolio to include renewable energy, energy-efficiency, and water projects, while adopting enhanced methodologies for greenhouse gas measurement and reporting.</p>
16	PEACE, JUSTICE AND STRONG INSTITUTIONS	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive</p> <p>In 2024, KFH Bahrain further enhanced its governance and accountability framework by integrating digital monitoring systems and strengthening Board oversight of ethics, compliance, and risk. The Bank maintained its zero-tolerance policy toward corruption through annual Code of Conduct certification and conflict-of-interest declarations, while expanding governance training across all levels. Transparency was reinforced through the disclosure of Board abstentions on related-party matters and ongoing efforts to ensure ethical conduct, independence, and integrity in all operations.</p>

Material Topic	Framework Pillar	Contribution to Bahrain Vision
<ul style="list-style-type: none"> ■ Inclusive, Talented and Responsible Workforce 	<ul style="list-style-type: none"> ■ Commitment to People and Planet 	<p>Fairness: Promote equal opportunities and inclusion for all societal groups</p>
<ul style="list-style-type: none"> ■ Responsible Procurement ■ Emissions and Climate Change ■ Environmental Footprint 	<ul style="list-style-type: none"> ■ A Culture of Responsible Governance ■ Commitment to People and Planet 	<p>Sustainability: Foster responsible resource use and environmental stewardship</p>
<ul style="list-style-type: none"> ■ Sustainable and Responsible Finance ■ Emissions and Climate Change ■ Environmental Footprint 	<ul style="list-style-type: none"> ■ Responsible Banking ■ Commitment to People and Planet 	<p>Sustainability: Support environmental protection and climate resilience</p>
<ul style="list-style-type: none"> ■ Corporate Governance, Compliance and Business Ethics ■ Risk management and business continuity ■ Data Privacy and Security 	<ul style="list-style-type: none"> ■ A Culture of Responsible Governance 	<p>Fairness & Competitiveness: Uphold transparency, robust governance, and a level playing field</p>

Materiality assessment

In 2024, KFH Bahrain conducted a materiality assessment to identify and prioritize the ESG issues most relevant to its business and stakeholders, ensuring that its sustainability agenda remains focused on areas of highest impact and importance.



Our sustainability framework

KFH Bahrain's sustainability framework reflects our commitment to integrating ESG considerations across all aspects of our business. Structured around three strategic pillars: A Culture of Responsible Governance, Responsible Banking and Commitment to People and Planet.

The framework translates material ESG topics into actionable priorities that drive measurable outcomes. It addresses how we manage climate and environmental impacts, invest in our people and local communities, uphold the highest standards of corporate governance and data security, and promote inclusive, responsible financial services. As a proudly Bahraini institution, KFH Bahrain is committed to supporting the Kingdom's sustainable development goals, reinforcing the resilience of the financial sector, and contributing meaningfully to the UN SDGs.



A Culture of Responsible Governance

The 'Culture of Responsible Governance' pillar reflects KFH Bahrain's unwavering commitment to integrity, transparency, and ethical leadership as the foundation of sustainable growth. By strengthening corporate governance practices, ensuring rigorous risk management and business continuity, and embedding responsible procurement and robust data security measures, KFH Bahrain safeguards stakeholder trust and resilience. This governance framework not only supports regulatory compliance but also drives accountability, operational excellence, and long-term value creation across the financial sector.

MATERIAL TOPICS

- Corporate governance, compliance and business ethics
- Risk management and business continuity
- Responsible procurement
- Data privacy and security





Corporate governance, compliance and business ethics

Corporate governance framework

KFH Bahrain operates under a robust corporate governance framework aligned with the requirements of the CBB, the Bahrain Commercial Companies Law, and the Bank's Articles of Association. Following the acquisition by KFH Kuwait and the Group's conversion to full compliance with Islamic Shari'a provisions, the Bank strengthened its governance processes to ensure enhanced oversight, accountability, and transparency.

The framework is founded on key principles that emphasize a clear separation between oversight and execution through the respective roles of the Board of Directors and Executive Management, independent assurance via Internal Audit and Shari'a Audit functions, and full transparency in disclosures and related-party oversight. It also ensures fitness and propriety of Board and senior management members, supported by structured succession planning. KFH Bahrain's governance approach remains closely aligned with the CBB Rulebook

and Shari'a Governance requirements, as well as with Basel standards for risk and capital management and local AML/CFT expectations. The framework further integrates KFH Group-wide governance policies and reporting lines, ensuring consistency and alignment across the wider Group.

Following the acquisition by Kuwait Finance House K.S.C.P. in October 2022, a new Group Board was appointed in March 2023 with a mandate until March 2026, reflecting an appropriate mix of professional skills and expertise.

The Group Board delegates certain responsibilities to specialized committees, each guided by formal Terms of Reference reviewed annually.



GROUP BOARD EXECUTIVE COMMITTEE (GBEC)

Oversees credit and investment risk approvals.



GROUP BOARD AUDIT & COMPLIANCE COMMITTEE (GBACC)

Monitors internal audit, Shari'a audit, compliance, financial reporting, and liaison with external auditors.



GROUP BOARD RISK COMMITTEE (GBRC)

Manages present and emerging risks through a proactive, data-driven framework.



GROUP BOARD NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE (GBNRCGC)

Oversees appointments, remuneration, and governance practices in line with CBB and MOIC regulations.



The Board reviews its composition and performance periodically. Independence criteria are reassessed annually to ensure objectivity and alignment with CBB requirements. In line with its broader commitment to diversity and inclusion, the Bank encourages greater female representation within its leadership structures over time.

Board Members (#)	2022	2023	2024
Total number of board members	7	9	9
Total number of independent members	3	3	3
Total number of non-independent members	4	6	6
Total number of executive members	0	2	2
Total number of non-executive members	4	4	4
Male board members	7	9	9

Management governance and oversight

The Bank's Board has established a clear management governance structure with defined roles, responsibilities, and reporting lines. Specific mandates have been delegated to executive management and various management committees, which in turn may form subcommittees or in-house working groups to manage specialized functions or policy requirements. Corporate Governance ensures independence of control functions in line with the "three lines of defence" model, reinforcing oversight and accountability across all functions.

The Bank has maintained core governance artefacts, including the Code of Business Conduct, Conflict of Interest and Related Party Transactions Policy, Governance Policy, and Remuneration Policy, all aligned with CBB requirements and approved by the competent authorities. The Corporate Secretariat defines reporting frequencies and ensures timely submissions to the Board and its Committees (quarterly, bi-monthly, and annual). An implementation roadmap guides ongoing governance activities - covering policy refresh cycles, terms of reference updates, Board and Shari'a Supervisory Board training, budget and strategy reviews, risk assessments, and disclosure requirements - to ensure robust and consistent governance practices.

The Bank's Shari'a Governance Framework is designed to ensure that all banking activities comply with Shari'a provisions, encompassing a comprehensive set of processes, policies, and structures that guide ongoing compliance. The Shari'a Supervisory Board (SSB) played a central role in guiding this transition. The SSB is an independent body of Shari'a scholars specialized in Fiqh al Mu'amalat (Islamic Commercial Jurisprudence), comprising four distinguished scholars with significant contributions to the Islamic banking industry both regionally and internationally. In 2024, the SSB issued 191 fatwas and resolutions, conducted audits, and reviewed contracts, products, and policies to ensure full compliance with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards and the Shari'a Governance Module of the CBB. The Board confirmed that all activities and transactions were aligned with Shari'a principles, including the allocation of non-compliant gains, and validated the Bank's approach to profit distribution, loss allocation, and zakah calculation for shareholders.

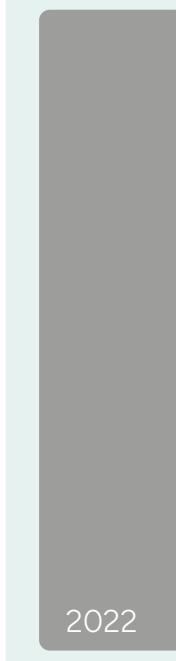
Compliance with laws and regulations

KFH Bahrain maintains stringent compliance monitoring across all operations, reflecting its commitment to transparency, integrity, and accountability.

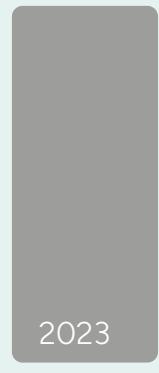
Each case of non-compliance is carefully assessed and categorized into four levels of risk (Critical, High, Medium, Low), ensuring proportionate escalation and resolution. Open findings are subject to rigorous follow-up and are reported on a quarterly basis to the Group Board Audit & Compliance Committee, which oversees corrective actions and ensures that lessons learned are embedded into ongoing risk management practices.

Incidents of non-compliance with laws and regulations

11



6



6



Conflicts of interest

KFH Bahrain has established clear policies and procedures to identify, disclose, and manage potential conflicts of interest in line with best governance practices. Directors are required to promptly disclose any actual or potential conflicts to the Chairman and the Corporate Secretary and are expected to abstain from voting on matters where such conflicts may arise.

In 2024, there were five instances where Board members abstained from voting due to related-party considerations. All related-party transactions are reviewed in line with governance protocols and disclosed transparently in the Group's audited consolidated financial statements.

To further safeguard against conflicts, the Bank maintains a policy on the employment of relatives. This policy ensures that no conflicts of interest or operational risks arise in recruitment or reporting structures, reinforcing fairness, accountability, and integrity across the organization.

Whistleblowing and integrity

The Boards of Directors of KFH Bahrain and its subsidiaries have adopted the Group Banking Integrity and Whistleblowing Policy and Procedures, which establishes the standards of business behaviour and personal conduct expected from all Directors, officers, employees, and contractors. The policy enables personnel to voluntarily raise concerns on misconduct or breaches of integrity through a secure, confidential, or anonymous process, ensuring protection against any form of reprisal.

Multiple secure reporting channels are available, including a dedicated email and direct access to independent oversight functions such as the Group Head of Compliance, Group Head of Internal Audit, and Group Head of Human Resources Transformation & Development. Appropriate guidance through this policy is maintained to ensure that all concerns are properly assessed and escalated in line with governance protocols.

All staff receive training on the whistleblowing framework during induction, with regular updates provided whenever the policy is amended.

Ethics and anti-corruption

The Bank adheres to a zero-tolerance approach to bribery and corruption, guided by the Group Code of Business Conduct. The Code defines principles of ethical conduct, compliance with laws and regulations, and responsible decision-making in line with KFH Bahrain's values and Shari'a principles.

