



2022 SUSTAINABILITY REPORT





**H.H. Sheikh
Mishal Al-Ahmad Al-Jaber Al-Sabah**

Crown Prince of the State of Kuwait



**H.H. Sheikh
Nawaf Al-Ahmad Al-Jaber Al-Sabah**

Amir of the State of Kuwait



TABLE OF **CONTENTS**



▶ Chairman's Message	6
▶ Group CEO's Message	7
▶ Key ESG Highlights	8
▶ Burgan Bank Group - Overview	10
– Core Business Activities	11
– International Presence and Outreach	12
– Sustained Economic Value Creation	13
▶ ESG Strategy and Framework	14
– ESG Strategy	15
– ESG Framework	16
– ESG Focus Areas	18
▶ Governance	20
– Responsible Governance	21
– Risk Management Framework	27
▶ Social	30
– Engagement with Stakeholders	31
– Diversity and Inclusion	34
– Women Empowerment	36
– Non-Discrimination	38
– Nurturing our Workforce	39
– Employee Health and Wellbeing	41
– Kuwaitization	43
– Leadership Development for Smooth Succession	44
– Transforming Burgan's Learning and Development Journey	45
– Enriching Customer Experiences	47
– Modernizing Banking with the Digital Momentum	50
– Financial Inclusion	53
– Financial Literacy	54
– Data Security and Privacy	55
– Responsible Supply Chain	56
– Championing Social Responsibility	57
▶ Environment	62
– Energy and Climate Change	63
– Waste and Water	64
– Integrating Responsible Lending and Investing	65
▶ Sustainability at our Subsidiaries	66
▶ About the Report	70
▶ Appendix	72
– Burgan's Material Topics and its Relevance to Stakeholders	73
– Material Topics: Definition	74
– GRI Index	75
– Bursa Kuwait Index	81

Chairman's Message



**Sheikh Abdullah Nasser Sabah
Al Ahmad Al Sabah**
Chairman, Burgan Bank Group

I am pleased to present Burgan Bank's Sustainability Report for 2022. This is our fourth year of publishing this report, which highlights the key milestones for our strategy and actions on making ESG an integral part of our way of doing business. The year 2022 has been significant in firmly anchoring Burgan Bank on the path to a more inclusive and equitable organisation, an engaged community partner and contributor to a cleaner environment. I am pleased with the considerable progress we have made on our ESG agenda with integration of many ESG elements in our operations. In alignment with Kuwait Vision 2035 and UN Sustainable Development Goals, our ESG aligned commitments range across our core activities of banking, risk management, human capital and CSR.

Our key CSR initiative called 'ENGAGE' –is a campaign to engage larger communities through a variety of partnerships and promotes social welfare through educational, cultural, health and other community drives. The Bank continues to promote financial literacy and financial inclusion through its various

Diraya Program initiatives and continues to focus on women empowerment drives. Our Bank has an excellent gender equality ratio with almost half of all employees being women. Our diversity and inclusion agenda is noteworthy with integration of specially abled individuals into our workforce as well as efforts to make banking accessible at our branches for differently abled individuals.

As we navigate through our ESG transformation, our Bank continues to invest heavily in our digital capabilities and offerings to customers, recognizing responsible technology with strong data protection and cyber security are key to accelerate the changes that are required.

I would like to take this opportunity to thank our Executive Management team, all our stakeholders and our family of Burganers for their unrelenting support in our ESG journey and look forward to many more achievements in the near future.

Group CEO's Message



Masoud M.J. Hayat

Vice Chairman and Group CEO,
Burgan Bank Group

It gives me great pleasure to present to you Burgan Bank's Sustainability Report for 2022. In this report, we detail the key transformational activities associated with continuing our sustainability journey. I am proud to share with you that this year, we have set up our ESG governance by constituting a Management ESG Committee directly reporting to the Board, demonstrating unequivocal leadership endorsement. The Committee is enabling a bank-wide ESG integration and provides regular monitoring and review of our ESG performance.

Technology continues to be a key enabler for accelerating the Bank's sustainability journey by building our capabilities in the digital banking space. Our customers have readily embraced the digital transformation with over 60% of the Bank's total customer base going digital at the end of 2022 and 79% year-on-year growth in mobile banking transaction volumes in 2022. The digital transition not only helps lower our own environmental footprint but that of our customers. Our ongoing financial support for small and medium-sized enterprises reflects our commitment to creating economic opportunities and growth in the wider economy. Our bank continues its support of the nationalization drive with 80% of our workforce comprising of Kuwaitis. Our new self-service learning

platform, combined with tailored instructor-led courses and succession planning programmes, allow us to develop future ready talent for an ever-evolving market. We remain committed to partnering with our community through our wide ranging CSR programmes.

Our Bank is working on incorporating ESG lens into our risk management procedures to safeguard against emerging ESG risks. Our Bank has been the first in Kuwait to publish its Sustainable Financing Framework that shall serve to guide our future sustainable financing efforts and has established a cross-functional ESG Working Group to drive it forward.

Moving forward to 2023, we will continue to put ESG at the core of our business to benefit both present and future generations. We will continue to build upon the progress we have already made towards embedding sustainability as a core part of our culture, business and operating model.

I would like to thank all our stakeholders especially our employees, the Board, the regulators and the communities we operate in for their continued support as we expand our commitment to drive sustainable growth.

Key ESG Highlights



47%
Female
employees



44.3 hours
Average training
per employee



80%
Kuwaitisation



45.5%
Independent
Board



82%
Spend on local
suppliers



► ISO 27001
► PIMS 27701
► PCI DSS
Certifications



Awards from
Global Finance

- Best Open Banking APIs
- Best SME Banking
- Best Information Security & Fraud Management
- Best Mobile Banking Adaptive Site



A large, stylized leaf graphic in shades of brown and gold, positioned diagonally across the page. The leaf has a smooth, curved shape with a pointed tip. The background is a textured, light brown paper.

Burgan Bank Group - Overview

Core Business Activities

Burgan bank has a long-term vision to generate a positive impact and create shared value for the economy, society, and the environment. Over the past 45 years, the Group has successfully established itself as a major financial institution in Kuwait, with a specific focus on the corporate sector and an increasing diversification into retail and private segments.

The Bank combines its skills to enhance performance over time by focusing on robust risk management across the Group, sustaining cautious expansion in the Bank's core markets, managing franchises by enhancing operating efficiencies and returns, and optimising capital usage.

Retail Banking

- ▶ Full range of customer-centric solutions and experiences tailored for each customer segment.
- ▶ Regular enhancement of products and customer experience.

Corporate Banking

- ▶ Full range of products and services for large and mid-size corporates along with SMEs.
- ▶ Participation in financing infrastructure projects.
- ▶ Facilitating growth of corporate clients by supporting them in execution of organic and inorganic opportunities.



Treasury & Investments Banking

- ▶ Liquidity management and balance sheet optimization to support asset growth and compliance.
- ▶ Proprietary investment portfolio management.

Wealth Management & Private Banking

- ▶ Bespoke solutions and traditional banking services to HNWIs and UHNWIs.
- ▶ High-quality service with easy access to dedicated relationship managers and support staff.

International Presence and Outreach

In the MENAT region, Burgan Bank has majority owned subsidiaries with one of the biggest branch networks. It is one of the leading regional banking groups with strong client-focused operations.

Burgan Bank Group

Customers	896,648
Employees	3,827
ATMs	365
Branches	160

Burgan Bank Turkey

Customers	481,851
Employees	1,137
ATMs	23
Branches	32

Burgan Bank Kuwait

Customers	118,206
Employees	850
ATMs	154
Branches	29

Gulf Bank of Algeria

Customers	197,241
Employees	1,012
ATMs	107
Branches	63

Tunis International Bank

Customers	1,589
Employees	101
ATMs	0
Branches	3

Bank of Baghdad*

Customers	97,761
Employees	727
ATMs	81
Branches	33

*Held for sale

Sustained Economic Value Creation

KD Mn	Economic Value		
	Generated (Revenue)	Distributed*	Retained
2022	232	204	28
2021	235	211	24

*Economic value distributed includes operating cost, credit cost, payments to providers of capital, payments to government and community investments

Note: Economic Performance includes the performance of Burgan Bank Group, including all its Subsidiaries



The background is a textured, light brown paper. A large, stylized leaf shape, composed of two overlapping curved segments, is positioned diagonally from the bottom left towards the top right. The leaf has a color gradient from dark brown at the bottom to a lighter tan at the top. The text "ESG Strategy and Framework" is centered within the leaf in a bold, white, sans-serif font. A thin, dark, wavy line is visible in the upper left corner of the page.

ESG Strategy and Framework

ESG Strategy

Kuwait Vision 2035 plans to transform the country into a financial and trade hub regionally and internationally to become more attractive to investors. Kuwait's national development plan is also linked to the United Nations Sustainable Development Goals (SDG's) 2030 agenda, to ensure compatibility between the national development plan and the international development vision.

In 2019, Burgan Bank committed to its sustainability journey by establishing a comprehensive ESG (Environmental, Social, Governance) framework, developing an ESG roadmap, establishing ESG initiatives and reporting on Sustainability to align with New Kuwait Vision, Boursa Kuwait and United Nations' Sustainable Development Goals (UNSDGs). The Bank bases its sustainability journey on the sound principles of Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB).



ESG Framework

Burgan bank understands that material ESG factors are important drivers of long-term growth for all key stakeholders i.e., customers, employees, suppliers, regulators, industry associations, investors and the community at large.

Burgan Bank has developed an ESG Framework that is built upon the foundation of four focus areas that are critical from both business and ESG Vision **“To be a responsible banking institution that supports building a better future for our stakeholders, our people and our communities”**.

**Sustainable
Accounting
Standards Board**



**GRI
Standards**

Burgan Bank has formulated a cross-functional ESG Management Team known as Management Environmental, Social and Governance Committee (MESGC). It has the oversight of Board for steering the ESG integration throughout the Bank and monitor the ESG performance. The ESG Management Team creates ESG programs with specific goals and benchmarks that support Burgan Bank's four focus areas.

The Bank conducts a structured Materiality Assessment to assess its sustainability issues by studying and reviewing national and global sustainability context and taking into consideration the opinions of stakeholders.

At Burgan Bank, a detailed materiality exercise is conducted at regular intervals to understand the challenges faced in business processes, the external environment, geographical expansion and global trends on ESG factors that impact the Bank that have been identified as material topics. The Bank prioritizes the most material topics on the basis of interaction with stakeholders and independent analysis.

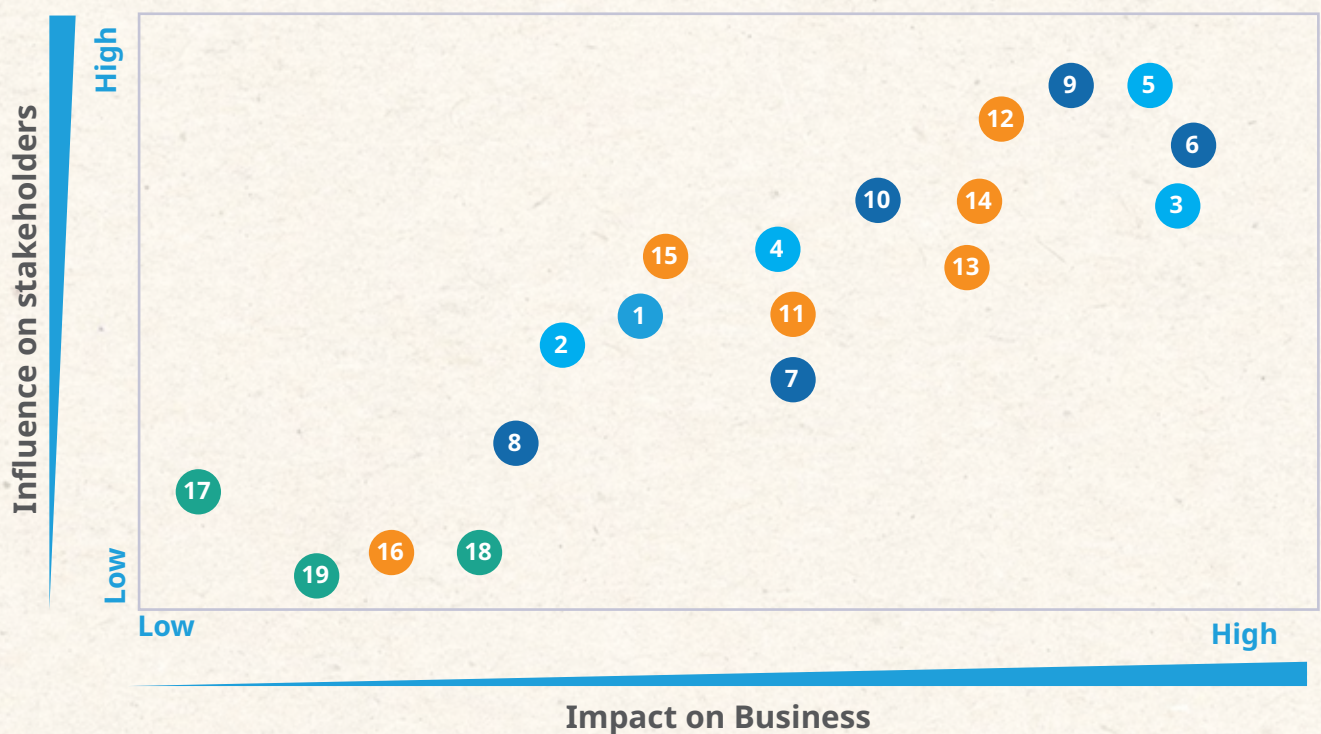
A structured Materiality Assessment was conducted in 2019 through a process of Identification, assessment and prioritization. The years when a full materiality assessment is not conducted, the Bank reviews the adequacy of material topics through engagement methods with stakeholders every 3 years. For additional details, refer to the Materiality Appendix of this report.

ESG approach focuses on four sustainability commitment areas to establish common standards across the Bank and its subsidiaries.

Burgan's Material Topics



Materiality Matrix



ESG Focus Areas

Endorsing Ethical Practices & Transparency

Strong governance, ethical business practices and prudent risk management are critical to Burgan's goal for driving sustainability. Corporate governance guidelines assist the Board in the exercise of its responsibilities and to promote the effective functioning of the Board and its committees. Burgan's Code of Conduct and Ethics which apply to all employees and Board members serve as the foundation for high standards of integrity and ethics, as well as the promotion of compliance with applicable regulations. Stringent anti money laundering policies and controls are put in place to prevent money-laundering and combat corruption and terrorism. The Bank is also working towards regular audits of Ethical Standards of all operations.



Responsible Banking and Financing

Burgan Bank strives to promote financially and environmentally sustainable banking products and services, deliver innovative products and services to customers while ensuring data privacy and security. The Bank encourages investment in the SME sector as a sustainable means to grow the economy, as well as looks for ways to service the unbanked or underbanked communities as a part of its commitment towards financial inclusion. As it moves forward in its sustainability journey the bank also seeks to incorporate ESG considerations in the Risk Assessment Framework for qualitative credit/ investment analysis.

