



Navigating Towards
Sustainable Business

Sustainability Report 2023



HH Sheikh

Mishal Al-Ahmad Al-Jaber Al-Sabah

Amir of the State of Kuwait



Table of **CONTENTS**

▶ Chairman’s Message	4
▶ Group CEO’s Message	5
▶ Key ESG Highlights	6
▶ A Glimpse into Burgan Bank	8
– About Burgan Bank	9
– Core Business Activities	10
– International Presence	11
▶ Our ESG Outlook	12
– ESG at Our Core	13
– Key Stakeholder Engagement	14
– ESG Focus Areas	16
– Materiality Re-alignment	18
– Future Direction	19
▶ Endorsing Ethical Practices and Transparency	20
– Corporate Governance	21
– Risk Management Framework	24
– Ethical Business Practices	26
– Anti-Corruption Practices	28
– Committed to Compliance	29



▶ Responsible Banking and Financing	30
– Generating Economic Value	31
– Future Ready Banking	32
– Information and Cyber Security	34
– Financial Inclusion	35
– Financial Literacy	36
– Responsible Lending and Investing	37
▶ Positive Community Impact	38
– Building a Diverse and Inclusive Workforce	39
– Nurturing a Sustainable Workplace	43
– Strengthening Customer Experience and Satisfaction	48
– Strengthening Communities	50
▶ Minimizing Environmental Impact	56
– Navigating Climate Change	57
– Energy Consumption	58
– Waste and Water Management	59
– Responsible Supply Chain	60
▶ Sustainability at Subsidiaries	62
▶ About the Report	66
▶ Appendix	68

Chairman's Message



Dear Esteemed Stakeholders,

Our commitment to be “Driven by You,” remains unwavering as a people-centric organization. I am pleased to present the Sustainability Report for 2023 which reflects our journey, achievements, and the path we are taking for a sustainable future.

We continue to align our business strategy within today's ever-evolving sustainability landscape and embed ESG best practices as a strategic pillar in line with our vision and mission. ESG is driven from the top with commitment from the Board and management. As part of our ESG Governance, the Bank has set up a Management ESG Committee which includes senior executives from our business lines and support functions, to drive the ESG agenda within the Bank.

Our Bank plays a positive and meaningful role in addressing various challenges facing society today be it enhancing financial literacy, supporting our customers or evolving our own operations to mitigate climate change. We have a critical role to play in supporting the transition to a net-zero future and in addressing climate change-related risks and opportunities. The bank has taken initial

steps to create the framework to integrate climate risks as part of risk management process.

Our commitment to sustainability extends beyond the organisation to the broader community. We understand that our success is intricately connected to the business ecosystem and the community we serve, and we shall continue our contributions by sponsoring initiatives, events and forums related to sports, arts and culture. Our focus on enhancing financial literacy, cultivating the youth and empowering people with disabilities shall continue. The Bank sponsored the Small and Medium Enterprises Marketplace event, as part of its commitment to advance the aspirations of Kuwaiti youth in driving the economy of Kuwait. Burgan played an active role in providing international humanitarian aid by donating USD 2 Million to support the victims of the earthquake that struck southern Turkey.

Our investment in developing our human capital continues as it ensures bench strength while creating diverse and equitable workforce. Burgan Bank has made significant progress on gender equality with women composing 48% of staff. We pledge ongoing support as a signatory to Women Empowerment Principles (WEPS). We are committed to protecting human rights and are dedicated to providing a safe and healthy working environment for all employees.

As we navigate the complexities of sustainable development and dynamic growth, I extend my sincerest gratitude to the Burgan Bank team and a special thanks to all our stakeholders for their contribution on our ESG journey. Together, let us continue to build a legacy that resonates with the principles of sustainability for our current and future generations.

Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah
Chairman of Burgan Bank Group

Group CEO's Message



Dear Valued Stakeholders,

As we navigate the journey towards sustainable business, we remain committed to creating long-term value for our stakeholders, driven by our core values and dedication to responsible growth. This growth not only focuses on financial performance but prioritizes environmental, social and economic sustainability.

At Burgan, we have started implementing various initiatives aimed at contributing to a sustainable future. This past year has been particularly significant as we conducted our first comprehensive GHG inventory and carbon footprint mapping exercise. This step provides a solid foundation for developing a comprehensive decarbonization strategy. For the future, the bank also initiated a Climate Risk project designed to integrate ESG criteria into its risk management process to capture and reduce its portfolio impact on climate.

Recognizing the importance of minimizing our environmental footprint across all operations, we reduced single-use plastics, launched an e-waste recycling drive for employees, and installed electric vehicle chargers at our head office.