All employees are required to annually certify compliance with the Code of Conduct through the Bank's Learning Management System. Senior management is responsible for ensuring that any identified breaches are referred to the appropriate function, with transparency reinforced through public disclosure in the [Annual Report](#).

Human rights, labor standards, and non-discrimination

KFH Bahrain is firmly committed to respecting and upholding human rights, the prohibition of child and forced labor, and the prevention of harassment and discrimination across its operations. Policies extend to suppliers and vendors, with expectations of ethical and responsible practices throughout the value chain.

Recruitment, training, and employee relations are guided by principles of fairness, inclusivity, and equal opportunity. Any exceptions, such as employment of relatives, are strictly controlled under Board-approved policies to avoid conflicts of interest or operational risks.

Risk management and business continuity

Governance & oversight

KFH Bahrain's risk governance is led by the Board and translated into a comprehensive suite of Group policies covering Risk Management, Credit, AML, Audit & Legal, Banking Integrity, and HR. The autonomous Compliance function reports to the Group Board Audit & Compliance Committee (GBACC), while risk management (including compliance risk that encompasses sustainability/ESG frameworks and standards) is overseen through the governance structure. The Group Management Risk Committee reports quarterly to the Board Risk Committee, supporting timely escalation and decision making on risk matters.



ESG risk integration

Environmental and social risks are managed through the Social & Environmental Management System (SEMS) Policy, approved by the Board and implemented across the Group. SEMS sets due-diligence procedures for financed activities and screens projects against the International Finance Corporation (IFC) Performance Standards and the World Bank Group Environmental, Health and Safety (EHS) Guidelines, ensuring exclusion of projects that breach national laws or global standards. In 2024, all employees received ESG training, and an ESG Policy that provides the framework for integrating ESG into business decisions.

Operational resilience linkage

The Board's policy framework and committee oversight provide the structure within which operational risk and continuity planning are managed. Regular policy updates (e.g., SEMS) and quarterly risk reporting reinforce preparedness, escalation, and continuous improvement across the Bank.

Business continuity

In 2024, the Bank's IT Operations (ITOPS) and Administration Department played a pivotal role in advancing the Bank's digital transformation and supporting the transition to full Shari'a compliance. Guided by principles of innovation and operational excellence, the department invested in cutting-edge systems and infrastructure upgrades designed to enhance efficiency, security, and resilience across the Bank.

During the year, several significant technological enhancements were introduced, including upgrades to RMWB, CRM, B2B platforms, payment systems, and mobile/Internet banking services. Internal process automation leveraging rapid development tools was expanded, alongside core system upgrades that strengthened critical infrastructure to ensure reliable operations. These initiatives were complemented by comprehensive business process re-engineering, which improved operational efficiency and established a highly resilient foundation for future growth.

ITOPS also enhanced the Bank's capabilities through automation, modular architecture, and cloud technology integration, streamlining workflows, strengthening disaster recovery resilience, and improving infrastructure scalability. Together, these developments positioned the Bank among the region's leading financial institutions in operational resilience and agility, reinforcing its ability to maintain seamless services, safeguard critical operations, and ensure business continuity in a rapidly evolving environment.

Islamic conversion milestone

A landmark accomplishment in 2024 was the successful completion of the Bank's Islamic conversion initiative, consolidating the Islamic window into a unified framework and rolling out a fully Shari'a-compliant banking system across KFH Egypt, KFH Bahrain DIFC Branch, and KFH PLC UK. Earlier, KFH Bahrain converted its operations to Islamic Shari'a and obtained its Retail Islamic License in December 2023, marking the official transition to a fully Islamic financial institution. This milestone reinforced the Group-wide transition to Islamic finance, ensuring consistent delivery of Shari'a-compliant products across all markets. Supported by automation and straight-through processing, the conversion streamlined operations, safeguarded business continuity, and strengthened the Bank's regional and international positioning.

Responsible procurement

The dedicated Procurement function at KFH Bahrain was newly established in early 2025, transitioning from a previously decentralized model to a centralized department. This shift helps strengthen oversight, efficiency, and sustainability across the supply chain.

Although detailed reporting on procurement activities will begin in future cycles, the function has already outlined its direction. In line with KFH Bahrain's sustainability ambitions, the Procurement team plans to introduce

structured supplier screenings and gradually embed ESG considerations into vendor engagement and evaluation. In 2024, KFH Bahrain worked with a total of 335 suppliers, including 215 local suppliers, which accounted for 65% of the supply base. This strong local presence highlights the Bank's ongoing focus on working closely with national businesses and fostering stronger ties within the local economy.



In 2024, local suppliers made up 65% of KFH Bahrain's supply base, highlighting the Bank's close ties with the national market and the importance of homegrown partnerships in its supply chain.

Data privacy and security

KFH Bahrain recognizes data as a strategic asset and remains fully committed to protecting the confidentiality, integrity, and security of personal information. In line with Bahrain's Personal Data Protection Law (PDPL) and the regulatory requirements of the CBB, the Bank has successfully registered its Data Protection Guardian with the Bahrain Personal Data Protection Authority (PDPA). Building on this foundation, the Bank continues to invest in awareness, training, and enhanced privacy controls to ensure full compliance with applicable obligations and maintain the trust of its stakeholders.

The Bank has adopted a principle-based Data Privacy Policy that provides a consistent, accountable, and global approach to data protection across its operations. This policy defines how personal data is collected, stored, used, and safeguarded, ensuring lawful processing and protecting individual rights. Where required, KFH Bahrain applies these principles in line with local regulatory requirements, and the Bank's Privacy Notice further outlines the commitments and processes adopted to ensure transparency.

To strengthen this commitment, KFH Bahrain has implemented a comprehensive suite of security measures designed to safeguard personal and business data. These include ensuring skilled professionals manage data security, enforcing stringent role-based access controls, and applying robust data discovery and classification practices. The Bank prioritizes data minimization by collecting only essential information, while safeguarding sensitive data through advanced encryption. In addition, transparent consent management mechanisms empower customers, and regular security audits help identify vulnerabilities and drive improvements. Complementing these efforts, KFH Bahrain maintains strong incident detection and response systems to ensure rapid mitigation and regulatory compliance.

Complementing these measures, KFH Bahrain integrates cybersecurity risk management as an essential part of its operational resilience. The Bank continuously monitors the evolving cyber threat landscape and operates a dedicated Security Operations Center that provides round-the-clock detection and response. Group-

wide cybersecurity programs cover risk management, architecture, compliance management, and data security governance, supported by a strong culture of awareness. In 2024, the Bank's Cyber Security Awareness Month included regular awareness messages, phishing simulations, webinars, panel discussions, and interactive activities to strengthen staff engagement on data protection and cyber risks.

The Bank also maintains a robust incident response framework, reinforcing the need to respond effectively to emerging threats. During the year, cybersecurity defenses were further strengthened through the implementation of advanced cyber defense solutions and upgrades to best-in-class security monitoring systems. These investments not only protect the Bank from evolving cyber threats but also safeguard continuity of operations and ensure that customer data always remains protected.

KFH Bahrain applies a "privacy by design" approach, embedding data protection into all systems, services, products, and processes from the design stage through their entire lifecycle. Governance and oversight are reinforced through technical and procedural safeguards, dedicated compliance structures, and mandatory training programs, with continuous monitoring of privacy and security controls.



No personal data breaches were recorded in 2024.

Responsible Banking

The 'Responsible Banking' pillar underscores KFH Bahrain's role as a leading financial institution committed to driving sustainable economic growth while upholding the principles of ethical and Sharia-compliant banking. Through sustainable and responsible finance, KFH Bahrain aims to channel capital toward sectors that contribute to national development priorities and long-term economic resilience. Strengthening financial stability and resilience remains central to our strategy, ensuring we protect stakeholders' interests and maintain trust in a dynamic market environment. By prioritizing service excellence and fostering lasting customer relationships, KFH Bahrain continues to position itself as a trusted financial partner supporting inclusive and sustainable growth.

MATERIAL TOPICS

- ↳ Sustainable and responsible finance
- ↳ Customer experience
- ↳ Financial resilience





Sustainable and responsible finance

KFH Bahrain is committed to advancing responsible finance and sustainable financing practices. This commitment is reinforced through the continued application of performance standards under our Social and Environment Management System (SEMS). The SEMS framework defines the policies, procedures, and workflows to be applied across KFH Bahrain and its subsidiaries, under the oversight of the SEMS Manager/Coordinator. Regular reviews and approvals by the Board of Directors ensure its ongoing relevance and effectiveness.



ESG in action Strengthening Our ESG Foundation

In 2024, in alignment with this Policy, KFH Bahrain developed an ESG Policy to further strengthen the SEMS framework by integrating environmental, social, and governance factors into operational practices. This policy reflects the Bank's commitments and operational approaches within the broader sustainability context.



Our SEMS policy

The SEMS Policy is applied across all operations of KFH Bahrain to ensure consistent implementation, alignment, and accountability. It is mandatory for all employees, across Corporate Banking, SMEs Banking, Audit, Risk, and Compliance, reflecting the Bank's commitment to integrating sustainability into every aspect of its business and operations.

In the event of future majority acquisitions, KFH Bahrain will remain committed to applying this policy. Comparable policies and procedures will be extended to any newly acquired entities as part of the Bank's Group-wide risk management framework, thereby reinforcing sustainability objectives.

For syndicated investments where KFH Bahrain serves as a minority investor, the Bank promotes the application of SEMS policies and procedures to the client investment.

This ensures that strong social and environmental standards are upheld in joint ventures.

KFH Bahrain exercises strict diligence in reviewing and evaluating all funded projects against internationally recognized social and environmental standards, such as the International Finance Corporation (IFC) Performance Standards and the World Bank Group Environmental, Health and Safety (EHS) Guidelines. This approach reflects the Bank's firm commitment to environmental and social responsibility. As such the Bank will finance projects only when they are expected to be designed, built, operated, and maintained in a manner consistent with the applicable national laws, and will make best efforts to ensure that all projects are operated in compliance with the applicable national laws, IFC Performance Standards and the Exclusion List during the currency of the Bank's financing.

For the purpose of carrying out the Social & Environmental Due Diligence (SEDD) process, the Bank classifies all financing proposals under the following categories:

A

Category A

Business activities that may result in significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.