Positive Community Impact

Burgan Bank promotes social inclusion through contribution and participation in community causes with a commitment to support the local community in the areas of health, youth, education, environment, and culture. The Bank works towards advancement of the special needs segment of society, enables women empowerment and undertakes initiatives and activities for fostering financial literacy and participation in the community. Internal stakeholder satisfaction is equally important to Burgan Bank, and continuous efforts are made for employee satisfaction.



Minimizing Environmental Impact

As part of its commitment to environment, Burgan Bank continues to work to reduce the environmental footprint of its operations, investment portfolio and supply chain. The Bank focuses on energy efficiency, emissions reduction and waste minimization in accordance with its ESG strategy.





Governance

Responsible Governance

Burgan Bank aims to maintain a high degree of transparency and inclusiveness in governance and reporting. The Bank believes in value-based banking systems. It endeavours to consistently integrate good ESG practices into its business, governance structures and its operations. The Bank recognises that transparent corporate governance, proactive ESG risk management, and strict adherence to rules and regulations are critical components of its commitment to sustainable growth.

Burgan Bank operates within a well-defined governance structure and incorporates governance principles and practices into its operations that are founded on the four pillars of accountability, transparency, fairness, and integrity. The Bank abides by a strict Code of Conduct in its business practices and decision-making. It follows the guidelines of the Central Bank of Kuwait, which are based on Basel Committee recommendations on Corporate Governance.

Burgan Banks Corporate Governance framework considers the laws, regulations and instructions issued by the regulatory bodies and it incorporates the same into the Bank's policies and procedures.

Burgan Bank policies and procedures supporting responsible governance are :



Further, to inculcate a robust Governance Culture Burgan Bank provides awareness and training to their employees on good corporate behaviour throughout the Bank.

BOARD OF DIRECTORS

The Board of Directors (BoD) serves as the highest governance body responsible for the overall strategy, execution, risk management and controls. The Board is also responsible for upholding the rights of shareholders and various other stakeholders. The Board oversees implementation of the strategy through various Board level committees and executive management committees. Each Board member is appointed for a three-year term, following which the Board is reconstituted and it is allowed to re-appoint members whose term has expired.

The criteria used for nominating and selecting highest governance body members, include but is not limited to independence, qualifications, experience, diversity, knowledge and reputation. CBK rules and regulations are adopted for appointment of independent, regular and nominated members of the Board.



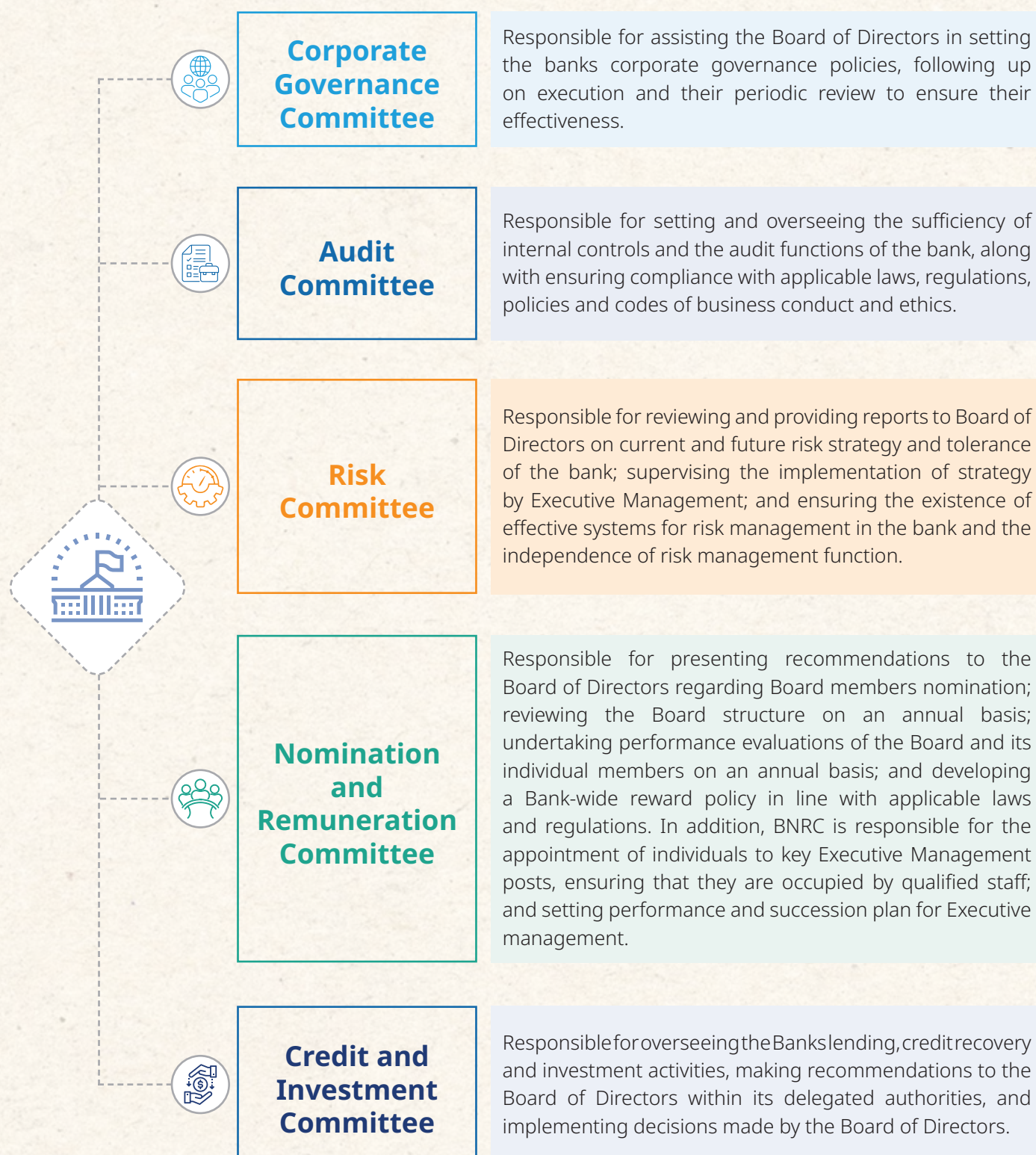
Burgan has ensured **female representation on our Board of Directors since 2021** showing our commitment to diversity and inclusion.

Board Composition

Name	Age (Yrs.)	Tenure (Yrs.)	Non- Executive	Independence	Nationality	Industry	Expertise
 Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah	47	1	Yes	No	Kuwaiti	Investment	Investment and governance
 Mr. Masoud M. J Hayat	70	14	No	No	Kuwaiti	Financial services	Credit investment banking
 H.E Abdulkareem El-Kabariti	74	19	Yes	No	Jordanian	Financial services and politics	Auditing
 Mr. Faisal Mohammed Al-Radwan	79	22	Yes	Yes	Kuwaiti	Banking	Risk governance credit and investment
 Mr. Fouad Husni Douglas	65	4	Yes	Yes	Canadian	Auditing	Auditing and risk
 Mr. Mazen Issam Hawwa	46	1	Yes	No	Lebanese	Real estate and investment	Auditing and risk
 Dr. Amani Khalid Bouresli	60	1	Yes	Yes	Kuwaiti	Education	Risk and governance
 Mr. Sager Abdullah Al-Sharhan	56	1	Yes	Yes	Kuwaiti	Education and entrepreneurship	Credit and investment
 Mr. Faisal Mansour Sarkhou	51	1	Yes	No	Kuwaiti	Investment	Credit and investment
 Mr. Michel A. Accad	70	1	Yes	Yes	Lebanese	Banking	Overall banking experience
 Mr. Abdullah Mohammed AlSharekh	42	1	Yes	No	Kuwaiti	Investment	Investment

GOVERNANCE COMMITTEES

In 2022, Burgan Bank restructured its Board-level committees and has five committees to assist the Board in improving the effectiveness of its oversight of the Banks operations. For more information on Board Committees please refer to the Corporate governance section of the Annual Report 2022.



ETHICAL AND COMPLIANT BUSINESS

The Board shall ensure specifying professional standards and institutional values that enhance the integrity of the Bank, the Board members, the Executive Management, and other employees. Burgan Bank has developed a set of conduct for ethical business. The practices are in the form of policies, procedures or conduct documents. These are communicated and explained to all employees through training programs, awareness sessions and other modes of communication.

Burgan Bank conducts periodic audits to ensure that the governance procedures and ethical standards are adhered to. Following best practice, all areas of the Bank are audited at least once every three years. Corporate Governance audit was last carried out in 2021 by Internal Audit, which examined the effectiveness of various aspects of governance and is now scheduled for 2023. Further as part of the governance overview process, a standalone audit on Conduct, Culture and Ethics is scheduled as part of the 2023 Internal audit plan. The audit will encompass the review of the design and implementation of key controls related to Code of Business Ethics and Behavioral Values, Conflict of Interest Policy, Whistleblower Policy and reporting mechanisms; Conduct Risk Management; and Monitoring Culture/Conduct Risk Indicators.

CODE OF BUSINESS CONDUCT AND ETHICS

Burgan Bank has a Board approved policy for 'Code of Business Conduct and Ethics' which is followed by all members of the Board and employees. It describes the values and minimum standards for ethical business conduct expected from all its employees and Board Members.

Conflict of interest is covered under the Code of Conduct for the Board and employees. which covers its definition, execution, and disclosure, whether such conflict is between Board members and the Bank or between the Executive Management/employee and the Bank. Registered conflicts of interest related to employees are managed by Human Resources department.

The Board members are expected to carry out their duties without gaining any personal gain for itself or for the benefit of other, unless so permitted under the Applicable Rules after fulfilling all the requirements of such permissions. Under the CBK corporate governance instructions, Board Members are required to disclose to the Board any interest in a matter that could give rise to a conflict of interest. Any Board member who has a material personal interest in the matter to be considered by the Board shall not attend the meeting or vote on the matter to be considered. The Board Secretary shall maintain a record of interests of Board members' which is submitted to the Board of Directors annually and updated as changes occur.





RELIABLE WHISTLE BLOWING MECHANISM

The Bank has policies and procedures in place for Whistleblowing that aims to provide the employees with a clear channel through which they can communicate their concerns or doubts about possible violations in a manner that allows independent investigation of those doubts and follow-up, without fear of reprisal. A whistleblower may, in good faith, disclose confidential or anonymous information in connection with an allegation of fraud, corruption, illegal act, malpractice or any other misconduct by any employee.

The policy is applicable to all the Bank's employees, vendors, consultants and advisors, in addition to other related parties, and encompasses all stakeholders, both minority and majority. The Bank has appointed a Whistleblowing Committee to oversee the governance of the set policy and process. The committee comprises of the group heads of Internal Audit, Human Resources, Risk Management and Legal with the Group Chief Human Resources & Development Officer nominated as the Whistleblowing Officer.

The whistleblower can report their concerns via dedicated email, phone hotline or the whistleblowing online platform to the Whistleblowing committee or can even direct concerns related to Executive Management to the Chairman of the Board.

WHISTLEBLOWER PROTECTION

The Bank aims to keep the identity of the whistleblower confidential and it will not be disclosed except with the consent of the whistleblower. The whistleblower as well as any witnesses has the option to maintain their anonymity. The committee may, as needed, appoint a qualified Welfare Manager to oversee the general welfare of the whistleblower and to protect him or her from any negative actions and

retaliation. The designated Welfare Manager will examine the welfare and protection needs of a whistleblower and assure a supportive work environment, advise the whistleblower of legislative and administrative protections available to them, as well as respond to any concerns of harassment, intimidation or victimization in reprisal for making a disclosure.

ROBUST MARKET DRIVEN REMUNERATION PRACTICES

Our Remuneration policies and practices are designed to reward competitively the achievement of long-term sustainable performance and attract and motivate the very best people. They form part of the Group's overall obligation to have robust governance arrangements in place while complying with the regulatory requirements. Every year, the Bank conducts an internal or external audit to make sure that the remuneration policy complies with all applicable local regulatory standards.

Burgan Bank conducts an impartial evaluation of the board's overall performance on an annual basis through a self-assessment process. The remuneration policy and practices are managed within the risk appetite as laid out by the Board taking into consideration all financial, operational and compliance key risks.

Details of Board Members' Remuneration and Remuneration by Employee Category are disclosed in Burgan Banks Annual Report 2022.

STRINGENT COMPLIANCE PRACTICES

The Board Corporate Governance Committee (BCGC) is responsible for assessing the Bank's management of its compliance risk effectively. The independent compliance team perform compliance risk assessment, compliance testing, educate staff on compliance matters and develop mitigation / response plan in case any non-compliance are identified.

Currently, the Bank is in compliance with all its applicable obligations and has reported paying small fine in 2022 in relation to a violation sighted in 2010. Currently, the Bank is in compliance with all its applicable obligations and has reported paying small fine of KD 5,000 in 2022 in relation to a violation sighted in 2010. The Bank identifies any violation issued by the government authorities as significant irrespective of the financial repercussions.

COMMITMENT TO HUMAN RIGHTS

Burgan bank is committed to respecting, protecting and advancing human rights, within our organizational practices, culture, operations and investment choices and in all regions in which we do business. Burgan bank has worked to contribute to society, protect human rights, and serve clients' and communities' financial and investment needs. Burgan bank is now in the early stages of formalizing our commitment to respect and protect human rights.

ROBUST ANTI-CORRUPTION PRACTICES TO COMBAT MONEY LAUNDERING AND TERRORISM FINANCING

Burgan Bank Group is fully committed to complying with all applicable Anti-Money Laundering ("AML") and Counter-Terrorism Financing ("CTF") laws and regulations across the jurisdictions in which it operates.

The Group Anti-Financial Crime Department (GAFC) is an independent function within Burgan Bank Group reporting directly to the Chairman mandated with detecting, preventing and reporting suspicious financial crimes activities that involve but are not limited to money laundering, terrorism financing and breaches of local and international sanctions programmes.

Towards this aim the Bank has in place stringent policies supported by the processes and resources for effective implementation. The Code of Conduct and AML/CTF Policy holistically addresses combating financial crimes and anti-corruption within the Group. Anti-corruption parameters have been communicated to all employees and Board Members through the Code of Conduct. Further, in 2022, apart from the current Board members, 2 retired Board members, all of the employees at the Bank underwent annual mandatory training on anti-corruption policies.

In 2022, 100% of the Bank's operations were assessed for risks related to corruption. GAFC provide specialized and tailored awareness program for different roles within the Bank. All Burgan Bank operations including the subsidiaries are reviewed periodically on the subject through Group AFC.



The efforts of responsible Governance, have resulted in **Zero confirmed cases of corruption** in 2022.