Our employees, our most valuable asset, are at the heart of our endeavors. Achieving the "Great Place to Work" certification in Kuwait in 2023 is a testament to our success in cultivating a safe, healthy, and rewarding work environment. Notably, we nurture and grow local talent as reflected in the high Kuwaitization rate of 83%, contributing to the nation's goal of meaningful employment for its citizens. We further invest in talent development through robust training programs, delivering over 43,000 hours of training in 2023, including dedicated ESG awareness programs across all levels of our workforce.

Beyond core business, we understand our broader role in contributing to the well-being of the communities we serve. We proudly continued our work in social, sports, health, environmental, humanitarian, and cultural initiatives throughout the year, championing diversity and inclusivity. Highlights include supporting aspiring Olympians, youth women's leagues, and athletes with disabilities, demonstrating our commitment to empowering local talent. Our work on the "Let's Be Aware" banking awareness campaign continues to enhance financial literacy, and we continue to expand inclusion through enhancement of our B-dinar services for the low-income groups.

As we forge ahead on this ESG journey, we are setting the course for a future where responsible business practices, environmental stewardship, and social progress converge towards shared prosperity.

Antoine J Daher
Group CEO of Burgan Bank Group

Key ESG Highlights



83%

Kuwaitisation

45%

Independent Board
Members

99%

Spend on local
suppliers

56%

Active Digital Users

48%

Female Employees

8.9%

Females in Leadership positions

44.4

Average training hours per employee

13.7%

Customers in Youth segment

MSCI
ESG RATINGS



GHG Emissions (MtCO₂e)

146

Scope 1

4,285

Scope 2

11,295

Scope 3



A Glimpse into Burgan Bank

About Burgan Bank

Burgan Bank, a Kuwait-based conventional bank is a leading financial services institution in the MENAT region established since 1977. Burgan Bank is on a transformative journey, aiming to become Kuwait’s most progressive banking institution. This vision, driven by a commitment to exceptional customer experience and satisfaction, also prioritizes employee empowerment, innovation, and community welfare. Sustainability and social responsibility are integral to the bank’s mission, ensuring the prosperity of all stakeholders.



Vision

“ To be the most modern and progressive bank in Kuwait, driven by our employees, customers, and community. ”



Mission

- Deliver excellent customer experience
- Lead with innovation
- Become an employer of choice
- Contribute to our community
- Pursue opportunities for the prosperity of our stakeholders

Values



Ownership

We take accountability for our individual and collective behavior



Transparency

We communicate and discuss openly



Teamwork

We act collaboratively to unleash our potential



Passion

We have a strong commitment to everything we do

Core Business Activities

Burgan Bank is committed to creating a positive impact and generating shared value for the economy, society, and the environment. The Bank has evolved into a prominent financial institution in Kuwait with a focus on the corporate sector with strategic diversification into the retail and private banking businesses.

Our business strategy supports our vision and mission focused on the strategic pillars:

- ▶ **Strengthen Kuwait business** focusing on growth of the corporate portfolio, increasing market share in retail, building wealth management capabilities while strengthening our liquidity and risk profile and embedding best practices including ESG
- ▶ **Asset Re-allocation** pursuing sale of non-core assets while re-investing in new markets and seeking growth in new segments
- ▶ **Digital transformation** aimed at promoting digital offerings for new segments by modernising our IT infrastructure and upgrading IT capabilities and IT security