B

Category B

Business activities that may have limited adverse environmental or social risks and/or impacts, which are generally site-specific, largely reversible, and can typically be addressed through mitigation measures.

C

Category C

Business activities with minimal or no adverse environmental or social risks and/or impacts.

Categorizing financial intermediaries

This relates to business activities involving investments in Financial Intermediaries (FIs) or through mechanisms of financial intermediation. Examples include:

A

When an FI's existing or proposed portfolio contains, or is expected to contain, substantial financial exposure to business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.

B

When an FI's existing or proposed portfolio consists of, or is expected to consist of, business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and can be managed through mitigation measures; or when it includes only a very limited number of business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.

C

When an FI's existing or proposed portfolio involves financial exposure to business activities that largely present minimal or no adverse environmental or social impacts.

Sustainable products and services



Sustainable Murabaha financing facility

During the year 2024, KFH Bahrain successfully concluded a \$800 million Murabaha financing facility. The three-year facility was launched with a target size of \$800 million and was well-oversubscribed, with total commitments reaching \$1.24 billion. This deal is a testament to KFH Bahrain's credentials as a leading bank in Sharia-compliant transactions and highlights the Group's commitment to sustainable finance.

The Murabaha facility adheres to sustainability principles with profit rates linked to two Sustainability Performance Targets (SPTs) covering:



GREEN FINANCING



SOCIAL HOUSING

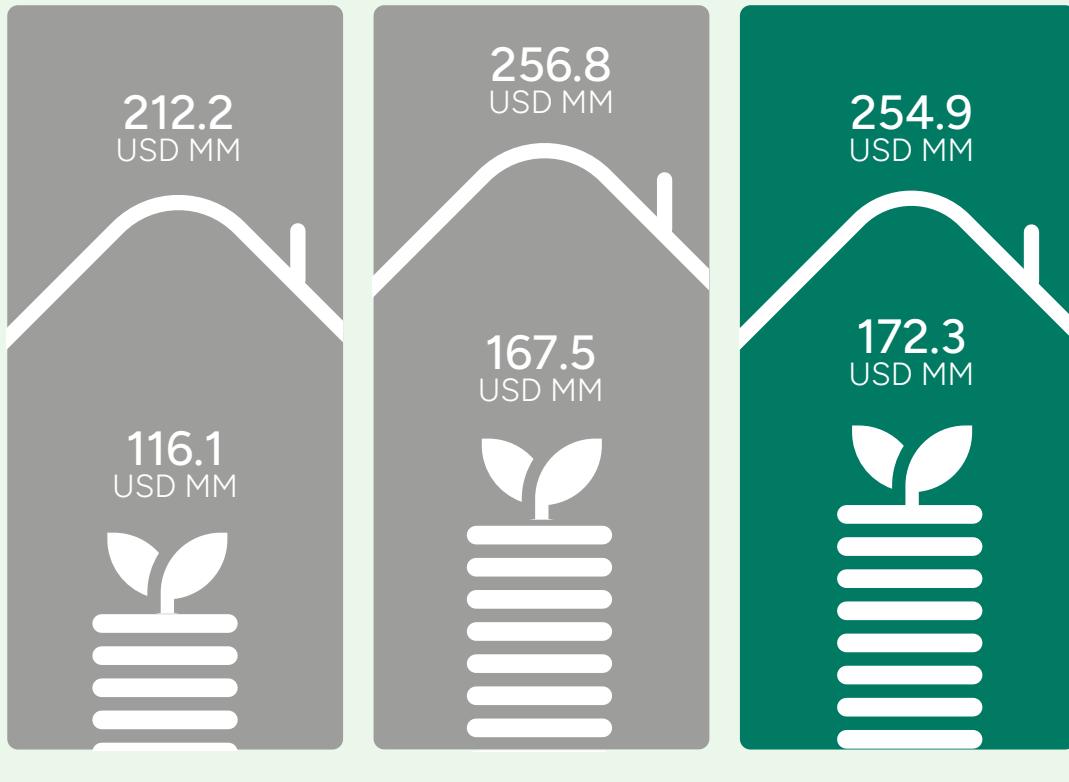


ESG GOVERNANCE

All three targets were successfully achieved. This innovative financing positioned KFH Bahrain as a forward-thinking financial institution, setting a precedent for sustainable Islamic finance.

🌿 Green Financing

🏡 Social Housing





Green finance

As part of its commitment to advancing green finance, KFH Bahrain engages in bilateral financing for water desalination, wastewater treatment, renewable energy, and energy efficiency projects. At the end of 2024, the Bank's green financing reached USD 172.3 million, surpassing its 2024 target of USD 144.9 million.

For KFH Bahrain, "Green Financing" encompasses any financing or investment related to renewable energy (such as solar and steam power plants), energy efficiency (e.g., thermal energy storage), sustainable water and wastewater management (wastewater treatment, desalination, and water treatment equipment), green buildings, and other related projects. This includes green financing facilities and green Sukuk, guided by the principles established by the Loan Markets Association and the International Capital Market Association.

In addition, KFH Bahrain has played a significant role in promoting green finance by co-financing a wastewater treatment plant through a syndicated facility.



Social housing

KFH Bahrain continues to promote financial inclusion through support for social housing. The Bank provides financing of up to 110% of property value under Mazaya and up to 100% under Tasheel programs, with repayment terms extending up to 30 years. This ensures customers have access to sufficient funds for housing, furniture, and other commitments while offering affordable repayment options.

KFH Bahrain exceeded its social housing targets. By the end of 2024, financing for social housing reached USD 254.9 million, surpassing the set 2024 target of USD 253.7 million. This achievement highlights the Bank's dedication to expanding housing accessibility for families and individuals in Bahrain.



SMEs' growth

Supporting SMEs remains a strategic priority for KFH Bahrain, reflecting the sector's importance to economic resilience. Dedicated teams work closely with SME clients to guide their financial journeys, leveraging digital solutions to simplify and accelerate processes.

KFH Bahrain was recognized by Global Finance as the Best SME Bank in Bahrain (2024).



Treasury-led ESG innovations

In 2024, KFH Bahrain's Treasury and Financial Institutions teams played a pivotal role in advancing ESG-aligned financing. The bank significantly expanded its ESG/Green Sukuk portfolio across key entities, demonstrating our strong commitment to channeling liquidity into sustainable fixed-income markets and supporting the global transition toward responsible finance.

Complementing these efforts, KFH Bahrain launched Nama'a, an innovative Islamic structured investment product for high-net-worth clients, designed to balance capital growth with responsible wealth stewardship. In parallel, enhancements to the KFH Bahrain Trader platform ensured that all investment activity is filtered exclusively through Shari'a-compliant financial instruments, strengthening alignment with ESG principles and reinforcing the Bank's ethical and sustainability commitments.

Together, these Treasury-led initiatives highlight how innovation in Islamic finance can drive sustainable economic growth, deepen investor confidence, and extend faith-based financial inclusion.



Supporting the transition

In alignment with its sustainability commitments, KFH Bahrain actively engaged customers to promote responsible practices and sustainable growth. Efforts included collecting client data to support Scope 3 GHG emissions measurement and assisting clients in accessing sustainable finance initiatives. Broader engagement activities such as awareness sessions, advisory services, and training programs reinforced the Bank's role as a partner in sustainable economic development.

Customer experience

KFH Bahrain is dedicated to delivering exceptional value to stakeholders through a customer-centric model that combines Shari'a-compliant solutions with innovative and responsible services. The Bank's offerings span retail, corporate, treasury, and private banking, ensuring that the financial needs of individuals, businesses, and institutions are effectively met.

Diverse banking solutions

The Retail Banking division provides individual clients with deposits, savings, financing solutions, and digital channels such as internet and SMS banking. The Corporate Banking division supports institutional clients with trade finance, commercial property, and corporate finance. Treasury and Investment Services offer money market operations, FX, structured products, and investment management, while Private Banking and Wealth Management caters to high-net-worth individuals through specialized investment and real estate products.

The department developed a comprehensive API developer portal, creating a robust ecosystem for FinTechs, developers, and corporate clients. These initiatives enabled rapid deployment of digital solutions, strengthened asset efficiency, and minimized operational disruptions.

Responsible communication

KFH Bahrain emphasizes responsible communication as a cornerstone of customer engagement. Guided by the Bank's Code of Ethics and Conduct, employees are trained to interact with clients fairly and transparently, with specialized programs ensuring professionalism, empathy, and efficiency. The Bank continued to place customers at the center of its operations, supported by its ongoing digital transformation, expanded network, and global reach.

KFH Bahrain expanded digital solutions in 2024, introducing new onboarding platforms and Apple Pay, while extending service availability to 24/7 operations.

Complaints management

KFH Bahrain enhanced its customer support through a structured Complaints Management System (Customer Voice). The Customer Voice allows for transparent tracking and resolution of customer issues, with reports regularly submitted to the Central Bank of Bahrain. Its workflow ensures each complaint is recorded, monitored, and resolved systematically, enhancing both compliance and customer satisfaction.

The implementation of Customer Voice in Bahrain created a unified approach to handling complaints, reinforcing transparency and accountability and enabled a 100% paperless process.



Financial resilience

Resilient and responsible growth

In 2024, KFH Bahrain demonstrated strong financial resilience, underpinned by robust profitability, a solid asset base, and prudent capital management. The Group reported a net profit of USD 718.2 million, reflecting its ability to sustain value creation despite ongoing macroeconomic and market volatility. Total assets reached USD 27.1 billion, supported by finance facilities and advances of USD 10.1 billion, underscoring the strength of its balance sheet and continued growth momentum.

A transformational milestone was the completion of the full Shari'a conversion of subsidiaries in Egypt, Iraq, and the UK, aligning all activities with Islamic principles following successful conversion of KFH Bahrain's operations in 2023. To ensure compliance and governance, the Group established a dedicated Shari'a Supervisory Board comprising renowned scholars and implemented integrated IT systems to enable the seamless delivery of Shari'a-compliant products. This transition reinforced the Bank's positioning as a sector leader in Islamic finance and strengthened stakeholder trust in its ethical and faith-based practices. This marked one of the largest multi-jurisdiction Islamic conversions, carried out in record time and supported by the seamless rollout of a Group-wide Islamic core banking system.