Risk Management Framework

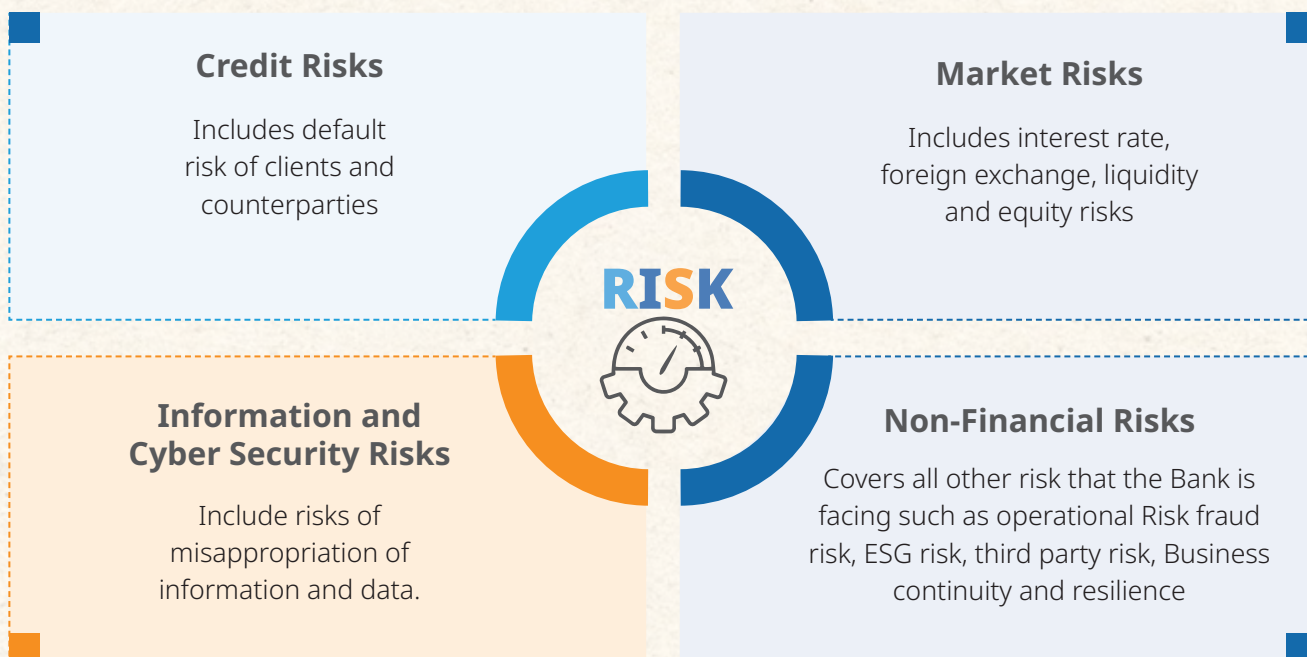
Burgan Bank fosters a culture of risk awareness and has embedded risk management in its operations. The Bank has an independent Risk Management Group (RMG) which is headed by Group Chief Risk Officer (GCRO) who reports directly to the Board Risk Committee (BRC). The BRC reports to the Board of Directors, which is ultimately responsible for approving and monitoring the execution of the Bank's risk appetite and risk strategy which support the business strategy.

Board of Directors (BoD)	RESPONSIBLE The Board of Directors, is responsible for approving and monitoring the execution of the Bank's risk appetite and risk strategy which support the business strategy.
---------------------------------	--

Board Risk Committee (BRC)	OVERSIGHT The BRC is responsible for the following: <ul style="list-style-type: none"> ▶ Advising the Board on the Bank's overall current and future risk ▶ Overseeing the implementation of risk appetite statements by senior management. ▶ Reporting on the state of risk culture in the Bank. ▶ Interacting with and overseeing the GCRO and the Group Risk Management.
-----------------------------------	---

OWNERSHIP	INDEPENDENT MONITORING	ASSURANCE
1st line of Defence Business Units and supporting functions (including finance, HR, IT and Operations)	2nd line of defence Group Risk Management (GRM), Group Compliance, and Anti-Financial Crime	3rd line of defence Internal Audit
Own, identify, assess, control, and mitigate the risks faced by the Bank. The first line of defence has policies, procedures and control governing processes in place that are compliant with applicable laws and regulations, to manage the risk that the Bank faces.	GRM independently monitor, report, and provide oversight, escalate breaches, and advice the 1 st line of defence on Risk. It also monitors that the 1 st line of Defence controls are properly designed, firmly in place and are operating as intended.	It provides Senior Management, Board Audit Committee and the Board Independent Assurance to the effectiveness of risk governance, risk management, and internal controls.

The Bank has in place a Comprehensive Risk management policy and classifies risks in these main categories:



The key for Burgan Bank is to manage the businesses and their risks in a way that meets the needs and interests of the bank's customers, while protecting the safety and soundness of the bank in accordance with the Risk Appetite.

In 2022, a year-long Group wide risk assessment was completed for the Group entities in Kuwait, Algeria, Turkey, Tunisia and Iraq. The Assessment focused on the review the current environment, policies and procedures, and assessment of controls, effectiveness and creation of action plan to strengthen the controls.





Case Study

RISK CULTURE AWARENESS PROJECT

Burgan Bank launched its Risk Culture Project in Q3 2021 as part of the CBK mandate and continued its roll out in 2022. The initiative was aimed at building a risk culture framework, embed it into the ordinary business and control activities, and enhance the risk culture amongst the Bank's staff. It also enables Burgan's Management team to continuously monitor and periodically assess/measure risk culture across the Group.



This initiative took place as part of the Bank's efforts to provide its staff with the necessary knowledge and skills required for making the right decisions in the face of any risks which they may encounter. Based on the bank-wide survey conducted at the beginning and conclusion of the program, the project yielded an improvement of the Risk Culture Maturity Assessment from 4.2 ("needs improvement") in Q3 2021 to 5.0 ("Strong") in Q4 2022.




The image features a textured, light brown background resembling recycled paper. Two large, overlapping, leaf-like shapes are positioned diagonally. The upper shape is a gradient of olive green, transitioning from a darker shade at the bottom to a lighter shade at the top. The lower shape is a solid, dark brown. The word "Social" is centered within the upper, green-shaded shape.



Social

Engagement with Stakeholders

Burgan Bank communicates with key stakeholders on a regular basis through a variety of channels to stay well connected and takes cognisance of their expectations. Our key stakeholders are those who impact our strategy the most or are directly impacted by it. They comprise of our investors, customers, employees, society, regulators and policy-makers. We routinely engage with stakeholders on sustainability to ensure they have accurate, credible information about our bank and to communicate how we're considering their priorities in our strategy. *(For more information, read the Appendix).*



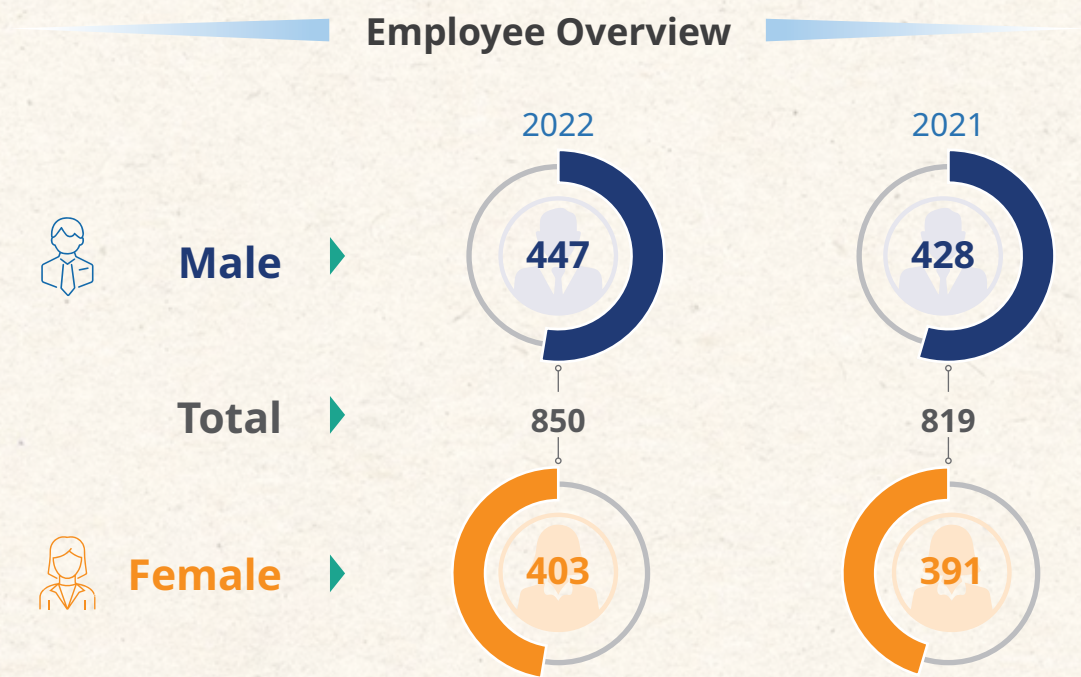
Stakeholder Group	Priorities and Expectations	Engagement mode	Actions
 CUSTOMER	<ul style="list-style-type: none"> ▶ Customer experience and satisfaction ▶ Digital channels and platforms ▶ Innovative products and services ▶ Competitive prices and fees ▶ Quick Complaint Redressal ▶ Accessibility ▶ Data security and privacy 	<ul style="list-style-type: none"> ▶ Need based Personal interactions/ Branch Visits ▶ Customer Satisfaction Survey ▶ Online communication/ Mobile Application ▶ Social Media ▶ Call Centre/ ITM's ▶ Website 	<ul style="list-style-type: none"> ▶ Digitalization ▶ Dedicated branches to facilitate banking for customers with special needs ▶ Affordable and Quality products and services ▶ ISO certifications highlighting the bank's high standards of data security
 INVESTOR	<ul style="list-style-type: none"> ▶ Stable financial returns ▶ Robust corporate governance ▶ Effective risk management and controls ▶ Transparency and disclosure ▶ Voting Rights 	<ul style="list-style-type: none"> ▶ Annual General Meeting (AGM) ▶ Quarterly reports ▶ Press Releases ▶ Investor Meetings/ Conferences ▶ Telephonic and electronic media such as emails, VOIP calls, etc ▶ Roadshows ▶ Quarterly Investor Presentations and calls 	<ul style="list-style-type: none"> ▶ Active year-round engagements ▶ Open dialogue through quarterly Meetings ▶ Annual Meetings ▶ One-on-one calls and meetings ▶ Ratings and benchmarks
 EMPLOYEE	<ul style="list-style-type: none"> ▶ Work experience and satisfaction ▶ Attractive compensation and benefits ▶ Professional Training/ development opportunities ▶ Non-discrimination and equal opportunity ▶ Gender Equality ▶ Recognition ▶ Open Communication Channel ▶ Health & Wellbeing ▶ Work-life balance ▶ Fair performance Management 	<ul style="list-style-type: none"> ▶ Knowledge sharing ▶ Annual Performance and development discussion ▶ Employee surveys ▶ Training and wellness programs ▶ Personal interaction ▶ Online Communication 	<ul style="list-style-type: none"> ▶ Provide a safe and healthy work environment ▶ Encourage a culture of continuous learning ▶ Employee networks/ employee surveys ▶ Competitive Remuneration ▶ Promoting diverse work culture ▶ Dedicated Employee app "Burgani" ▶ Mobile Learning application "My learning"

Stakeholder Group	Priorities and Expectations	Engagement mode	Actions
 REGULATOR	<ul style="list-style-type: none"> ▶ Compliance with legal and regulatory norms ▶ Robust compliance function ▶ Effective management of risks ▶ Transparency and disclosure ▶ Business Continuity ▶ Financial Crime ▶ Cyber security and data Privacy ▶ Financial Literacy ▶ Ethical Conduct ▶ Sustainability 	<ul style="list-style-type: none"> ▶ Need based Meetings with Regulators <ul style="list-style-type: none"> ▪ CBK ▪ CMA ▪ Boursa Kuwait ▶ Periodic regulator reports and disclosures ▶ Emails and calls ▶ Audits 	<ul style="list-style-type: none"> ▶ Ongoing Communication to align with regulatory requirements and other dialogue ▶ Robust Governance ▶ Business Ethics and Transparency ▶ Timely reporting
 COMMUNITY	<ul style="list-style-type: none"> ▶ Societal development ▶ Creating employment opportunities ▶ Positive contribution to society ▶ Youth Empowerment ▶ Financial Inclusion ▶ Support to National Development plans 	<ul style="list-style-type: none"> ▶ Formal and informal Community Interventions & Partnerships ▶ Social media reviews ▶ Sponsorships ▶ Personal Interactions 	<ul style="list-style-type: none"> ▶ Continuous Engagement ▶ CSR programs ▶ Training and Inclusive growth ▶ Charitable contributions, partnerships for engagement and knowledge sharing ▶ Corporate volunteering ▶ Sponsorships ▶ Career Fairs ▶ Advertisements and Campaigns ▶ Social Media
 SUPPLIER AND SERVICE PROVIDERS	<ul style="list-style-type: none"> ▶ On time payment ▶ Fair and transparent tender process ▶ Ethical Work Standards 	<ul style="list-style-type: none"> ▶ Annual/ Quarterly Vendor Meets ▶ Inspection visits to facility ▶ Need based interaction through emails and phone calls 	<ul style="list-style-type: none"> ▶ Tendering ▶ Training Sessions ▶ Support to local vendors ▶ Contracts ▶ Meetings

Diversity and Inclusion



Our commitment to diversity and inclusion supports a vibrant workplace that attracts and retains the best talent in a competitive labor market, which ultimately leads to greater organizational resilience through times of change. The Bank recognizes the enormous value of diversity and makes efforts to promote a culture rich in diversity, equality, inclusiveness and non-discrimination. The Bank has exercised best practices over the years leading to a diverse workforce with a strong focus on women empowerment, a well-balanced gender mix, as well as a stable gender-balanced hiring and turnover rate.

The total number of women in the workforce has increased from 391 to 403 in 2022 as compared to the previous year representing 47% of the total workforce. In 2022, 63% of the workforce under the age of 30 and 48% of those recruited are females.



*Note: All permanent employees are full-time employees and no part-time roles have been identified by Burgan Bank.

All Employees (Full Time Employees)

Age Group		Under 30 years	30-50 years	Over 50 years	Total
 Male		96	284	67	447
 Female		161	213	29	403
Total		257	497	96	850

Employees who joined Burgan Bank during 2022

Age Group		Under 30 years	30-50 years	Over 50 years	Total	Percentage Hire
 Male		40	37	1	78	52%
 Female		51	20	1	72	48%

Attrition during 2022

Age Group		Under 30 years	30-50 years	Over 50 years	Total	Turnover Rate
 Male		20	30	11	61	7.18%
 Female		29	26	3	58	6.82%

*Note: All the employee numbers are reported as on 31st December 2022

Women Empowerment

Burgan Bank is one of the pioneering institutions in Kuwait to become a signatory and endorse the UN's Women Empowerment Principles (WEPS). The WEPS is a UN initiative designed to provide a framework to empower women in the workplace and the community. Burgan has been an early proponent of equal and fair treatment of women by providing pay equality to its male and female employees covering all aspects of remuneration and benefits, such as salary, allowances, tickets, medical insurance, educational assistance. Burgan Bank encourages women to take up leadership roles reflected in the fact that 47% of staff promoted to higher roles during the year were females and their representation in top management is 20%.





Case Study

LEADING THE WAY TOWARDS WOMEN EMPOWERMENT & WELL BEING

Burgan Banks' objective is to support its women employees' growth and success by fostering a culture of positivity and ongoing learning. "Burgan Talk", an initiative of the Bank to strengthen the internal culture and to support the growth of its employees both on a professional and personal level, started with a women-focused session. It featured, Bibi Al-Khudari, one of Kuwait's most inspirational female journalists and social figures. She threw light on the challenges and the arduous path of success for her.



Burgan Bank continues to play an active role for women wellbeing through wellness initiatives throughout the year. The bank worked towards increasing Breast Cancer awareness through a month-long campaign during which the Bank's head office was lit up in pink to commemorate breast cancer patients and survivors and support those battling the disease. The Bank has designed several important initiatives, such as organizing a preventive health awareness workshop for its employees as part of its breast cancer awareness campaign.



Sports form an important part of women and their wellbeing. The Bank sponsored the first Football League for Young Women Under 18 in cooperation with the Kuwait Football Association and supported three women Kuwaiti athletes on their journey to the Olympics to demonstrate its support for women's empowerment, sports, and youth development.



Non-Discrimination

At Burgan Bank, we are committed to maintaining a workplace that is free from discrimination. We have implemented practices and policies to foster a diverse culture in the bank. **As a result of these efforts, we are proud to report that we had zero cases of discrimination reported during the year.**

We have adopted a non-discrimination policy that ensures all employees are entitled to equal benefits, regardless of their gender, religion, or race. Our dedicated policy and procedure document, "Staff Grievance and Problem Solving," provides a mechanism for employees to report any grievance or concerns. We strictly adhere to our policy, which states that no employee will be penalized, formally or informally, for voicing a grievance, as long as they follow the applicable policies and procedures of the Bank.

To further support our commitment to a discrimination-free workplace, our employees can escalate any discrimination issues through HR business partners. We track and report all incidents to ensure a safe and inclusive work environment for all.



Case Study

BUILDING A WORLD WITHOUT DISCRIMINATION

Burgan Bank participated in the "Partners to Hire" program as part of its commitment to help empower people with disabilities in Kuwait on the professional level and to integrate them within the banking sector. This is a core part of our social responsibility efforts and in line with our sustainability goals for achieving inclusion and diversity within our team. During the year, Burgan Bank was honored by the Minister of Health, His Excellency Dr. Khaled Al-Saeed, for its support to people with disabilities. **In 2022, Burgan hired 3 specially abled staff.**



The Bank's drive towards inclusion is reflected in its **continuing sponsorship of the World Wheelchair Fencing Champion**, Tareq AlQallaf for the eighth consecutive year. He has won many titles on the local and international levels, garnering close to 380 medals so far, as well as the 'Sword of Honor' award as the world's best player and the gold medal as World Champion of the sport. The Bank is honored to have been part of his journey as a role model for Kuwaiti athletes to achieve great success in their field while overcoming their disabilities.

Nurturing our Workforce

The Bank is committed to develop its human capital through a variety of employee-focused initiatives. We strive to be an employer of choice by providing employees professional and personal opportunities and experiences to contribute to our strategy and performance. The Bank is keen to provide a healthy work environment and continuous support to its employees by promoting work flexibility, benefits, and wellbeing.

Burgan Bank keeps itself abreast with the remuneration trends by participating in periodic salary surveys conducted by Kuwait Banking Association. The Bank stands for a pay-for-performance approach and rewards performance with fair and competitive compensation aimed at creating a positive work culture and motivating the talent pool. All employees receive regular performance and career development reviews.



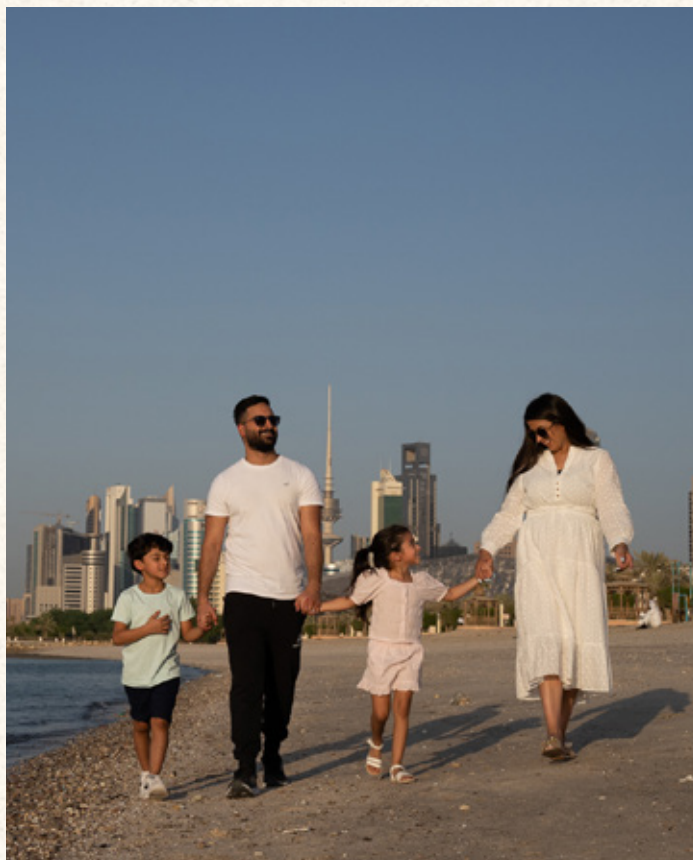
Burgan Bank launched Digital Salary Certificates for its employees - a pioneering initiative in the Kuwaiti banking sector.

EMPLOYEE WORK LIFE BALANCE

The Bank understands that work-life balance has an impact on employee commitment and welfare, while enhancing overall employee productivity. Towards the goal of improving work-life balance, the Bank provides its employees with several benefits in the form of leaves, medical and life insurance, disability coverage, education assistance, annual travel allowance, and zero-interest loan. Senior executives are also provided health club membership. We also provide pensions to Kuwaiti nationals as stipulated in Social Security Rules, and indemnity is provided to all staff as per Kuwait Private Sector Labor Law.

The Bank provides its employees with various options to manage life events by offering leaves such as annual leave, sick leave, hospitalization leave, education leave, marriage leave and parental leave. Our employees can avail of a five working day special marriage leave. Female employees can avail of maternity leave of 70 calendar days while ensuring their job security. As a pioneering regional practice, male employees are provided five working days as paternity leave to support their family on the birth of their child. Our employees are also granted special Hospitalisation leave when admitted to the hospital over and above the regulatory sick leaves.

In addition, our employees have the privilege of flexible working hours, known as Flexitime, which provides our employees with the option of work schedules best suited to their circumstances and personal needs.



Leave Type*	2022	2021
Hospitalization	86	52
Marriage	24	30
Maternity	15	14
Paternity	8	5

*Note: Figures here represent number of employees.



All the employees who took paternity and maternity leave during the last two years returned back to work. 100 % of these employees continue to work with Burgan Bank after a year of taking the leave.

Employee Health and Wellbeing

Burgan Bank works actively to promote good health and provide a safe work environment for our employees. The Bank has rolled out a wellness program for its employees for the second year in a row with a leading health provider. The program aims to promote employee well being by providing access to a wide range of free preventive health checkups to identify any potential health issues and prevent chronic diseases.



Case Study

PROMOTING HEALTH AWARENESS

As part of its wellness initiatives, we organized campaigns during the year covering topics like breast cancer, prostate cancer and diabetes to increase awareness among our employees, and shed light on ways to prevent and manage the diseases.

An awareness workshop was organized in collaboration with Royale Hayat Hospital featuring Dr. Noha AlSaleh – General Surgery and Oncology Surgery Consultant – aiming to educate and inform staff on breast cancer and efforts to mitigate its risks and its spread.

Burgan bank further collaborated with Al-Mutawa Pharmacies to provide diabetes testing for the staff at the head office, and to deliver an awareness session which reinforces the Bank's efforts to promote a healthy lifestyle among employees.

In an effort to increase focus on men's health as well, the Bank held a prostate cancer awareness session in collaboration with Kuwait Hospital. The workshop was hosted by Dr. Nasser AlQuraini, a Consultant of Family Medicine, Geriatrics, Geriatric Oncology and Palliative Medicine at Kuwait Hospital.





Case Study

EMBEDDING THE SAFETY CULTURE

While the nature of work does not expose our employees to significant safety hazards, the safety of buildings where they operate is maintained by the bank through periodic review for fire safety, safety against robbery and natural hazards.

The Bank is committed to safety and security of employees and customers against armed robbery and crisis situations as well. The Ministry of Interior's (MOI) Special Forces Department and Burgan Bank collaborated to train branch managers and all the concerned employees in dealing with break-ins and armed robberies. They are also trained in crisis management covering scenarios such as fire, bomb threat, air raid attack, gas or chemical attack, armed robbery, severe weather emergency, personnel crisis, bank robbery, active shooting, and Covid-19 cases. Total number of trainees for Armed Robbery & Crisis Management were 218 in 2022 as compared to 193 for the previous year.

The safety and security training exercise is aimed at enhancing security through scenarios simulating real-life events. The two-day training exercise is a proactive measure to ensure utmost safety and security in the future.



Kuwaitization

Burgan Bank's efforts are focused towards Kuwaitisation which further aligns with Kuwait's National Development Plan to develop local talent. Burgan Bank Kuwaitization ratio for 2022 was 80.35% with 1.23% increase from last year. Among new recruits, 93% were Kuwaitis and 88% of total staff promoted to higher jobs in 2022 were Kuwaitis.

MALE

320

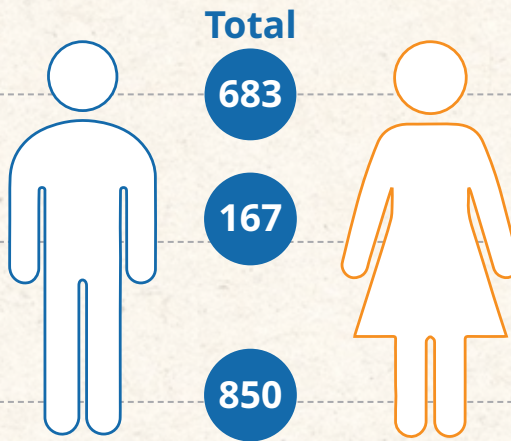
Kuwaiti

127

Non-Kuwaiti

447

Total



FEMALE

363

Kuwaiti

40

Non-Kuwaiti

403

Total



Case Study

BUILDING THE NATION

Burgan Bank connects with local talent development programs by participating in career fair, sectoral competency development programs and training programs for students. The Bank is aligned to the Central Bank of Kuwait's strategic vision for developing national competencies and cadres in the banking and financial sector.

During the year, the Bank recognized the participants of the Executive Leadership Development Program's Kafa' Initiative and their participation in the Harvard Executive Education Programs. The Bank also participated in career fair organized by the American University of Kuwait (AUK) and aspires towards increasing the students' awareness of the banking industry and its recruitment process. It also organized a on-the-job training program for 20 Kuwaiti students from the Public Authority for Applied Education and Training (PAAET), the Public Authority of Manpower, as well as private universities in Kuwait and abroad. These students received training in a variety of roles and functions. Burgan Bank endeavours to build the next generation of thought leaders and innovators within the banking sector in Kuwait.



Leadership Development for Smooth Succession

Burgan Bank continually nurtures talent and empowers them to become future leaders to ensure the operations of the Bank run smoothly with minimum disruption in the event of leadership changes.

In 2022, Burgan continued to deliver on the core objective of developing talent and building future leaders through a wide range of technical and behavioural programs. Key achievements towards Talent Development & Succession planning are:

- ▶ **Ro2ya program** to develop local talent pipeline for management roles at all levels to support succession planning. 52 employees graduated and 65% promoted under the Ro2ya program in 2022. Further, new batch of 46 Kuwaitis were added under Ro2ya 2 program.
- ▶ **Holistic Banker program** aimed at preparing banking professionals for future senior roles and support succession plans. 51 staff completed this program in 2022.
- ▶ Partnership with prestigious business schools around the world such as Harvard Business School, INSEAD, Columbia Business School, and Harvard Kennedy School for professional development programs for our future leaders.

In addition to the leadership development trainings, the Bank has a succession plan that is overseen by the Board Nomination and Remuneration Committee (BNRC) to ensure succession and continuity of leadership in critical positions while maintaining the skills necessary to implement the Bank's long-term strategy. Accordingly, the Bank trains and prepares employees for leadership positions so they can lead the bank towards sustainable growth.



Transforming Burgan's Learning and Development Journey

Learning and Talent Development at Burgan Bank has undergone significant transformation to evolve in line with the rapid shifts in customer expectations, technology and the corporate environment. The nature of learning in our organization has been changed by updating our learning methods, blending classroom learning with digital learning and implementing flipped learning that enhances employee's critical thinking abilities. Various channels have been incorporated to enhance the learning experience of our employees such as the Burgan LTD digital platform, the learning mobile app as well as classroom and innovation lab facilities.

Key Initiatives	Objective	2022 Achievement
"My Learning App"	Provide employees with the opportunity for on-the-go and flexible learning options through digitalisation	Accessibility of learning has been expanded to cover 100% of the employees. 70% of the employees utilized these tools for learning.

Our Learning and Talent Development (LTD) program includes a wide range of technical and behavioral trainings in the areas such as leadership skills, technical certifications, talent development programs, on the job rotations, coaching and mentoring, holistic banker programs, compliance / risk, health & safety awareness programs, new joiner programs, competency-based programs etc. The increased use of the online learning portal has widened the outreach of LTD initiatives across the organization.

Internal knowledge transfer and collaborative learning are crucial components of building a strong learning focused culture. Internal trainers and mentors are key to driving change from within and Burgan organised a special event to honour 91 of its internal trainers and mentors during the year to recognise their efforts.

"Burgan Cares" is one of the bank's most recent initiatives to developing Kuwaitis competencies and capabilities, encouraging them to complete their undergraduate degrees under the Bank's sponsorship, maximising their career growth opportunities. Under the program, 10 high performing employees were selected from various departments to receive a full academic scholarship.



44.3 hours
Average training
per employee



2022 Key Highlights

Retail Academy established to further grow and develop retail bankers through dedicated training. The Academy provides workshops, and certified programs related to retail banking business. 630 staff were developed in 2022 under this academy.

Launch of Innovation Lab to create a culture of innovation and promote engagement among employees. 73 staff have participated under this initiative.

Burgan Bank is focusing on raising ESG awareness through eLearning and discussion.

395 of Burgan Bank's employees attended power skills programs.