Resilience was further reinforced through strategic investments in digital transformation and ESG integration. The Bank launched the Retail Financing Origination System (RFOS), a transformative platform that delivers an end-to-end asset acquisition ecosystem. RFOS incorporates rule engines and automated credit decisioning, and extends beyond the Bank by connecting vendors, insurers, and employers through a fully integrated digital portal, enabling a 100% paperless flow of financing solutions. At the frontline, branches were modernized with iPads, equipping staff to digitally onboard customers and process receivable finance, banking, and credit card applications quickly and securely.

The Bank also enhanced its Customer Relationship Management (CRM) system, creating a centralized hub for customer service and front-end operations that unifies client interactions across channels. In parallel, straight-through processing (STP) capabilities were expanded across all digital channels, particularly for ID updates, allowing customers to complete requests seamlessly without manual intervention. Collectively, these initiatives strengthened operational resilience, enhanced efficiency, and elevated the overall client experience by embedding automation, integration, and paperless processes at the heart of the Bank's service model.



Financial inclusion

KFH Bahrain is dedicated to financial inclusion. The Bank strives to ensure that all individuals, including those with special needs, have access to tailored services and equipment designed to meet their requirements. Branches provide 24/7 digital and physical access to services and machines, enabling clients to conduct transactions conveniently and at their own pace.

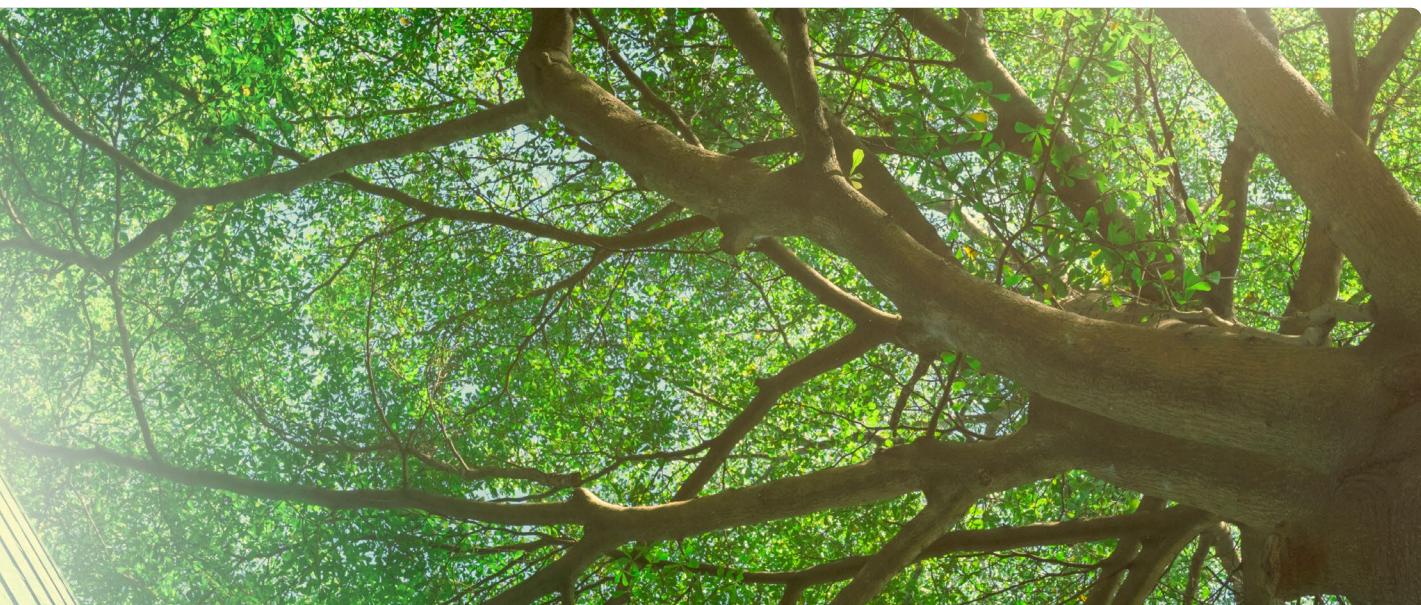
Through branch meet-and-greet desks, trained staff offer personalized guidance to help clients feel supported throughout their banking journey. Branches also provide educational content to assist clients in making informed financial decisions, reinforcing long-term financial well-being.



ESG in action Advancing Digital Inclusion

KFH Bahrain has recently introduced a digital onboarding platform targeting customers aged 21 and above, including both local and expatriate residents. This user-friendly channel simplifies money management and is especially beneficial for individuals with busy schedules. By overcoming geographical and time barriers, these services empower clients from different demographics to meet their financial needs efficiently and securely.

The Bank's digital inclusion initiatives also feature the use of tablets and kiosks across branches. These tools enable digital onboarding and provide access to a wide variety of services, including account management, activating dormancy, issuing official letters, managing cards, processing transfers, updating contact details, and more. This comprehensive suite of services ensures clients have the necessary tools to manage their finances with convenience and confidence.



Commitment to People and Planet

KFH Bahrain's Commitment to People and Planet pillar reflects the Bank's dedication to creating a positive impact on both society and the environment. We focus on fostering an inclusive and responsible workplace that upholds fair labor practices and diversity, ensuring employee health, safety, and well-being remain a priority. Our approach also emphasizes supporting local communities, promoting social and economic development, and managing our environmental footprint responsibly through resource efficiency and climate action. In 2024, KFH Bahrain undertook strategic initiatives to cultivate a responsible, inclusive, and future-ready workforce, reinforcing its commitment to ethical employment, human rights, talent development, and sustainability-linked performance. Through these efforts, KFH Bahrain continues to align with Bahrain's national priorities and global ESG frameworks while building long-term resilience and sustainable value for all stakeholders.

MATERIAL TOPICS

- ↳ Inclusive, talented and responsible workforce
- ↳ Employee health, safety and well-being
- ↳ Local impact and community development
- ↳ Emissions & climate change
- ↳ Environmental footprint



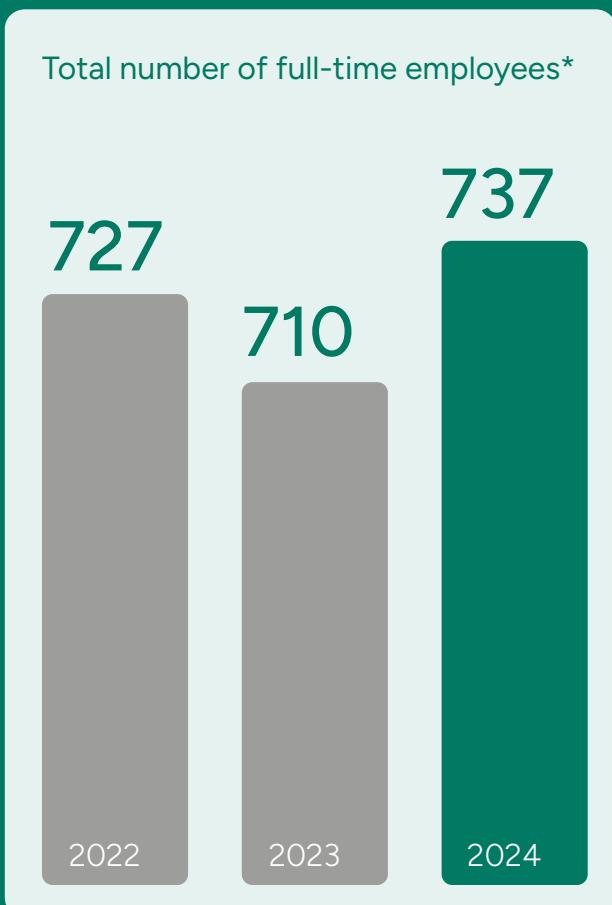


Inclusive, talented and responsible workforce

KFH Bahrain believes its people are its most valuable asset and is committed to creating a diverse, inclusive, and values-driven workplace. Our approach is grounded in fairness, equal opportunity, and respect for human rights, ensuring that all employees can contribute, grow, and thrive.

Workforce composition and growth

KFH Bahrain achieved a 4% increase in total headcount in 2024, reaching 737 employees, driven by strategic business growth and the success of its talent acquisition programs. Recruitment practices are guided by the principles of fairness, transparency, and inclusiveness, ensuring that all candidates are evaluated equitably and that hiring decisions contribute to a diverse, high-performing workforce. This balanced approach underpins the Bank's commitment to sustainable talent growth and organizational excellence.



*KFH Bahrain does not employ any part-time employees



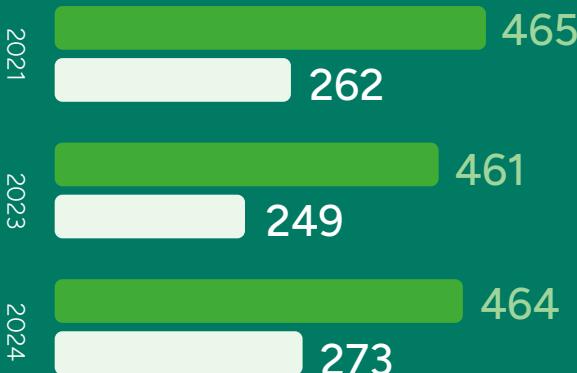
Equality and non-discrimination

KFH Bahrain upholds a strict zero-tolerance policy toward harassment and discrimination, ensuring equal opportunity in all aspects of employment, from recruitment to advancement. The Bank's policies prohibit any form of intimidation or bias based on sex, disability, race, or other characteristics, and protect employees from retaliation when raising concerns. Compensation practices are grounded in fairness and transparency, with pay determined by role, experience, and performance. Regular pay equity reviews and market benchmarking reinforce the Bank's commitment to equal pay for equal work, fostering a culture of integrity, trust, and inclusion.

The male-to-female median compensation ratio stood at 1.43 in 2024, reflecting continued progress toward pay equity.

Employment by sex

■ Male ■ Female



Management composition by sex

■ Male ■ Female



The majority of employees fall within the 30-50 age range. Notably, the proportion of employees under the age of 30 rose to 11% in 2024, compared to 9% in 2023. This upward shift highlights the Bank's strategic focus on attracting and nurturing young talent to support long-term organizational growth.

Employee breakdown by age



In 2024, KFH Bahrain continued to strengthen female representation across all levels, with particularly notable progress in senior and executive roles. The proportion of women in executive positions rose to 19%, up from 16% in 2023 and 12% in 2022, reflecting the success of the Bank's leadership development programs and its sustained commitment to building a diverse and equitable leadership pipeline.