404 employees have attended technical training programs.

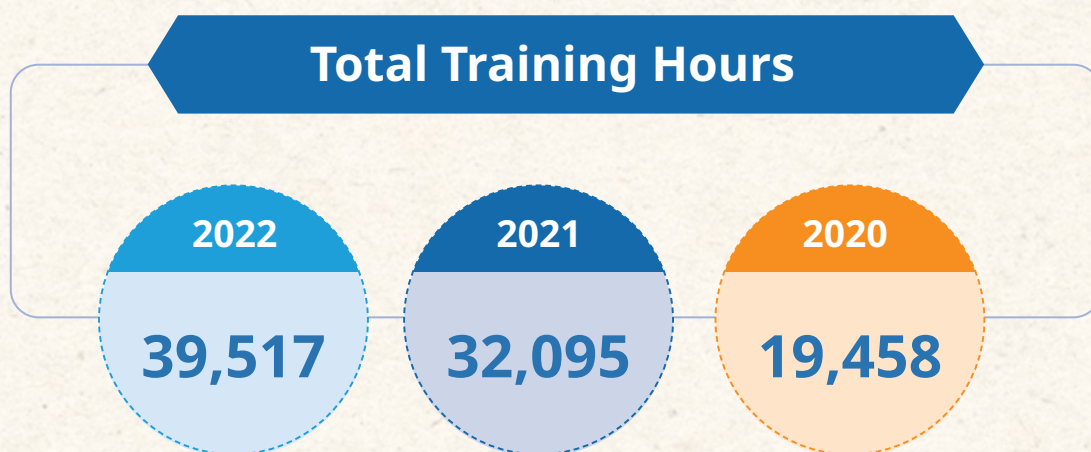
52 employees are certified in programs that are related to retail, operations, risk management, AML & AFC, internal control and audit as well as ESG.

115 employees completed different learning paths related to recent and emerging digital trends, leadership, marketing, customer experience, innovation and data analytics & science.






150 women attended leadership and wellness training programs like Empowerment & Transformation, Getting the Job Done, EQ Women in Leadership.

953 employees attended risk related programs to build a risk culture within the Bank.

Total Training Hours



Average training hours per employee

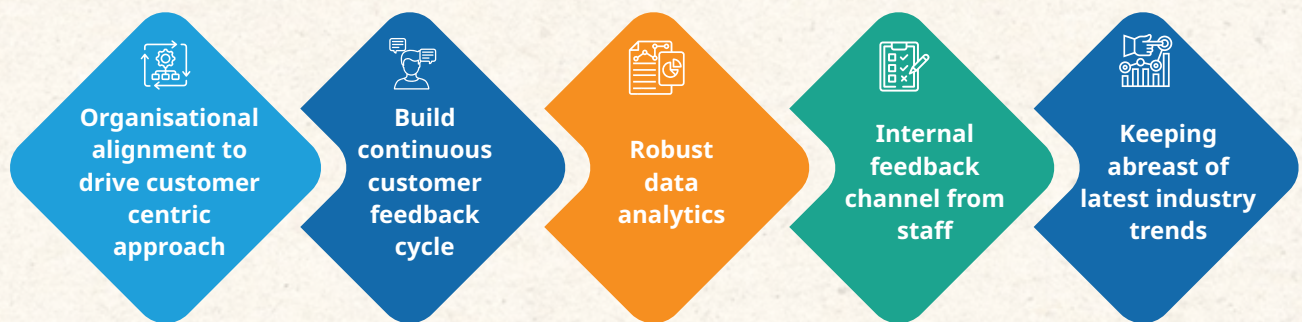
				
	Top Management	Middle Management	Associates	Overall
 Male	19.2	29.9	43.2	37.1
 Female	47.6	34.5	56.4	52.1

Enriching Customer Experience

Customer focus has been a core value of the bank and delivering excellent customer service has been key to our continued success. As reflected by our tag line “Driven by You” and in line with the revised strategy of the bank, we are institutionalizing a “Customer First” culture at the Bank.

Customer First means respecting every customer, addressing their enquiries or complaints on time/every time. To achieve this, the Bank has created an independent Customer Experience Management department to focus on permeating the “Customer First” culture across all businesses of the Bank- Corporate, Wealth management, Private and Retail banking.

Our approach to ‘Customer First’



CUSTOMER COMMUNICATION CHANNELS










Burgan Bank believes in open communications with its customers and a plan for closer engagement with our customers is in place. To facilitate this, the Bank has invested in tools and technology.

A strong bottom-up Net Promoter System (NPS) program where we actively poll customer interactions across all products/services and delivery channels.

Identify Customer Journeys across channels to identify areas of improvement in the Branches and migrating some of these processes. Some examples are Activation of Dormant Accounts, Blocking of Debit/Credit card etc.

Improve performance on complaints resolution – there has been reduced customer complaints in Credit Cards, Debit Cards, Operations, Customer onboarding, Collections front with Complaint Resolution time reduced by over 30% compared to previous year.

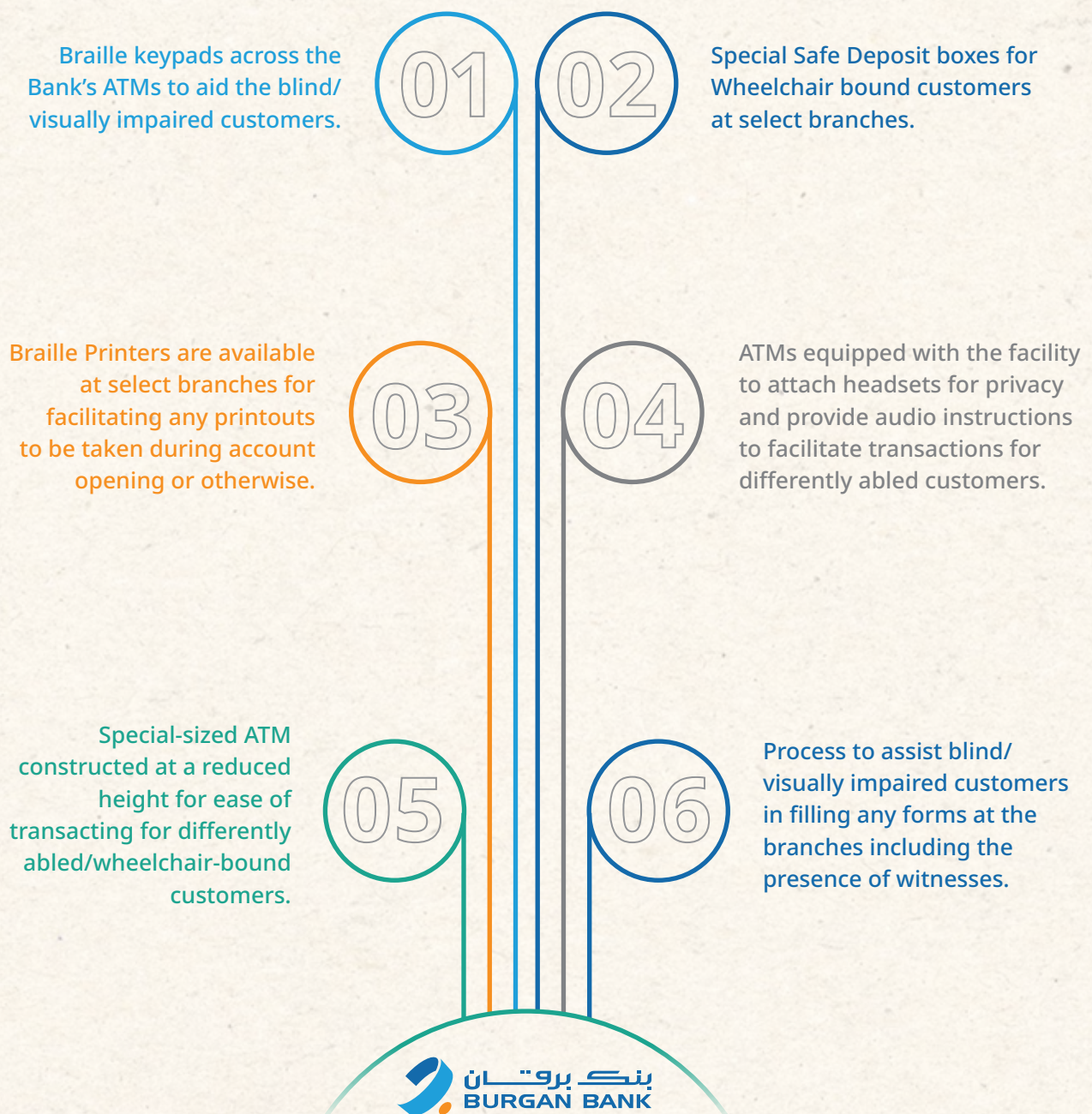
Burgan makes it a priority to stay in touch with its customers through a variety of channels to initiate communication. Further improvement is planned to enable our customers to reach out to us through their preferred channel for service i.e., social, email, texts, voice, etc. and act on customer instructions in a straight through manner.

	Information Channel for customers	Customer Requests Channel	Customers Complaints Channel
 Branches	✓	✓	✓
 Call Centre	✓	✓	✓
 Website	✓		
 Online & Mobile Banking Platforms	✓	✓	✓
 Relationship Managers	✓	✓	
 Social Media Channels and Media	✓		✓
 Chatbot	✓	✓	✓
 Email	✓	✓	✓
 Central Bank			✓

INCREASING ACCESSIBILITY AT BURGAN BANK

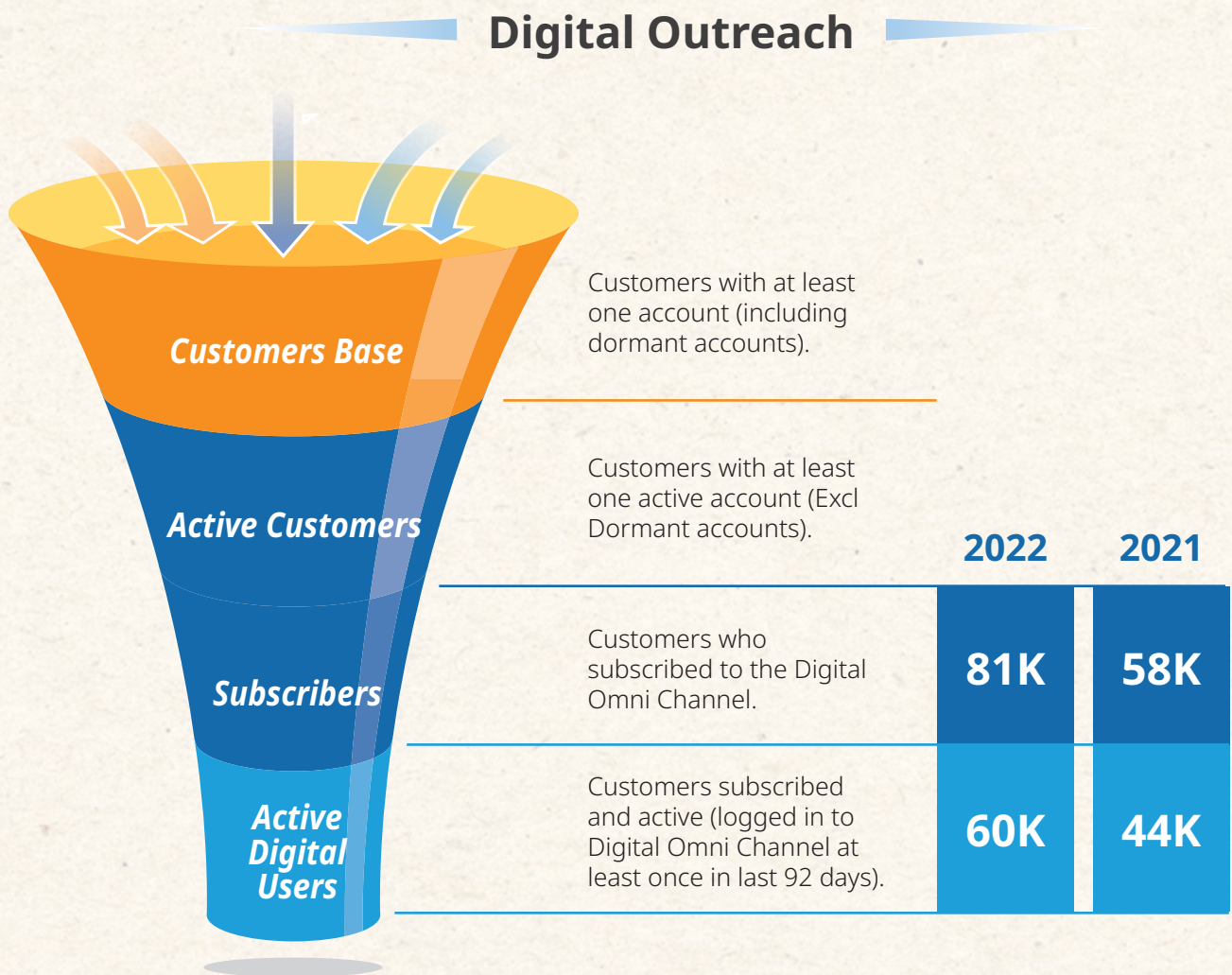
Burgan Bank provides customized services to our special needs customers at select branches with availability of services in sign language at select branches to assist our customers to fulfil their banking needs.

Currently, the Bank has six dedicated branches with latest technologies to accommodate and facilitate banking for its customers with special needs. The services provided in these branches include:



Modernizing Banking with the Digital Momentum

Burgan Bank aims to remain relevant to their customers in the digitalized world and has rolled out multiple digital initiatives to enhance the customer experience. In last three years, its digital subscriber base has grown from 26% to 60% and volume of digital transactions increased by 75%.



Burgan Bank’s mobile app has the highest overall rating of 4.7 (out of 5) among the local bank apps (iOS & Android). The overall satisfaction rate for Burgan online is 92.6% based on in-app surveys.



Case Study

PROVIDING CUSTOMERS LATEST INNOVATIONS IN DIGITAL BANKING

- ▶ This year the Bank has introduced new fully **Interactive Automated Teller Machines (ITM)** in Adailiya and Marina Mall branches, which brings latest innovations in digital banking to offer a complete suite of banking services, interaction with a live agent as well as access to many in-branch services.
- ▶ The Bank continues to digitise operational processes across the bank which include **45 second Kanz Account**, e-KYC, Burgan's eZpay for payments, Banki the chatbot, fast local and international Remittance and IVR Voice Biometrics for staff, to name a few.
- ▶ Our new **Apply Now** feature allows customers and non- customers to apply online for financing, credit cards and new accounts across all digital channels with faster processing and approval times. Customers can open all types of accounts on the digital platforms including Al Rateb Salary account, Kanz Account, Daily Investment account and savings account 22.5% of KANZ accounts were opened via mobile/ online in 2022.
- ▶ **Personal Finance Manager tool (PFM)** is a digital mobile based application through which Burgan Bank provides customers an opportunity to keep track of their spending habits and aligns with the Bank's commitment to financial literacy and reducing carbon footprint. During the last year, customer subscriptions have increased, suggesting usefulness of the initiative for customers.
- ▶ Burgan Bank also launched the **Cash Management platform** to offers its corporate clients with easy accessibility to banking services.



Going Digital for Easy Banking

Instant assistance through 24x7 Talk and interact with Chatbot

Reduced need to visit branch with e-KYC



Daily banking functions like account operation, money transfers opening conducted digitally

Digital onboarding of customers with QR codes

Customers & non-Customers can apply for products using '**Apply Now**' Feature & Bank staff or agent to reach back.



Case Study

"TIJARATI" - DIGITAL INNOVATION FOR OUR MERCHANT COMMUNITY

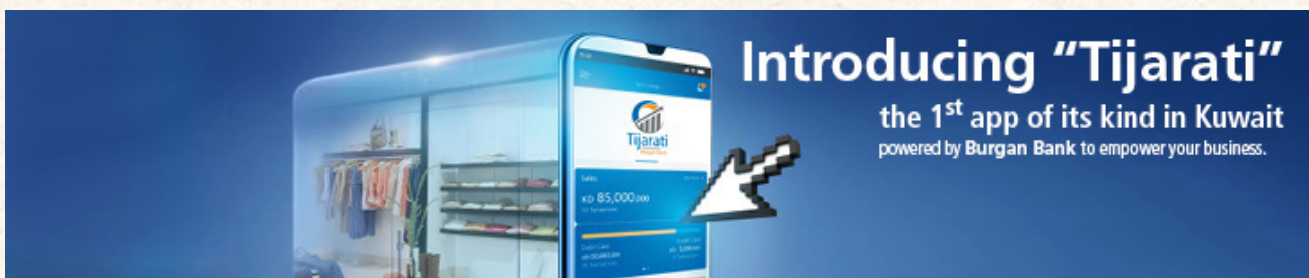
"Tijarati" is the first of its kind Merchant Business Management Platform in Kuwait and GCC market.

Designed exclusively for the business community, the application, "Tijarati" provides real-time data feed and information to business owners and entrepreneurs of their cash flow through the point of sale machines / payment gateways provided by Burgan Bank across all the outlets. With this platform, merchants can now:

- ▶ Get real time, complete overview of their business done on POS / PG on one tap ,anywhere, at any time remotely.
- ▶ Get real time feed of their business in form of number of transactions done, the value of sales across Debit card, Credit card, International and Domestic transactions, performance comparison across multiple outlets.
- ▶ Real time reports and aids in any service request and tracking of the same.
- ▶ Make a real time trend analysis of business all the way down to identifying repeat customers, high spending customers amongst others.

This platform is available in a user friendly mobile and web version, will continue to be enhanced in the coming months with additional features to make it the most comprehensive Merchant payment solution in the region.

The solution provides the SME community tools that will help them in tracking and managing cash flows towards improving business efficiencies.



Financial Inclusion

SUPPORTING THE GROWTH OF SMEs

Burgan acknowledges the importance of small and medium enterprises (SMEs) for the long-term growth of the economy. Burgan is fully committed to New Kuwait Vision 2035 and aims to continue supporting SMEs and their diverse needs. Burgan bank has a dedicated SME unit which understands the business needs of the SME segment and provides products and services accordingly. Burgan further caters to the SME merchants through its digital solutions such as Tijarati and Cash management apps. We will continue our support to the SME sector as key component of our country's socio-economic development and employment generation. As a part of our inclusion and responsible lending effort we have developed focused banking solutions for the SMEs segment and we provide them different banking solutions.



Cash and non-cash facilities to SMEs

(KD'000)

21,031



Number of Tijarati merchants

2,205

SUPPORTING THE UNDERBANKED SEGMENT

Burgan Bank is committed to financial inclusion of underbanked segments of our society. To achieve this, the Bank uses collaborative and supportive approaches. An example of this commitment is In one such effort, Bank is supporting one of its client in launching e-account service through a fintech company, aiming to provide financial solutions mainly to the unbanked population of Kuwait.

The Bank's B-Dinar accounts and cards for low-income individuals, covered as part of its commitment to ensuring the financial inclusion reached 177,905 in 2022. The access to B-Dinar account holders to POS machines and international ATMs have improved for the B-dinar account holders.



Number of No-cost checking accounts held by unbanked or underbanked customers (B-Dinar)

177,905

Financial Literacy

Burgan bank is committed to enhance financial literacy of our customers and the wider community through a range of digital offerings and communication channels. Our website is regularly updated with the customer protection guide and customer rights and responsibilities. We also provide periodic security alerts for safeguarding personal information and preventing fraud.

Burgan Bank is committed to fair marketing and communications activities which are consistently:

- ▶ Ethical, open, transparent, clear, appropriate and timely;
- ▶ Aligned with the Bank's strategy and objectives; tailored to meet the expectations and requirements of all of the Bank's major stakeholders.

Banking Awareness



**Customer
Protection Guide**



**Customer Rights
& Responsibilities**



**Customer
Complaints Unit**



FAQ



Security Alerts



**Tips &
Guidelines**



Case Study

ENGAGEMENT CAMPAIGNS TO INCREASE FINANCIAL LITERACY

Burgan Bank actively champions financial literacy through its support of the Diraya campaign. The Diraya (Let's Be Aware) campaign was jointly launched by the Kuwait Banking Association (KBA) and the Central Bank of Kuwait (CBK) for the first time in 2021 to educate the community on financial matters and digital financial fraud mechanisms. The goal of the Diraya (Let's Be Aware) National Banking Awareness Campaigns is to educate people about the various scams, frauds, and cybercrimes that target consumers and inform them of the best practises for protecting their personal data and safeguarding their finances. Diraya places a strong emphasis on sending out concise messages that are intended to raise awareness among users of financial services about important issues and the filing of complaints in the event of any potential security threats. By doing this, the Bank helps individuals and companies avoid unsound practises that may jeopardise the safety of their personal information, putting them at risk of digital financial fraud.

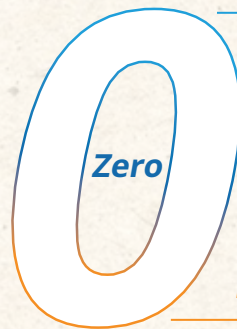
Burgan Bank took advantage of its presence in a number of local events including Kuwait Equestrian Federation (KEF) League, Kuwait Football Association U18 Girls Football, Padel tournament and university career fairs to spread awareness about the financial and banking sector among students and visitors.

Besides its on-ground efforts, the Bank also utilizes its social channels to disseminate educational content on financial literacy, cybersecurity, and "Let's Be Aware" messages. The Bank also uses the branches to create awareness apart from selling various financial products which enhances customer saving and wealth growth.

Data Security and Privacy

Burgan Bank has zero tolerance for system attacks or breaches and views data security, data privacy, and data-system integrity as crucial to their business operations. The Bank has detailed out a dedicated privacy policy on its website, which is applicable to all operations of the Bank including its subsidiaries.

It follows CBK-mandated cyber compliance programmes including CBK-CSF (Cyber security framework), Payment card industry standards (PCI), Information security management systems (ISMS), Privacy Management information systems (PIMS), and Swift Customer Security Program (CSP- from 2018). Burgan Bank also has been ISO 27001:2013 certified since 2020 and Payment Card Industry Data Security Standard (PCI DSS) certification since 2017. Burgan was the first bank to be certified for Privacy Information Management Systems (PIMS - 27701:2019) since 2021. As result, the Bank has Zero data breaches in its system for the year 2022.



Data breaches reported

Incidents involving personally identifiable information (PII) reported.

Unique account holders were affected by data breaches

Cyber security and data security are one of the identified risks in the bank's risk management procedures. These risks are regularly reviewed and monitored to identify the movement and emerging threats if any.

The Board risk committee is responsible for Privacy and Data security governance, And policy and strategic guidance for the banks digital future in a safe manner. The Bank undertakes system audit at least once a year to identify any data security and privacy risks in the current systems and adequately address them.

Burgan Employees are provided cyber security mandatory awareness sessions upon joining, as well as online training on data privacy, data security and cyber security on an annual basis. Employees are updated through monthly awareness newsletters, info emails, Intranet portal, posters, and screen savers. All employees have access to the Information and cybersecurity policies and procedures through the Intranet portal and are encouraged to familiarise themselves frequently.

Initiatives undertaken during the reporting year to improve Data Security & Privacy

- ▶ Created and implemented a Customer Risk Assessment Methodology that calculates the customers' Risk Rating (High, Medium, and Low) as per FATFs recommendation on Risk Based Approach.
- ▶ As part of the Fraud Risk Management Framework, the Department created the Fraud Risk Management Methodology

Responsible Supply Chain

Burgan Bank's main areas of focus are the mitigation of adverse social and environmental effects along the entire supply chain which is achieved by implementing responsible procurement procedures. This entails upholding the highest ethical standards in all purchases practices of the Bank.

Burgan Bank envisages further integration of ESG principles into its procurement decisions and supply chain management beyond just the Supplier Code of Conduct, which is part of the Procurement Policy. Burgan Bank intends to formalize supplier screening on sustainability aspects in the coming years while it continues to include some of the of the ESG criteria in suppliers' contracts.

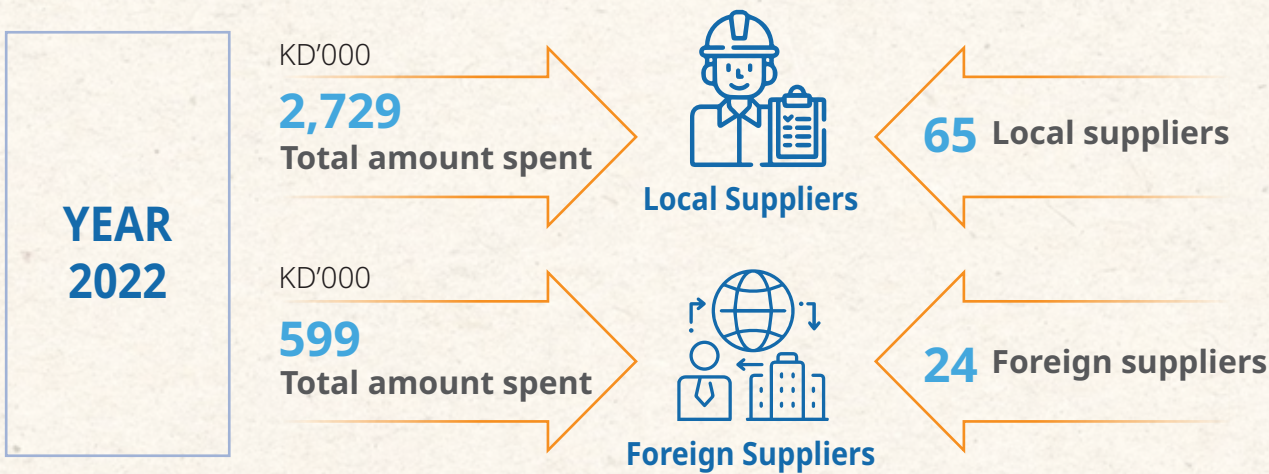
Burgan Banks Suppliers Code of Conduct aims at extending sustainable business conduct to suppliers enabling sustainable procurement. The Supplier Code of Conduct provides suppliers with a set of responsible business conduct expectations consistent with our ESG efforts. The goal of the Bank is to work collaboratively with Supply chain partners on sustainability and these require the suppliers to cover the following:

- ▶ to ensure that policies are in place to prevent fraud, money laundering, anti-bribery & corruption as well as refrain from offering gifts and entertainment to the bank employees.
- ▶ to provide a safe work environment, abiding by local laws and regulations.
- ▶ to have good management and governance processes.



82% of the bank's procurement budget spent is towards local suppliers

Support to Local Vendors



Championing Social Responsibility

Burgan Bank aims to create a positive change in the world and is committed to building a better society. Burgan Bank's approach towards societal responsibility has always been holistic and proactive. The Bank seeks to serve as a true community partner and engaged corporate citizen; working with individuals from across the community, civic organizations, and national institutions to create real positive change across various sectors of society.

Burgan's positive impact program in 2022 encompassed numerous initiatives under its umbrella, which are aligned to its focus areas of health, education, community, sports and environment.

HEALTH

Burgan Bank perceives health promotion as a vital element to the future of its communities. Burgan Bank is proud to be a benefactor towards various health care projects.

BLOOD DONATION: CAMPAIGNS TO SAVE LIFE

Burgan bank participated in the blood donation campaign this year with the theme 'A Drop of Your Blood...A Life for Others'.

The campaign was sponsored as a part of the Bank's social responsibility program to raise public awareness about the importance of blood donation in saving lives. The combined efforts resulted in a total of 142 bags of blood being donated.

Burgan Bank also organized an internal blood donation campaign held at the bank's headquarters in cooperation with the Central Blood Bank and the Ministry of Health. More than 80 employees of the bank participated in this recent campaign, which collected more than 60 bags of blood of all blood types.



EDUCATION

Emphasis on education is critical to developing a knowledge-based economy and society. Burgan Bank's mission is to educate society about financial literacy.

In 2022, the Bank concluded its participation in the Public Authority for Housing Welfare (PAHW) Expo as part of its financial literacy efforts to raise public awareness about the products and services of the Kuwaiti banking sector. The Bank remained actively involved in educating young Kuwaitis through career fairs, student engagement etc. at universities across Kuwait.



Burgan Bank continues its support of the "Let us Be Aware" (Diraya) financial awareness campaign. It sponsors and participates in various internal and external activities aimed at raising awareness of scams and cybercrimes that target customers in various ways, and educating them on the best ways to protect their personal information and keep their finances safe. A financially literate population will ultimately have a positive impact on the nation's overall economic growth.

COMMUNITY

A COMMUNITY PARTNER IN EVERY WALK OF LIFE: A LONG-TERM INVESTMENT IN A BETTER SOCIETY

Burgan Bank has always placed a strong emphasis on combined social responsibility. Its CSR initiatives called 'ENGAGE' – Together to be the change is a campaign intended to engage larger communities through a variety of partnerships to concentrate on all societal segments. This program promotes social welfare through educational, cultural, health and other community driven initiatives.

Through significant contributions for improved living and grassroots engagement, the campaign reflects on situations affecting youth, people with special needs, people from underprivileged backgrounds, people with life-threatening illnesses, people from culturally and racially diverse backgrounds, and many more.

Burgan is committed to playing an active role in positive community development, including establishing strategic alliances with major organizations in both the public and private sectors to collaboratively champion



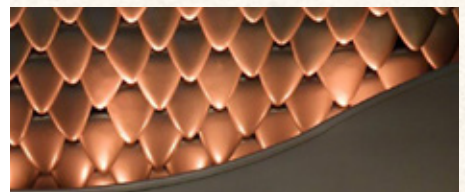
important causes. In 2022, the Bank continued its long-standing partnerships with key partners, namely Al Ahmadi Governate, as well as the Kuwait Association for Care of Children in Hospital (KACCH) and Bayt Abdullah Children's Hospice (BACCH). The latter partnership resulted in a once-in-a-lifetime dream coming true for a young palliative care patient, whom as a result could participate in the FIFA Qatar World Cup 2022 semi-finals.