Child and forced labour

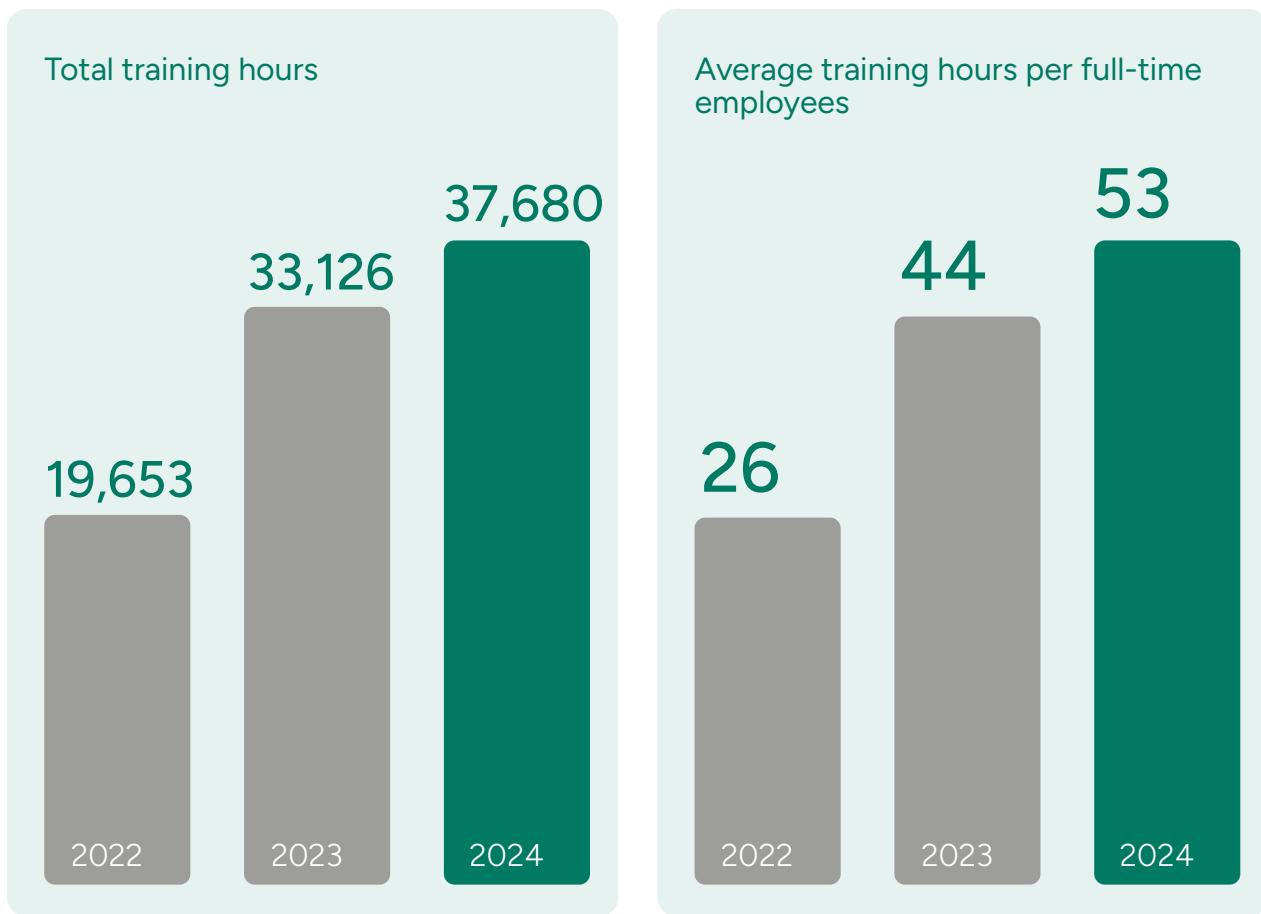
KFH Bahrain upholds the highest standards of ethical employment and enforces strict hiring practices in line with Bahraini labour law and international conventions, ensuring that no child or forced labour is engaged in its operations. The minimum age of entry is safeguarded by ensuring that all employees meet minimum educational qualifications and are hired through transparent, merit-

based processes, guaranteeing a professional and qualified workforce. All HR policies comply with Bahrain Labour Law No. 36 of 2012, the CBB Rulebook, and other applicable regulations. These standards ensure that all recruitment and employment processes are conducted with integrity and transparency in full compliance with national and international labour regulations.

Employee development and training

In 2024, KFH Bahrain strengthened its commitment to employee development by increasing its investment in learning and capability-building initiatives. Total training hours increased by 14% compared to 2023, reaching 37,680, while average training hours per employee rose by

20% to 53 by 2024. Moreover, KFH Bahrain recorded an average of 52 training hours for male employees and 54 hours for female employees. This upward trend reflects the Bank's strategic focus on continuous learning, future-readiness, and professional excellence.



Total training hours increased by 92% over the past two years

During the transformational period, KFH Bahrain placed strong emphasis on employee development by leveraging digital tools and targeted training programs to build the capabilities required for a fully Islamic and future-ready bank. The training strategy centered on three key areas: strengthening Islamic banking principles and practices to ensure all employees possess a comprehensive understanding of Sharia-compliant financial services; advancing digital transformation through specialized courses on cloud technologies, artificial intelligence, machine learning, and generative AI to prepare the workforce for a rapidly evolving technological landscape; and fostering leadership development through structured programs that enhanced strategic thinking, ethical decision-making, and cross-functional collaboration among high-potential talent. Together, these initiatives empowered employees with the knowledge and agility needed to drive the Bank's transformation while promoting a culture of continuous learning and innovation.

To ensure accessibility and scalability, training delivery was enhanced through a suite of digital platforms, including virtual classrooms, mobile learning applications, and on-demand content libraries. This approach enabled flexible learning across geographies and employee segments, while also reducing training costs and environmental impact.

The Bank also strengthened its Digital Factory with expanded middleware resources and partnered with the Offshore Development Center to reinforce IT delivery capacity and ensure efficient execution of large-scale initiatives. Collectively, these efforts enhanced engagement, built digital proficiency, and equipped employees with the skills and tools necessary to drive innovation, resilience, and excellence across the organization.



ESG in action

Building ESG literacy

To build ESG awareness and readiness, KFH Bahrain launched "ESG & SRI – An Introduction," an online course covering environmental, social, and governance (ESG) principles and socially responsible investing (SRI). The program outlines key SRI strategies and considerations, establishing a shared baseline of ESG knowledge across the organization, and strengthening employees' capability for informed decision-making and future sustainable finance initiatives. ESG topics are also integrated into leadership development programs and departmental performance reviews, ensuring that sustainability considerations are embedded into both strategic and operational practices.

Internship and graduate programs

KFH Bahrain is committed to empowering the next generation through structured programs that bridge the gap between academic learning and professional experience. These initiatives play a vital role in advancing Bahrain's national workforce development goals while nurturing a pipeline of future-ready professionals who embody KFH's core values of excellence, integrity, and innovation.



ESG in action

Next Gen Summer Internship Program

As part of its commitment to youth development and employee engagement, KFH Bahrain launched the Next Gen Summer Internship Program, specifically designed for the children of staff. This initiative offers university students structured exposure to various banking functions, alongside personal development and workplace readiness training. Participants gain valuable insights into career pathways within the financial sector while strengthening intergenerational connections within the Bank. In 2024, a total of 12 students benefitted from the program, which continues to be a cornerstone of KFH Bahrain's inclusive and family-oriented culture.



ESG in action

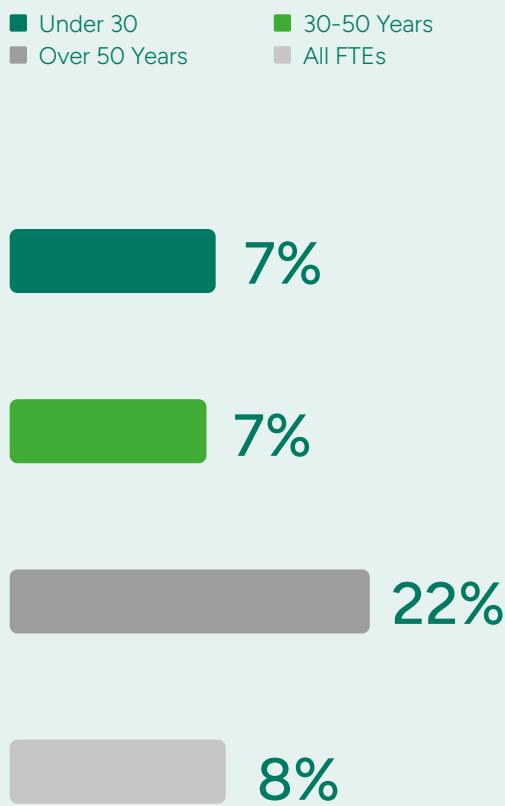
Tailored Bank Internship Program

KFH Bahrain continues to invest in youth development through its Tailored Bank Internship Program, an ongoing initiative designed to bridge the gap between academic learning and professional experience. The program offers structured 3-6 month placements across two core streams: Business and Information Technology. Interns undergo a comprehensive induction process, followed by departmental rotations, hands-on assignments, and dedicated mentorship from experienced professionals. This initiative provides young talent with practical exposure to banking operations, cultivates essential workplace skills, and enhances employability. In 2024, a total of 24 students benefitted from the program, reinforcing KFH Bahrain's role in supporting national workforce development and future-ready capabilities.

Turnover

Employee retention at KFH Bahrain remained strong in 2024, with a retention rate of 94%, reflecting the Bank's proactive and data-driven approach to workforce engagement. Through structured performance improvement plans, tailored career development pathways, and continuous employee experience initiatives, KFH Bahrain maintained a stable and motivated workforce during a period of transformation. Involuntary exits represented only 3% of total separations, underscoring the effectiveness of these programs in sustaining organizational continuity and employee satisfaction. The overall turnover rate stood at 8%. A breakdown by sex and age group revealed useful patterns to inform targeted retention strategies, with turnover reaching 11% among male employees and 4% among female employees. Voluntary turnover continues to be closely monitored to address emerging trends and enhance retention strategies, particularly in light of post-acquisition integration and evolving workforce dynamics.

Turnover by age group



Nationalisation

KFH Bahrain remains a key contributor to Bahrain's national employment strategy, maintaining strong alignment with national priorities for workforce localization and capacity building. By the end of 2024, Bahraini nationals accounted for 81% of the total workforce, reflecting steady growth in both overall and leadership representation. The Bank continues to invest in developing local talent through structured career pathways, mentorship programs, and leadership pipelines, ensuring that national talent remains at the heart of its long-term growth and succession strategy.