During Ramadan, the Bank also celebrated Holy Month with the community through a series of Gargeean celebrations across Kuwait. The employees distributed unique gifts in the form of Kanz account money boxes and engaged with children by organizing a series of recreational activities with families and numerous visitors. Burgan also held a Ghabqa for the media, to celebrate journalists and media representatives.

A PATRON OF THE ARTS: HELPING DRIVE KUWAIT'S CULTURAL RENAISSANCE

Burgan Bank is collaborating with numerous groups and organisations in the community to foster long-lasting impact. In a long-standing partnership, in 2022, the Bank once again renewed its sponsorship of Ahmadi Music Group (AMG), covering the Group's Spring Season performances. Burgan also sponsored two major musical events that were a milestone on the cultural calendar: the Ayoub Sisters Concert, under the umbrella of the AMG partnership, and the long-awaited return of Omar Khairat to Kuwait in a major concert at The Arena Kuwait, thereby, reaffirming its support to culture and art.

Burgan Bank in strategic partnership with Dar Al Athar Al Islamiyyah sponsored its 27th Cultural Season which covered 14 concerts with a wide range of musical genres, 2 classical theatre productions, weekly lectures as well as many other interactive events and activities.



SPORTS

A CHAMPION OF CHAMPIONS - BURGAN'S EXPANSIVE SPORTS PROGRAM

Burgan has positioned itself as an active champion and advocate of a stronger sports culture in Kuwait and in 2022, this commitment was on display, as the Bank elevated its sports program to the next level.

More than just sponsoring local sports events and supporting national sports organizations, Burgan Bank stepped up its commitment to sports by organizing its own sporting events and programs, both for its employees and for the wider community.

The advocacy for sports begins internally, as Burgan's various sports teams continue to be a major component of its internal culture. The Burgan Bank football team participated in the Ooredoo Business Football Tournament, whilst employees also took part in the Bank's First Bowling Competition for Employees. This year also marked another first, as the Bank organized its First Padel Competition for its employees. The large-scale, professional standard event proved to be one of the biggest sporting events of the season.

For the 2021-2022 season, Burgan Bank sponsored the fifth round of the Kuwait Equestrian Federation (KEF) League. The Bank's sponsorship of the KEF competition reflects the Bank's commitment to promoting Kuwaiti sports culture and fostering youth development through sports as part of its comprehensive, community-focused social responsibility program.

The Bank also sponsored the Kuwait International Arabian Horse Championship; KBA's First Padel Tournament; the Kuwait Ramadan Squash Open Championship; the Women's Football League; the First Football League for Young Women under 18 in Cooperation with the Kuwait Football Association and the Sheikh Nasser Sabah Al-Ahmad Prize for Best Domestic Athlete.







Environment

Energy and Climate Change

Burgan Bank is adapting and operating in an ever-changing ESG landscape. The Bank focuses on minimising its environmental footprint. We are committed to contributing to the national and global climate agenda. As energy and climate are intertwined, we start by looking inward by measuring and reducing our energy consumption.

“Burgan Bank has been showing its **commitment to climate change**, a key environmental pillar, by participating in the worldwide World Earth Day. It observes the day by turning off all non-essential lights and turning off the power in most of its branches for an hour as part of its ongoing efforts to promote environmental awareness.

Burgan Banks direct and indirect energy consumption consists primarily of high-speed diesel and purchased electricity respectively. The Bank has significantly decreased its total energy consumption as compared to last year by emphasizing on optimizing energy use and initiating energy efficiency initiatives throughout the operations.

In 2022, Burgan Bank undertook the initiative of installing occupancy sensor lights and motion sensor lights in identified areas at the Burgan Head office building. It is expected to result in significant reduction in power consumption beyond the business hours. By 2024, this initiative will also be rolled out to all the branches. The Bank external signages and lights have also been migrated to solar powered in 2022.

	2022	2021
Diesel (GJ)	28.0	22.8
Petrol (GJ)	603.0	542.6
Electricity (GJ)	24,838.3	30,788.7
Total Energy Consumption (GJ)	25,469.3	31,354.1
Specific Energy Consumption (GJ/ Employee)	30.0	38.0

Note: The boundary includes for Burgan Bank Kuwait operations only.

“Energy savings initiatives by the Bank have helped reduce energy consumption by 18.7%. All the activities have helped reduce total energy consumption by 19% and specific energy consumption by 22%. In 2022, energy intensity per employee also reduced from 38.0 GJ/employee to 30.0 GJ/employee.

Waste and Water

Effective waste management plays a crucial role, in reducing the Bank’s negative environmental effects, and the Bank has established waste management standards that are implemented throughout the Bank. The Bank is also identifying a number of initiatives to lower waste generation.

Due to the nature of its business, the Bank does not generate any significant hazardous waste. The electronic waste generated at the facilities is recycled through collection and sale to authorized dealers in the local market.

In a bid to embed the recycling culture within the Bank premises, new recycling bins were placed all over the Bank and its branches in 2022. This is designed to build a habit of waste recycling among the employees as well as general public.

“Burgan Bank tackles e-waste by recycling responsibly to minimise the impact on the environment. In 2022, the **Bank recycled 4 tonnes of E-waste.**

Waste Management

	2022	2021
Waste Recycled (MT)	26.5	28.8
Municipal Waste (MT)	120.0	129.6
Total waste generated (MT)	146.5	152.4

Note: The boundary includes for Burgan Bank Kuwait operations only.

“Burgan Bank uses water only for drinking, office sanitation and cleaning. Water is purchased from government facilities. **In 2022, total water consumption was 3,472.3 KL.**



Integrating Responsible Lending and Investing

Responsible banking is imbibed into the culture of Burgan Bank. To implement its ESG Framework, and promote responsible financing, the Bank instituted an ESG Integration Model that shall seamlessly integrate its ESG considerations with its overall engagement, financial and investment processes.

The ESG Integration Model is based on four principles, which include: (i) avoiding decisions with negative implications, (ii) assessing risks and opportunities, (iii) amplifying positive attitude towards ESG, and (iv) aiming for positive environmental and social impact.

Furthermore, Burgan is committed to conducting ESG risk assessments to ensure that the credit/investment analysis of borrowing entities/ investee companies and investment decision making processes are aligned with Bank's ESG considerations. The Bank is taking active steps to incorporate ESG risk management framework in the bank's risk processes and policies.

Once incorporated, ESG considerations will be included in the Credit risk assessment process and will be evaluated through ESG due diligence.



Burgan financed projects valued at **KD 22 million** in 2022. These projects were related to renewable energy and plantation work in Kuwait.

SUSTAINABLE FINANCING FRAMEWORK

Burgan Bank is the first bank in Kuwait to create a Sustainable Financing Framework to be used to finance projects that will deliver environment and social benefits in alignment with its vision and business strategy.

The Framework governs the deployment of proceeds obtained from the issuance of Green, Social or Sustainability Bonds and Loans in alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021, and Social Loan Principles 2021. Burgan Bank has obtained a Second-Party Opinion from Sustainalytics in February 2022 on the Framework's environmental and social credentials and its alignment with these principles.

Burgan will aim to adhere to best market practices (where possible) and review the Framework's alignment with the most updated version of the principles as and when they are released. The Bank's sustainable financing framework has been developed to support projects/companies primarily focused on the defined ESG aspects.



Environment

clean transportation, renewable energy, energy efficiency, pollution prevention and control, sustainable water and wastewater management, green building



Social

Affordable basic infrastructure, access to essential services, Employment Generation - including through the potential effect of MSME financing

The background is a textured, light brown paper. A large, stylized leaf shape, composed of two overlapping curved segments, is positioned diagonally from the bottom left towards the top right. The leaf has a color gradient from a darker brown at the bottom to a lighter yellowish-brown at the top. The text is centered within the upper part of this leaf shape.

Sustainability at our Subsidiaries

Burgan Bank has majority-owned subsidiaries, collectively known as the “Burgan Bank Group”, in the MENAT region, which include Burgan Bank Turkey (BBT), Gulf Bank Algeria (AGB), Tunis International Bank (TIB), and Bank of Baghdad (BoB).

Burgan Bank also has a presence in the UAE through its representative office, Burgan Financial Services Limited. Burgan Bank's subsidiaries contribute towards the sustainability drive of the Burgan Bank Group through various sustainability initiatives in their areas of operation.

Community contribution and working towards humanitarian causes is central to all operations of Burgan bank including our subsidiaries. The contributions are focused towards promoting technology, art, culture, sports, education and health within the communities they operate. These initiatives are either implemented directly by Burgan Bank or through other social enterprises.

Awards won for Digital Banking Services

Global Finance (BBT)



Best Digital Bank Award

2022 Turkey's Happiest Workplaces Award

1 Star Happy Place to Work in the Banking Sector Certificate and Award



ENVIRONMENTAL INITIATIVES

- ▶ AGB partnered with 'Ness El Khir' Foundation on World Forest Day to plant more than 1500 forest trees & clean green spaces.
- ▶ AGB supports recycling and has installed 32 collection points allowing employees to dispose of their paper, plastic and consumables in recycling boxes in partnership with a local startup.
- ▶ BBT began taking the necessary steps to avoid financing that could have an unacceptable impact on people or the environment in all credit assessments in 2022.
- ▶ BBT imbibes the sustainability culture with a plantation drive for long tenured employees (with service over 5 years) by planting a tree for every year of service for each employee.
- ▶ BBT aims to transition to a low carbon economy by adopting sustainable financing practices.



GOOD GOVERNANCE

- ▶ BBT has a special Customer data protection & Compliance department, which is a pioneering practice in the Turkish banking sector. It is tasked with full compliance with regulatory requirements while ensuring that customer rights are not compromised.
- ▶ BBT has stringent policy and process to deal with money laundering and counter terrorism financing.
- ▶ BBT has an established Code of Conduct which is applied to all staff members and is disseminated through regular trainings and announcements within the Bank.
- ▶ BBT is also committed to having a corruption-free workplace therefore, 100% of the operations are assessed for risks related to corruption and zero cases of Corruption were identified.



SERVING OUR CUSTOMERS

- ▶ BBT has worked towards sustainable finance, e-banking and data privacy to support our customers.
- ▶ BBT has developed its flagship digital banking platform- "ON" In 2022, the customer base increased by 89% through customer centric campaigns, affiliate partnerships, and digital marketing activities to promote "ON" to wider communities.



**Customers reached by
BBT through E-Banking**

350K
2022

185K
2021



SUPPORTING EDUCATION

- ▶ BBT collaborated with Ashoka, a social entrepreneurship network, to support Gulcan Yayla, the founder of the platform "Kodluyoruz" which aims at training young people in the technology field. This initiative is sponsored by BBT for 3 years from 2021-2023.
- ▶ BBT promoted education of children with limited opportunities on coding education.
- ▶ AGB supported the "Back-to-School" initiative by distributing school supplies and bags to disadvantaged and spastic children.




CONTRIBUTION TO CULTURE

- ▶ AGB sponsored the 3rd edition of Cheikh Abdelkrim Dali prize to promote Algerian heritage and promote young talents in the music and culture space.
- ▶ BBT collaborates and sponsors one of the prestigious museums in Istanbul and supports the photography exhibition of Nuri Bilge Ceylan for 2022.
- ▶ TIB participates in festivals and marathons, to raise awareness of the rich cultural heritage including the summer festival for the visually impaired and the marathon to drive the commitment to a better life.
- ▶ BOB supported the development of old areas of the country by contributing IQD 250 million for the ancient city of Najaf.



SERVING THE SMEs

	Facilities granted to SMEs (Cash Exposure)	42,596	(KD'000)
	Claims on Qualifying SMEs (LCs and LGs)	55,226	TOTAL
			97,822



SUPPORT TO BUILD A BETTER SOCIETY

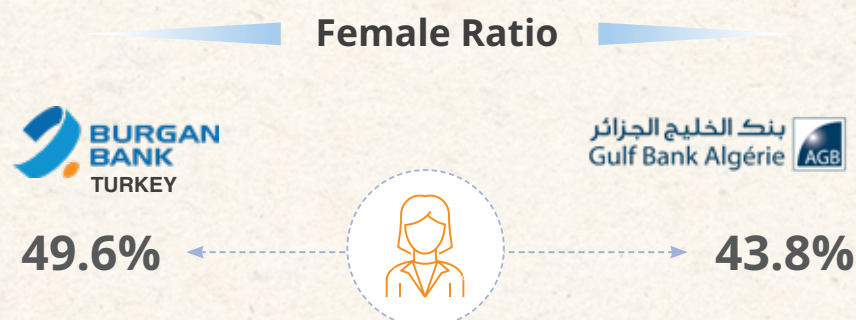
- ▶ BOB contributes 6 million IQD on a monthly basis to support the local community, mentoring youth and children as well as supporting humanitarian and cultural cases.
- ▶ AGB employees visit children in hospital care and distribute gifts to them on International Childhood Day.
- ▶ AGB organized a blood donation for its employees on World Blood Donor Day which has been an annual event for the last 3 years.
- ▶ AGB launched an information and awareness campaign to for the prevention and early detection of breast cancer during Pink October.
- ▶ AGB supports national and regional associations by donating to needy families and sick children during Ramadan.
- ▶ AGB supports social causes through charitable organisations such as purchase and distribution of clothes for disadvantaged children, sharing iftar meals and gifts for the elderly.
- ▶ AGB sponsored the BOUFARIK sports association for disabled people - a wheelchair basketball team for 2 consecutive years.
- ▶ TIB supported an association that cares for children with mild autism and the surgical department in one of the largest hospitals in Tunisia.



SERVING OUR EMPLOYEES

All subsidiaries have in place robust HR policies and practices to ensure that we attract, retain and develop the best talent.

- ▶ BBT has in place the Employer Brand project since 2017 with the goal to provide a consistent work experience for our employees that aligns with the Employer Brand Pledge and the "Burgan Stands by You" employer proposition.
- ▶ BBT believes in sustained development of our employees, providing average 28 hours of training per employee. Staff are delivered technical and development training through online communication tools. BBT also provide Personal Awareness training to all management team members and hold workshops specifically for the IT management team.





About the Report

The Sustainability Report 2022 includes Environment, Social and Governance (ESG) performance data for the most material issues. It exemplifies the vision of the Bank to be the best-of-class financial service provider in the Kuwait market through sustained execution of best-in-class practices, innovation and stakeholder care.

The economic, environmental, and social indicators that contribute to the compilation of the sustainability report have been prepared as per the Global Reporting Initiative (GRI) Universal Standards (2021). The report content is guided by external frameworks of UN Sustainable Development Goals (UNSDG's), Sustainability Accounting Standards Board (SASB), priorities of Kuwait Vision 2035 "New Kuwait", and Boursa Kuwait.

REPORTING PERIOD AND FREQUENCY

This report covers the performance of Burgan Bank for the period 1 January to 31 December 2022 and is published annually. All monetary disclosures are in Kuwaiti Dinar (KD) unless otherwise specified.

BOUNDARY

Headquartered in Kuwait, Burgan Bank Group/ Burgan Bank KPSC has majority-owned subsidiaries in the MENAT region supported by one of the largest regional branch networks, which include Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq & Lebanon), Tunis International Bank – TIB (Tunisia), and fully owned Burgan Bank – Turkey, (collectively known as the "Burgan Bank Group"). For the purpose of this report, unless otherwise mentioned, Burgan Bank Group hereafter is referred to as Burgan Bank Group, the Group, the Organization and the terms "Burgan Bank," "the Bank," refer to Burgan Bank operations in Kuwait.

The sustainability disclosures in this report pertain to direct operations in Kuwait. Burgan Bank is committed to reporting on its sustainability performance across its business. Therefore, this year the Reporting Boundary also includes information on Turkey, Algeria and Tunisia, wherever available. Specific data points related boundary will be mentioned in the respective chapters. The Economic Performance disclosures pertain to the Burgan Bank Group, including all its subsidiaries.

RESTATEMENT OF INFORMATION

Petrol is an additional fuel added this year and therefore, the total energy consumption and all related data have been revised for 2021.

ASSURANCE

This sustainability report was created in collaboration with Burgan Bank and internally reviewed by pertinent internal Departments. This report has not yet undergone independent verification by any third party.

REACH OUT AND FEEDBACK

The reporting is aimed at a broad range of audiences, including but not limited to Regulators, Investors, Customers, Researchers, NGOs, Governments and other more generalist audiences, including citizens. Readers are welcome to submit their feedback or suggestions about this report to ESG@burgan.com email ID.



Appendix

Burgan's Material Topics and its Relevance to Stakeholders

#	Material Topic	Customer	Investor	Employee	Regulator	Communi- ty	Supplier
1.	Diversity & Equal Opportunity	✓		✓		✓	
2.	Non- discrimination	✓		✓		✓	
3.	Business Integrity	✓	✓	✓	✓	✓	✓
4.	Anticorruption	✓	✓	✓	✓	✓	✓
5.	Regulatory Compliance	✓	✓	✓	✓		
6.	Economic Performance	✓	✓	✓			
7.	E-banking	✓		✓		✓	
8.	Responsible Lending & Investing	✓	✓		✓	✓	
9.	Data Security & Privacy	✓		✓	✓	✓	
10.	Training and Education	✓		✓	✓	✓	
11.	Kuwaitisation			✓	✓	✓	
12.	Customer Experience	✓		✓	✓	✓	
13.	Financial Literacy and Inclusion	✓		✓	✓	✓	
14.	Employee Satisfaction	✓		✓	✓		
15.	Corporate Social Responsibility	✓	✓			✓	
16.	Supplier Social Assessment					✓	✓
17.	Energy Consumption					✓	
18.	Supplier Environment Assess- ment					✓	✓
19.	Waste Management					✓	

Material Topics: Definition

Material ESG Topics	Definition / Relevance to Burgan
Diversity and Equal Opportunity	To inculcate an inclusive approach in our everyday business operations with a diverse workforce.
Non-discrimination	To prevent discrimination on the grounds of gender, race, caste, and religion in order to inculcate fairness and justice and maintain the goodwill and brand value.
Anticorruption	To implement systems and processes to prevent instances of corruption and maintain trust among key stakeholders.
Business Integrity	To have a well-established corporate governance structure that allows the bank to maintain business integrity and transparency.
Regulatory Compliance	To avoid any disruption to businesses, it is the Bank's constant endeavor to achieve complete compliance for all regulations.
Economic Performance	To deliver economic performance that goes beyond the financial returns for our investors and also encompasses a wider impact that we create as an employer and generator of economic activity.
E-banking	To serve our clients efficiently, while reducing our operating costs in the long-run.
Responsible Lending and Investing	To encourage responsible credit allocation with a view to contribute towards the regional and global commitment to reducing GHG emissions and promote social development.
Regulatory Compliance	To take utmost responsibility in securing customer data as breaches can have significant impact on customer trust and the future of our business.
Training and Education	To emphasize on continuous training and development of our employees.
Kuwaitisation	The Bank's efforts are focused towards Kuwaitisation which further aligns with Kuwait's National Development Plan to develop local talent.
Customer Experience	To create better value for our customers through improved experiences.
Financial Inclusion and Literacy	To support our stakeholders in increasing their financial literacy to increase reach of the bank's services to the underserved.
Employee Satisfaction	Our employees' well-being and satisfaction is of utmost importance to us as it helps in improving employee efficiency, effectiveness and morale.
Suppliers Social Assessment	To ensure our suppliers are assessed in terms of social aspects which will enable social inclusion in entire value chain.
Corporate Social Responsibility	Maintaining a healthy and positive impact in the communities we operate is critical to maintaining our social license to operate and to creating wider prosperity.
Energy Consumption	To optimize our energy consumption in order to reduce emissions.
Waste Management	To create focus on minimizing waste generation and maximizing recycling efforts.
Suppliers Environmental Assessment	To ensure our suppliers are assessed in terms of environmental aspects which will enable environmental considerations inclusion in entire value chain.

GRI Index

Material ESG Topics

Burgan Bank has reported the information cited in this GRI Content Index for the period 1st of January 2022 to the 31st of December 2022 'with reference' to the GRI Standards

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Section	Page no.	Comments
GRI: General Disclosures 2021				
GRI 1: The organization and its reporting practices	2-1 Organizational details	About the Report	70	
	2-2 Entities included in the organization's sustainability reporting	About the Report	70	
	2-3 Reporting period, frequency and contact point	About the Report	70	
	2-4 Restatements of information	About the Report	70	
	2-5 External assurance	About the Report	70	
GRI 2: Activities and Workers	2-6 Activities, value chain and other business relationships	Core Business Activities	11	There has been no significant change in our supply chain or its reporting during the year.
	2-7 Employees	International Presence and Outreach	12	All permanent employees are full-time employees.
		Diversity and Inclusion	34	
	2-8 Workers who are not employees	Diversity and Inclusion	34	Through third-party we engage staff for activities like security, and cleaning. We currently do not capture their information as required by GRI.

GRI Standard	Disclosure	Section	Page no.	Comments
GRI 3: Governance	2-9 Governance structure & composition	Governance	22, 23	
	2-10 Nomination and selection of the highest governance body	Governance		
	2-11 Chair of the highest governance body	Governance	22	Reference Annual Report 2022
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	22, 23	
	2-13 Delegation of responsibility for managing impacts	Governance	23	
	2-14 Role of the highest governance body in sustainability reporting	Governance	21-29	The highest governance body reviews the content of the report, provides suggestion for reporting on the same .
	2-15 Conflicts of interest	Governance	24, 25	
	2-16 Communication of critical concerns	Governance	24, 25	
	2-17 Collective knowledge of the highest governance body	Governance	22	
	2-18 Evaluation of the performance of the highest governance body	Governance	23	Reference Annual Report 2022
	2-19 Remuneration policies	Governance	23-25	
	2-20 Process to determine remuneration	Governance	23-25	

GRI Standard	Disclosure	Section	Page no.	Comments
GRI 4: Strategy, policies and practices	2-22 Statement on sustainable development strategy communicating critical concerns	Chairman's message Group CEO's message ESG Strategy and Framework	6, 7, 16	
	2-23 Policy commitments	Governance	21	Policies which are not sensitive and relevant to stakeholders outside of Burgan Bank have been provided in the website.
	2-24 Embedding policy commitments	Governance	21	
	2-25 Processes to remediate negative impacts			Burgan Bank conducts environmental and social assessments as per regulatory requirements
	2-26 Mechanisms for seeking advice and raising concerns	Governance	24, 25	
	2-27 Compliance with laws and regulations	Governance	26	
	2-28 Membership associations			No memberships
GRI 5: Stakeholder Engagement	2-29 Approach to stakeholder engagement	Engagement with Stakeholders	31-33	
	2-30 Collective bargaining agreements			Not relevant
GRI 3: Material Topics	3-1 Process to determine material topics	Engagement with Stakeholders	31-33	BB conducts materiality assessment once in every 3 years. This year Burgan Bank did not conduct materiality assessment.
	3-2 List of material topics	Engagement with Stakeholders Material Topics: Definition	31-33 74	No changes in the material topics
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework	18	

GRI Standard	Disclosure	Section	Page no.	Comments
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Generating and Distributing Economic Value		Significant location of operations refers to Kuwait.
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Governance	18, 21	
	205-1 Operations assessed for risks related to corruption	Governance	24-26	Significant risks related to corruption identified through the risk assessment.
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Governance	24-26	
	205-3 Confirmed incidents of corruption and actions taken	Governance	26	
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Energy and Climate Change	18, 63	
	302-1 Energy consumption within the organization	Energy and Climate Change	63	
GRI 302: Energy 2016	302-3 Energy intensity	Energy and Climate Change	63	Energy Intensity is calculated by dividing the total energy consumed within the organisation by total number of employees.
	Disclosure 302-4 Reduction of energy consumption	Energy and Climate Change	63	
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Waste and Water	18, 64	
	306-1 Waste generation and significant waste-related impacts	Waste and Water	64	
GRI 306: Waste 2020	306-2 Management of significant waste related impacts	Waste and Water	64	
	306-3 Waste generated	Waste and Water	64	
	306-4 Waste diverted from disposal	Waste and Water	64	

GRI Standard	Disclosure	Section	Page no.	Comments
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Responsible Supply Chain	18, 56	
GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-1 New suppliers that were screened using environmental criteria			Currently, this data is not captured by the organization as expected by GRI.
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Diversity and Inclusion	18, 34	
	401-1 New employee hires and employee turnover	Diversity and Inclusion	34	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Nurturing our Workforce	39, 40	Significant location of Operation in this report refers to Kuwait operations of Burgan Bank.
	401-3 Parental leave	Nurturing our Workforce	39, 40	
GRI 3: Material Topics 2021	3-3 Management of material topics	Transforming Burgan's Learning and Development Journey	45, 46	
	404-1 Average hours of training per year per employee	Transforming Burgan's Learning and Development Journey	46	The headcount eligible for training is considered to calculate average hours of training
GRI 404: Training & Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Leadership Development for Smooth Succession	44	
	404-3 Percentage of employees receiving regular performance and career development reviews	Leadership Development for Smooth Succession	44	All employees receiving regular performance and career development reviews
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Diversity and Inclusion	18, 34	

GRI Standard	Disclosure	Section	Page no.	Comments
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Diversity and Inclusion Kuwaitization	22, 34, 35, 43	
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Non- Discrimination	18, 38	
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	Non- Discrimination	38	
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Championing Social Responsibility	18, 57	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Championing Social Responsibility	57-61	All of Kuwait operations have community programs which are based on the community development needs.
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Responsible Supply Chain	18, 56	
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	Responsible Supply Chain	56	Currently, this data is not captured by the organization as expected by GRI.
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Strategy and Framework Data Security and Privacy	18, 55	
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy	55	

Boursa Kuwait Index

ENVIRONMENTAL

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable) E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)		GRI 305: Emissions 2016	Sustainable living environment.	IU
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor		GRI 305: Emissions 2016	Sustainable living environment.	IU
Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed		GRI 302: Energy 2016		Energy and Climate Change
Energy Intensity	Total direct energy usage per output scaling factor		GRI 302: Energy 2016		Energy and Climate Change
Energy Mix	Percentage: Energy usage by generation type		GRI 302: Energy 2016	Sustainable living environment	Energy and Climate Change
Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed		GRI 303: Water and Effluents 2018		Waste and Water

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
Environmental Operations	<p>E7.1) Does your company follow a formal Environmental Policy? Yes, No</p> <p>E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No</p> <p>E7.3) Does your company use a recognized energy management system? Yes/No</p>		GRI 103: Management Approach 2016*		Not Material (NM)
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No		GRI 102: General Disclosures 2016		ESG Strategy and Framework
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No				ESG Strategy and Framework
Climate Risk Mitigation	Total amount invested, annually, in climate- related infrastructure, resilience, and product development?			Sustainable living environment.	IU

SOCIAL

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
Gender Pay Ratio	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable) E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)		GRI 305: Emissions 2016	Sustainable living environment.	IU
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees S3.2) Percentage: Year-over-year change for part-time employees S3.3) Percentage: Year-over-year change for contractors and/or consultants		GRI 401: Employment 2016		Diversity and Inclusion
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive-level positions held by men and women		GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 405: Diversity and Equal Opportunity 2016	Creative human capital.	Diversity and Inclusion
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants		GRI 102: General Disclosures 2016		Burgan Bank does not have any part time or contract employees. Therefore, Not Applicable.
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No		GRI 103: Management Approach 2016*	Public Administration	Governance Non- Discrimination
Injury Rate	Percentage: Frequency of injury events relative to total workforce time		GRI 403: Occupational Health and Safety 2018		NA
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No		GRI 103: Management Approach 2016*		Employee Health and Wellbeing

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No		GRI 103: Management Approach 2016*	Sustainable diversified economy	We follow all applicable laws with respect to child labour and expect our suppliers as well to follow it
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No		GRI 103: Management Approach 2016*	Public Administration	Governance
Nationalization	S11.1) Percentage of national employees S11.2) Direct and indirect local job creation			Sustainable diversified economy.	Kuwaitization

GOVERNANCE

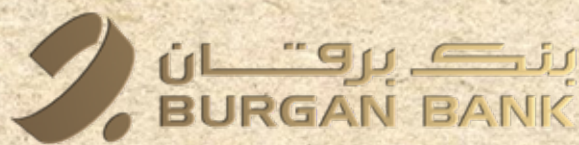
Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by Men and women		GRI 405: Diversity and Equal Opportunity 2016	Public Administration	Governance
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No G2.2) Percentage: Total board seats occupied by independents.		GRI 102: General Disclosures 2016		Governance
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No		GRI 102: General Disclosures 2016		IU
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)		GRI 102: General Disclosures 2016	Public Administration	NA
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Responsible Supply Chain
Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Governance
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No G7.2) Has your company taken steps to comply with GDPR rules? Yes/No		GRI 103: Management Approach 2016*		Data Security and Privacy

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No G8.2) Is sustainability data included in your regulatory filings? Yes/No				Yes, we have been publishing Sustainability Report since 2019.
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No				Burgan Bank is aligned with UNSDGs but have not set set targets and reported progress on the same.
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No		GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016 is to be used in combination with the topic specific standards		No

GRI report section names have been provided to refer to the location of information.

NA Not applicable

IU Information unavailable / incomplete



BURGAN BANK H.Q
KUWAIT - AL-SHARQ, B.:1, ST.: ABDULLAH AL-AHMAD - BUILDING NO. 22
P.O BOX 5389 SAFAT 12170 KUWAIT
ir@burgan.com