Sustainability-linked performance

KFH Bahrain continues to reduce its environmental footprint through digital transformation and operational efficiency. HR processes are now largely paperless, with onboarding, documentation, and approvals conducted electronically. Printing volumes have decreased significantly over the past two years, reflecting the Bank's ongoing commitment to operational sustainability and efficiency.

Since 2021, all departments at KFH Bahrain have integrated sustainability-linked objectives into their performance review frameworks, with 15–20% transformation goals, including targets to achieve paperless operations. These goals encompass measurable actions related to paper reduction, digital process adoption, and employee engagement in ESG initiatives.

As a result, printing volumes have been reduced by 75% in the last two years, demonstrating the tangible impact of embedding environmental priorities into individual and departmental KPIs. A dedicated dashboard of ESG-related HR metrics is maintained to monitor progress and inform decision-making, covering workforce composition by sex, and nationality, training hours per employee, turnover and promotion rates by demographic, ESG training completion, paper reduction and digital adoption performance, and nationalization and leadership diversity indicators.



Printing volumes have been reduced by 75% in the last two years

Employee health, safety and well-being

KFH Bahrain places the health, safety, and well-being of its people at the core of its operations, recognizing that a secure, healthy, and supportive work environment is essential to long-term success. The Bank adopts a holistic approach that integrates occupational health, safety, and well-being into its daily operations, ensuring both compliance and care. Dedicated programs address physical, mental, and emotional wellness through counselling services, wellness initiatives, and accessible support resources. This comprehensive framework reflects KFH Bahrain's ongoing commitment to safeguarding its workforce, enhancing resilience, and fostering a culture of care and accountability across all levels of the organization.

Occupational health and safety

KFH Bahrain maintains a rigorous health and safety framework that ensures compliance with national regulations and international best practices. The Bank conducts regular safety audits, ergonomic assessments, and emergency preparedness drills to safeguard employees and contractors. Policies are regularly reviewed and updated, supported by targeted training to strengthen risk awareness and accountability across all levels of the organization.

KFH Bahrain recorded zero work-related injuries or fatalities over the past three years.

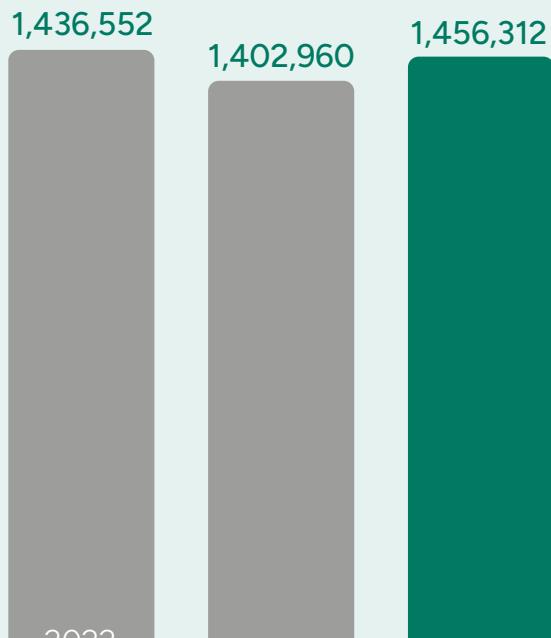
KFH Bahrain ensures that all employees and outsourced staff undergo comprehensive health and safety induction programs, embedding awareness of potential risks and appropriate responses from their first day of employment. This foundational training fosters a culture of responsibility and vigilance across the organization.

The Bank also maintains a network of over 55 trained safety marshals who are certified in first aid, firefighting, and evacuation procedures. These employees provide critical on-the-ground support during emergencies and play a key role in maintaining a safe and prepared workplace environment.

In addition, KFH Bahrain has established a robust incident reporting and monitoring system to track, assess, and evaluate health and safety performance. This process enables continuous improvement and accountability, ensuring that lessons learned are integrated into updated policies, training programs, and preventive measures.

These measures are further reinforced through regular safety and security drills, cultivating a strong culture of preparedness, vigilance, and resilience across the organization.

Total work hours in a year (full-time employees)



Employee well-being

In 2024, KFH Bahrain broadened its focus beyond compliance to deliver a structured, year-round well-being program addressing physical, mental, and emotional health. The Bank introduced a series of targeted initiatives aimed at promoting preventive care, social connection, and personal resilience among employees. These efforts reinforced KFH Bahrain's commitment to nurturing a healthy, motivated, and high-performing workforce aligned with its values of care and responsibility.



BLOOD DONATION CAMPAIGN

Organized in partnership with local health authorities, this initiative encouraged voluntary blood donation among employees, raising awareness of community health and emergency preparedness.



BREAST CANCER AWARENESS PROGRAM

Delivered in collaboration with a specialist hospital in Bahrain, this campaign offered on-site screenings, educational sessions, and early detection guidance, particularly supporting female employees.



BAHRAIN SPORTS DAY & INTERDEPARTMENTAL ACTIVITIES

Employees took part in national sports events, including a relay marathon and a Padel tournament, fostering camaraderie, physical activity, and team spirit across departments.



MENTAL HEALTH AND RESILIENCE TRAINING

Through the Bahrain Institute of Banking and Finance (BIBF), employees attended workshops on positive thinking, stress management and techniques for supporting mental well-being.



100-DAY FIT QUEST PROGRAM

A flagship wellness challenge encouraging healthier lifestyles through fitness, nutrition, and mindfulness, supported by gym offers and wellness resources.



Participation in KFH Bahrain's well-being programs remained consistently high throughout 2024, with 474 employees collectively contributing 9,244 participation hours. These figures underscore the strong engagement and tangible impact of the Bank's holistic approach to well-being. In addition to these structured programs, ongoing initiatives such as flexible work arrangements continue to promote work-life balance and strengthen a culture of wellness and resilience across the organization.

Local impact and community development

KFH Bahrain is committed to creating shared value for society through initiatives that advance community development, preserve cultural heritage, and support vulnerable groups. The Bank actively encourages employees to participate in community service through paid volunteering days and collaborations with local NGOs, reinforcing its role as a responsible corporate citizen.

In 2024, KFH Bahrain supported a wide range of local institutions and initiatives, particularly in health, education, and environmental stewardship, while extending its reach to humanitarian, cultural, youth, and women empowerment programs. These efforts were complemented by financial literacy workshops, sustainability awareness campaigns, and partnerships with social enterprises. The

Bank also maintained its support for green initiatives, including afforestation projects and the local Farmers Market, underscoring its contribution to environmental sustainability and community well-being. In total, KFH Bahrain invested 0.15% of its total revenues in these community support projects.

KFH Bahrain's community investment approach emphasizes needs-based giving, alignment with national priorities, and contribution to the UN SDGs. All requests are evaluated based on community impact, urgency, and potential for long-term benefit, with proposals reviewed under robust governance and Shari'a oversight to ensure transparency, integrity, and alignment with the Bank's values.



ESG in action Supporting a healthy Bahrain

KFH Bahrain prioritized healthcare in response to growing community needs and requests. After consultations with the Ministry of Health and relevant societies, the Bank focused its contributions on initiatives with the greatest potential impact.



Donated three ultrasound machines to public health centers, reducing waiting times for pregnant women by enabling services closer to their communities.



Donated 50 carbon monoxide monitoring devices to support the Ministry's anti-smoking campaigns.



Funded a year of treatment for children with cerebral palsy through the Good Word Society.



At KFH Bahrain, we believe that investing in health is the best investment in the future of our community. We are proud to be part of the efforts aimed at enhancing healthcare services in Bahrain, and supporting initiatives that protect maternal health, child health and combat the harms of smoking. We also reaffirm our commitment to continue our role as an active partner through social responsibility programs that contribute to sustainable development and a better quality of life for all.



Dr. Shadi Zahran

Group Chief Executive Officer



KFH Bahrain continues to invest in community development through partnerships that span health, education, culture, environment, sports, and humanitarian causes. These initiatives reflect the Bank's focus on supporting impactful programs that respond to community needs and create shared value.



Emissions & climate change

KFH Bahrain is working to advance climate action by improving the management of its greenhouse gas emissions. In line with international practices, the Bank integrates sustainability considerations into its operations, prioritizes efficiency, and seeks to safeguard shared natural resources. Efforts currently focus on measuring and monitoring direct emissions from operations (Scope 1), indirect emissions from purchased energy (Scope 2), and other indirect emissions across the value chain (Scope 3). In 2024, Scope 3 emissions recorded a 2.7% decrease compared to the previous year, reflecting the Bank's continued efforts to enhance transparency and strengthen its climate-related disclosures.

Together, these initiatives reflect KFH Bahrain's ongoing efforts to enhance its environmental performance and build a stronger foundation for delivering long-term value through its climate strategy.

GHG emissions*	Unit	2022	2023	2024
Direct GHG emissions (Scope 1)	tons of CO2eq	74	65	66
Indirect GHG emissions (Scope 2)	tons of CO2eq	6,660	6,485	6,801
Total amount, in CO2 equivalents, for Scope 3	tons of CO2eq	57,162,675	158,448,672 ¹	154,140,677

¹The increase between 2022 and 2023 in scope 3 emissions can be attributed to enhancement of financed emissions calculation methodology including improvement of data quality scores and inclusion of all sectors and asset classes relevant to KFH Bahrain.

GHG emissions intensity* [^]	Unit	2022	2023	2024
Total GHG emissions	tons of CO2eq	6,734	6,550	6,867
GHG emissions intensity	tons of CO2eq/employee	9.26	9.23	9.32
GHG emissions intensity	tons of CO2eq/m ² of space	0.31	0.30	0.33
GHG emissions intensity	tons of CO2eq/BHD of revenue	6.70	6.72	6.30

Note: KFH Bahrain calculates its emissions in line with the GHG Protocol Corporate Standard using the Operational Control approach. The methodology applies BEIS 2024 conversion factors and IEA grid factors for Scope 2, with coverage across scopes determined by data availability and the level of operational control over sources.

*The reported GHG emissions include the bank's operation in Bahrain only.

[^]The reported intensity figures include scope 1 and 2 only.

Environmental footprint

KFH Bahrain is actively working towards reducing its environmental footprint by integrating sustainability across its operations. The Bank continuously invests in energy-efficient technologies, promotes resource efficiency, and adopts responsible waste and water management practices. Guided by global standards and aligned with Bahrain Vision 2030, KFH Bahrain aims to minimize its impact on the environment while ensuring operational excellence.

During 2024, KFH Bahrain continued to advance its environmental initiatives by introducing new measures while building on ongoing programs from previous years. These efforts included the installation of a new energy-efficient UPS system, reductions in paper and stationery through the Bank's digital transformation program, and upgrades to sensor taps in toilets to improve water efficiency across facilities.

Energy Consumption

KFH Bahrain actively measures and monitors energy consumption across its facilities to track performance and identify efficiency opportunities. Over the past three years, overall energy consumption has remained relatively consistent, with slight year-to-year variations. The Bank continues to implement efficiency measures such as optimizing car usage, consolidating locations, encouraging virtual meetings, and upgrading to efficient chillers, LED lighting, and sensor-based systems to manage consumption across facilities.

KFH Bahrain continues to invest in community development through partnerships that span health, education, culture, environment, sports, and humanitarian causes. These initiatives reflect the Bank's focus on supporting impactful programs that respond to community needs and create shared value.

Energy consumption*	Unit	2022	2023	2024
Total energy consumption	GJ	33,839	33,401	35,015
Total m ² of space across all facilities (office, storage, facilities, etc.)	m ²	21,491	21,491	20,770
Direct energy consumption				
Petrol consumption from operations and vehicles	Liters	31,575	27,781	28,092
Energy consumption from fuel consumption	GJ	1,101	970	981
Percentage of total energy consumption derived from fuel consumption	%	3.25	2.91	2.80
Total direct energy consumption	GJ	1,101	970	981
Indirect energy consumption				
Electricity consumption (office, storage, facilities, etc.)	kWh	9,093,994	9,098,447	9,453,856
The percentage of energy derived from electricity consumption	%	96.75	97.09	97.20
Total indirect energy consumption	GJ	32,738	32,430	34,034

*KFH Bahrain's energy consumption is presently derived from conventional sources, with potential to integrate renewables as availability increases.

Energy intensity	Unit	2022	2023	2024
Energy consumption per employee	GJ/employee	46.55	47.04	47.51
Energy intensity per m ² of space	GJ/ m ²	1.57	1.55	1.69
Energy intensity by space per BHD of revenue	GJ/BHD	33.65	34.25	32.13

While total energy consumption and certain intensity metrics increased in 2024 compared to 2023, KFH Bahrain recognizes these fluctuations and remains committed to continuous improvement. The Bank will continue to implement energy-efficient technologies, expand digitalization initiatives, and enhance awareness programs to achieve greater reductions in the years ahead.

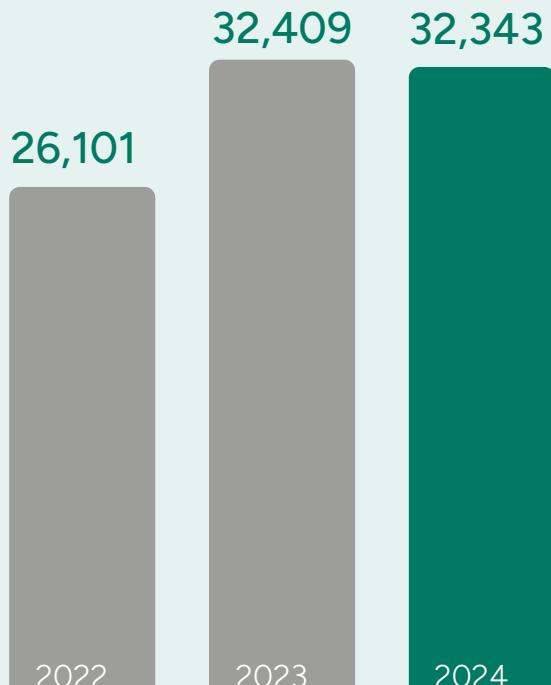
Water and waste management

KFH Bahrain continues to strengthen its resource efficiency through careful management of water and waste across its operations.

Water management at the Bank focuses on close monitoring and efficiency measures, such as installing sensor taps in branches and running awareness campaigns to encourage mindful use. These steps form part of the Bank's ongoing efforts to strengthen resource efficiency within its operations.

In parallel, the Bank is also enhancing its waste management practices, particularly focusing on recycling and responsible disposal. While data collection methods are being strengthened, the Bank remains committed to reducing its environmental footprint by promoting paper reduction, recycling initiatives, and circular practices across its offices.

Total water consumption (m³)



Appendices



Appendix A. Definitions of material topics

Pillar	Material Topic	Definition
 A Culture of Responsible Governance	Corporate Governance, Compliance and Business Ethics	Strengthening ethical, transparent, and accountable governance through board oversight, anti-corruption measures, regulatory compliance, and stakeholder engagement.
	Risk Management and Business Continuity	Strengthening risk management frameworks to address systemic and emerging risks effectively across banking operations.
	Responsible Procurement	Integrating ESG considerations into suppliers' selection, ethical procurement, and responsible sourcing practices.
	Data Privacy and Security	Safeguarding stakeholder trust by ensuring robust data protection, maintaining strict privacy standards, and strengthening cybersecurity measures to protect sensitive information and support secure, transparent operations.
 Responsible Banking	Sustainable and Responsible Finance	Integrating ESG factors into financial decisions to promote sustainable growth, align with SDGs and climate goals, and ensure transparency, accountability and ethical conduct in financial systems.
	Customer Experience	Ensuring safe, transparent and high-quality financial service through clear communications, data protection, and customer-centric approach.
	Financial Resilience	Strengthening financial systems and controls to withstand economic disruptions, support long-term stability, and ensure the bank's ability to adapt, recover, and continue delivering value across changing market conditions.
 Commitment to People and Planet	Inclusive, Talented and Responsible Workforce	Fostering a skilled, diverse, and responsible workforce through training, professional development, well-being initiatives, and equal opportunities—enhancing organizational resilience, ethical practices, and long-term social impact.
	Employee Health, Safety and Well-being	Fostering a healthy, safe and supportive workplace through a compliant, motivational environment that engages employees and contractors, manages risks, provides training, and continuously monitors well-being
	Local Impact and Community Development	Enhancing social investments and supporting community-driven development initiatives.
	Emissions and Climate Change	Organizational duty to track and reduce GHG emissions (Scopes 1, 2 and 3) and manage climate-related risks through mitigation, adaptation and resilience.
	Environmental Footprint	Promoting the efficient use of resources and minimizing the Bank's environmental impact through responsible energy and water consumption, waste reduction, and practices that protect and preserve the environment.

Appendix B. CBB content index

KPI	Reference(s)	Main reporting component(s)	Location in report
Environmental			
E.1: Environmental Oversight The company should describe its management and board oversight on climate- related risks and opportunities.	GRI 3: Material Topics 2021 TCFD: Strategy - Recommended Disclosure (a) and (b) CDSB Framework: REQ-01, REQ-02	<ol style="list-style-type: none"> 1. A statement on how the company addresses its environmental impact (e.g., explain whether senior management and/or the board address sustainability issues in meetings or have dedicated committees to do so.) 2. A statement of purpose and approach of the board/management towards sustainability matters. 3. A description of the following (where applicable): <ol style="list-style-type: none"> 3.1 Policies 3.2 Commitments 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.) 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes. 	 Risk management and business continuity  Sustainable and responsible finance
E.2: Energy Consumption The company should provide information on both direct and indirect energy usage. Direct energy usage refers to energy that is generated and used on property owned or operated by the company. Indirect energy usage refers to energy that is generated elsewhere, such as through utilities, but is used by the company.	GRI: 302-1, 302-2-ENERGY 2016	<ol style="list-style-type: none"> 1. Report total energy consumed and breakdown by type. <ol style="list-style-type: none"> 1.1 Indirect energy consumed in the form of electricity, heating, cooling (i.e., total of energy purchases) 1.2 Direct energy consumed, classified by renewable and non-renewable sources. 2. State the standards, techniques, assumptions, and/or calculation tools utilised. 	 Environmental footprint

KPI	Reference(s)	Main reporting component(s)	Location in report
E.3: Energy Intensity The company should report total annual energy usage per output scaling factor (such as sales or revenue).	GRI: 302-3: ENERGY 2016	<ol style="list-style-type: none"> Report total energy consumed during the year divided by the selected scaling factor (e.g., sales, revenue etc.). State the standards, techniques, assumptions, and/or calculation tools utilised. 	Environmental footprint
E.4: Energy Mix The company should provide a breakdown of its energy consumption by source.	GRI: 302: ENERGY 2016	<ol style="list-style-type: none"> Report the percentage of energy used by source, as part of total energy consumption. Report the percentage of renewable and non-renewable energy used, as part of total energy consumption. 	Environmental footprint
E.5: Green House Gas (GHG) Emissions The company should report its total Green House Gas Emissions	GRI 305: Emissions 2016 GHG Protocol: Calculation Tools and Guidance	<ol style="list-style-type: none"> Report total absolute emissions by scope; <ol style="list-style-type: none"> Total amount, in CO₂ equivalents, for Scope 1 Total amount, in CO₂ equivalents, for Scope 2 Total amount, in CO₂ equivalents, for Scope 3 (if applicable). State the standards, techniques, assumptions, and/or calculation tools utilised. 	Emissions and climate change
E.6: Emission Intensity The company should report annual GHG emission scaled by a relevant scaling factor (such as size (e.g. m ² floor space), employment (e.g. headcount) and monetary units (e.g. revenue or sales)).	GRI 305: Emissions 2016 GHG Protocol: Calculation Tools and Guidance	<ol style="list-style-type: none"> Report total annual GHG emission during the year divided by the selected scaling factor. State the standards, techniques, assumptions, and/or calculation tools utilised. 	Emissions and climate change
E.7: Climate Risk Mitigation The company should describe its climate risk identification process, assessment, management processes, and report annual investment in infrastructure, resilience, and product development.	TCFD: Risk Management – Recommended Disclosure (a) and (b) CDSB Framework: REQ-03	<ol style="list-style-type: none"> Describe how your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks). Report the amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation). 	Emissions and climate change

KPI	Reference(s)	Main reporting component(s)	Location in report
E.8: Water Usage The company should report total annual amount of water withdrawn, consumed, recycled.	GRI 303: WATER AND EFFLUENTS 2018 CDP Water Security Reporting Guidance 2018	1. Report the total annual amount of water consumed by the organisation. 2. Report the total annual amount of water withdrawn by the organisation. 3. Report the total annual amount of water recycled/reclaimed by the organisation.	 Environmental footprint
E.9: Waste Generation The company should report total weight of waste generated and a description of its waste disposal method.	GRI 306: Waste 2020	1. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste (hazardous and non-hazardous). 2. Description of the company's waste disposal method(s). 3. Description of the company's sustainable waste management practices (such as recycling initiatives and waste reduction strategies). 3.1 State the standards, techniques, assumptions, and/or calculation tools utilised.	 Environmental footprint
E.10: Emission Targets The company should provide a description of emission targets set, and steps taken to achieve them, including energy conservation measures.	GRI 3: Material Topics 2021 GRI 305: Emissions 2016	1. A statement on how the company addresses its total emission. 2. A statement of the board/management approach towards its total emissions, including whether it is subject to any country, regional, or industry-level emissions regulations and policies 3. A description of the following (where applicable): 3.1 Policies 3.2 Commitments 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer; Board committees etc.) 3.5 Specific actions, such as processes, projects, programs, initiatives, and frequency at which the board is informed about emission targets and process.	 Emissions and climate change

KPI	Reference(s)	Main reporting component(s)	Location in report
Social			
S.1: Total Workforce by sex, age-group, and employment type The company should report the composition of its total workforce by sex, employment type and age group.	GRI 2: General Disclosures 2021 GRI 405: Diversity and Equal Opportunity 2016	<ol style="list-style-type: none"> Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: <ol style="list-style-type: none"> By sex, as percentage of the total workforce By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old), as a percentage of the total workforce. By employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce. 	Inclusive, talented and responsible workforce
S.2: Child and Forced Labour The company should provide a statement of policies it applies to prohibit child/and or forced labour within the company, and if it considers policies that prohibit that same for their suppliers and/or vendors.	GRI 2: General Disclosures 2021 GRI 405: Diversity and Equal Opportunity 2016	<ol style="list-style-type: none"> A statement on how the organisation addresses prohibition of child and or/forced labour. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies. A description of the following (where applicable): <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about any issues concerning child and or/forced labour relating to the company. 	Inclusive, talented and responsible workforce
S.3: Employee Turnover The company should report the total annual turnover (whether voluntary or involuntary) categorised by sex, employment type and age group.	GRI 401: Employment 2016	<ol style="list-style-type: none"> Report total annual employee turnover rate (whether voluntary or involuntary) during the reporting period, as per the below categories: <ol style="list-style-type: none"> By sex By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old) 	Inclusive, talented and responsible workforce

KPI	Reference(s)	Main reporting component(s)	Location in report
S.4: Gender Pay Ratio The company should report the median total compensation for men compared to the median total compensation for women (as a ratio).	GRI 405: Diversity and Equal Opportunity 2016	1. Report the median total compensation for women compared to the median total compensation for men (as a ratio).	 Inclusive, talented and responsible workforce
S.5: Health and Safety The company should report the total number of injuries and fatalities occurred, lost days due to work injury and a description of occupational health and safety measures.	GRI 403: Occupational Health and Safety 2018	1. Report on the total number of injuries and fatalities occurred in each of the past three years including the reporting year. 2. Report lost days due to work injury in each of the past three years including the reporting year. 3. A description of occupational health and safety measures adopted, and how they are implemented and monitored.	 Employee health, safety and well-being
S.6: Non-Discrimination The company should provide a description of its harassment and/or non-discrimination policy.	GRI 406: Non-Discrimination 2016 GRI 3: Material Topics 2021	1. A statement on how the organisation addresses harassment and discrimination matters. 2. A statement of the board/management approach, including whether it is subject to any country, regional, or industry-level regulations and policies	 Inclusive, talented and responsible workforce  Corporate governance, compliance and business ethics
S.7: Nationalisation The company should report on the number and percentage of national employees, as well as initiatives to increase nationalisation.	GRI 406: Non-Discrimination 2016 GRI 3: Material Topics 2021	1. A statement of the board/management approach to increase nationalisation, including whether it is subject to any country regulations and policies. 2. Report the number and percentage of national employees, as part of the total workforce.	 Inclusive, talented and responsible workforce
S.8: Community Investment The company should provide detailed information on the scope and impact of its community investment activities, as well as amount invested in community as a percentage of company revenue.	GRI 3: Material Topics 2021	1. Report the amount invested in the community as a percentage of company revenues. 2. Provide a description of the scope and impact of its community investment initiatives.	 Local impact and community development

KPI	Reference(s)	Main reporting component(s)	Location in report
S.9: Human rights The company should provide a description of its policy on human rights.	GRI 412: Human Rights Assessment 2016 GRI 3: Material Topics 2021	<ol style="list-style-type: none"> 1. A statement on how the organisation addresses human rights. 2. A statement of the board/ management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies. 3. A description of the following (where applicable): <ol style="list-style-type: none"> 3.1 Policies (and if it also covers suppliers and vendors). 3.2 Commitments 3.3 Goals and targets 3.4 Responsibilities 	Corporate governance, compliance and business ethics
S.10: Management Composition/Diversity The company should report the percentage of male to female metrics broken down by various organisational levels.	GRI 405: Diversity and Equal Opportunity 2016	<ol style="list-style-type: none"> 1. Report percentage of male to female metrics, as per the below categories: <ol style="list-style-type: none"> 1.1 Entry-level 1.2 Mid-level 1.3 Senior/Executive level positions 	Inclusive, talented and responsible workforce
S.11: Development and Training The company should report average hours of training that its employees have undertaken during the reporting period.	GRI 404: Training and Education 2016	<ol style="list-style-type: none"> 1. Report average hours of training, as per the below categories: <ol style="list-style-type: none"> 1.1 By Sex 1.2 By Employee category (Full-time, part-time, internship etc.) 	Inclusive, talented and responsible workforce
Governance			
G.1: Board Composition The company should report the composition of the Board categorised by directors, such as the chairman, executive directors, non-executive directors, and independent non- executive directors.	GRI 2: General Disclosures 2021	<ol style="list-style-type: none"> 1. Report Board size 2. Report female Board directors by number and percentage of the Board size. 3. Report composition of the Board and its committees by: <ol style="list-style-type: none"> 3.1 Executive or non-executive. 3.2 Independence. 3.3 Tenure. 3.4 Representation (appointed or elected) 3.5 Details of non-compliance with regulations, as well as a description of the corrective actions taken. 	Corporate governance, compliance and business ethics

KPI	Reference(s)	Main reporting component(s)	Location in report
G.2: Collective Bargaining <p>The company should report on the total enterprise headcount covered by collective bargaining agreements (Unions) and the process in which employees' contracts with their employers to determine their terms of employment.</p>	GRI 407: Freedom of Association and Collective Bargaining 2016	<ol style="list-style-type: none"> Report total enterprise headcount covered by collective bargaining agreements (Unions) (if applicable). Provide a description of the process by which employees negotiate their contracts with the organisation to determine their terms of employment (e.g., compensation, benefits, hours, leave, occupational health and safety standards, initiatives to balance work and family etc.) 	 Collective bargaining agreements are not part of KFH Bahrain's policies and no employees are covered by such practices.
G.3: Whistleblowing <p>The company should provide a description of the mechanisms used to discuss and report on behaviour.</p>	GRI 2: General Disclosures 2021	<ol style="list-style-type: none"> Provide a description of internal and external mechanisms for seeking advice and reporting concerns on organisational integrity. Provide a description on awareness initiatives conducted by the organisation. 	 Corporate governance, compliance and business ethics.
G.4: Data privacy <p>The company should Report if it follows a Data Privacy policy and if the company has taken steps to comply with Personal Data Protection Law (PDPL) rules.</p>	GRI 2: General Disclosures 2021	<ol style="list-style-type: none"> Provide a description of the company's Data Privacy policy. Provide a statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules. 	 Data privacy and security
G.5: Disclosure Practices <p>The company should provide a description of its sustainability disclosure practices.</p>	GRI 2: General Disclosures 2021	<ol style="list-style-type: none"> Report if the company provides its sustainability data to sustainability supporting organisations such as the Global Reporting Initiative (GRI) Secretariat, United Nations (UN), CDP etc. Report if the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress. State whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures. 	 About this report

KPI	Reference(s)	Main reporting component(s)	Location in report
G.6: Conflict of interest The company shall describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated.	GRI 2: General Disclosures 2021	1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: <ul style="list-style-type: none"> 1.1 Cross-board membership 1.2 Cross-shareholding with suppliers and other stakeholders; 1.3 Existence of controlling shareholders; 1.4 Related parties, their relationships, nature, transactions, and outstanding balances. 	Corporate governance, compliance and business ethics.
G.7: Supplier Code of Conduct The company should report if it has established a Supplier Code of Conduct.	GRI 2: General Disclosures 2021	1. Provide a description of the company's Supplier Code of Conduct. 2. Report the percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism.	Responsible procurement
G.8: Incentivised Pay The company should describe the processes for incentivising executives to perform sustainably.	GRI 2: General Disclosures 2021	1. Report if executives are formally incentivised to perform on sustainability. 2. Report the percentage of executive compensation tied to ESG performance metrics. 3. Provide a description of other links between executive performance and sustainability performance (if any).	Inclusive, talented and responsible workforce
G.9: Ethics & Anti-corruption The company should describe its policy on ethical conduct and anti-corruption.	GRI 2: General Disclosures 2021 GRI 3: Management Approach 2021	1. Report if your company follows an Ethics and/or Anti- Corruption policy. <ul style="list-style-type: none"> 1.1 If yes, report the percentage of the workforce that has formally certified its compliance with the policy (provide description of certification and process). 2. Provide a statement of the company's commitment towards its ethics and/or anti- Corruption policy/position.	Corporate governance, compliance and business ethics.

KPI	Reference(s)	Main reporting component(s)	Location in report
<p>G.10: Assurance</p> <p>The company shall describe the processes by which its sustainability disclosures are assured or validated</p>	<p>GRI 2: General Disclosures 2021</p> <p>GRI 3: Management Approach 2021</p>	<p>1. Provide a description of the process by which sustainability disclosures are assured or validated.</p> <p>1.1 Report if the company's sustainability disclosures are assured or validated by an independent third party</p>	<p>KFH Bahrain's sustainability disclosures are currently verified through robust internal processes. The Bank is evaluating independent external assurance for future reports.</p>