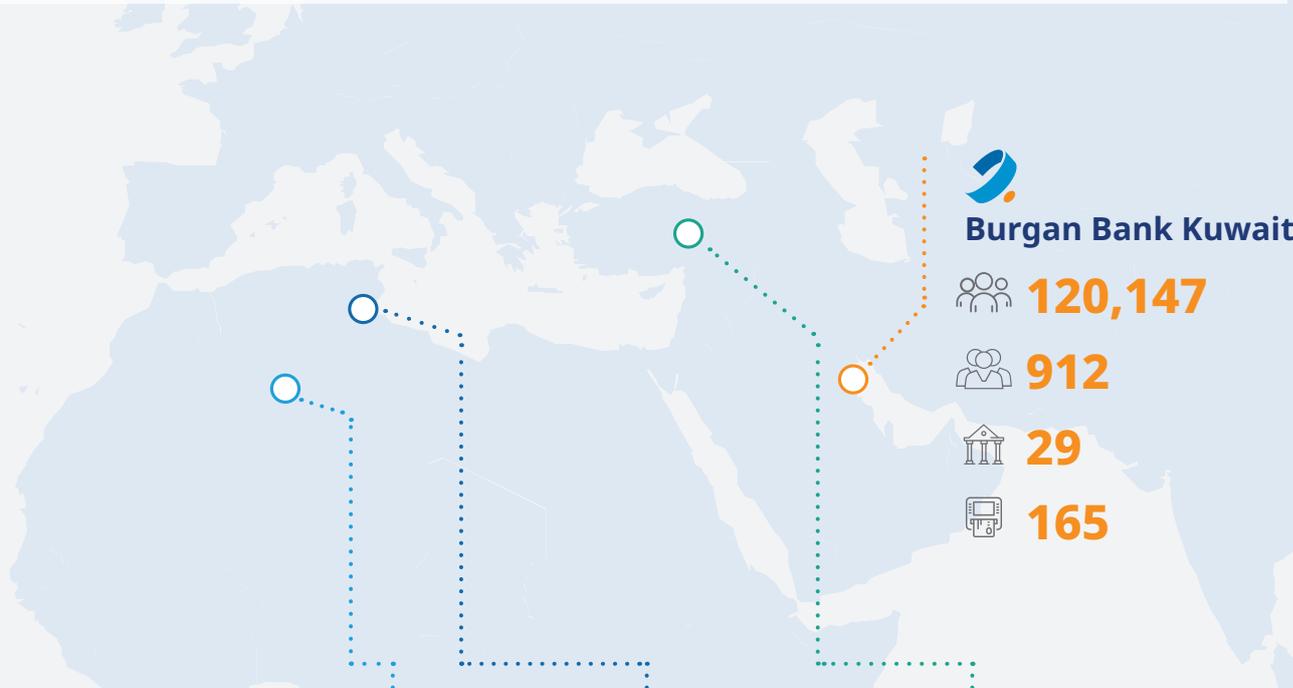
Burgan Bank's Businesses



International Presence

Burgan Bank Group boasts an extensive footprint across MENAT region, achieved through a robust network of branches and ATMs, empowering the Bank to effectively connect with customers.

	Customers	Employees	Branches	ATMs
2023	1,177,796	3,311	126	297
2022	896,648	3,827	160	365
2021	684,815	3,700	159	360



Burgan Bank Kuwait

- 120,147**
- 912**
- 29**
- 165**

	Gulf Bank Algeria	Tunis International Bank	Burgan Bank Turkey
Customers	260,337	1,525	795,787
Employees	1,042	101	1,256
Branches	65	3	29
ATMs	110	0	22



Our **ESG** Outlook

ESG at Our Core

Our ESG Vision: To be a responsible banking institution that supports building a better future for our stakeholders, our people and our communities ””

Burgan Bank recognizes the global sustainability challenges and is transforming itself continuously to contribute towards a more sustainable future. At Burgan Bank, our commitment is to embed ESG in our core culture, operations and strategy as we advance on our ESG journey and align the bank's compliance towards ESG principles and practices.



Our ESG governance framework consists of a cross-functional ESG Management Team, known as the Management Environmental, Social, and Governance Committee (MESGC). This committee, overseen by the Board of Directors, drives ESG integration across the Bank and monitors its ESG performance. In 2023 the committee chaired by Chief Executive Officer (Kuwait) met quarterly. Through the MESGC, Burgan Bank develops ESG programs with defined goals and benchmarks, aligning with its four focus areas. These areas evolve over time to reflect the changing ESG risks, environmental and social context, community expectations and to account for new regulatory settings.

Burgan Bank also has a formalized ESG Policy which outlines Burgan's commitment and approach towards integrating ESG aspects into its key activities and decision-making process as well as sets out its ESG commitments, guidelines, and the key management and control objectives.

Burgan Bank, in alignment with its ESG policy, is committed to upholding relevant national laws and regulations. As a responsible business, it is committed to national and international ESG standards and guidelines including United Nations Principles for Responsible Investing (UNPRI), United Nations Development Programme (UNDP) Sustainable Development Goals, World Federation of Exchanges (WFE) ESG Metrics, International Financial Corporation (IFC) Performance Standards, Boursa Kuwait' Sustainability Disclosure Guide Committee of Sponsoring Organizations (COSO) Enterprise Risk Management

Burgan Bank's overall ESG strategy, outlook and objectives continue to be steered by the New Kuwait Vision 2035 and the United Nations Sustainable Development Goals (SDGs) 2030 agenda. The Bank's sustainability journey is aligned to the robust principles of the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB).

Key Stakeholder Engagement

At Burgan Bank we believe in ongoing dialogue and close collaboration with our key stakeholders to continually refine our business strategy and strengthen our ability to create long-term value. Our key stakeholders are those most impacted by our business activities, as well as those with the greatest ability to influence them. These stakeholders are our investors, customers, employees, suppliers and service providers, community, regulators and policymakers. We proactively engage with these key stakeholders through a variety of channels at regular intervals.

The interactions help the bank to understand the needs and expectations of the stakeholders. These meaningful engagements significantly define our strategic priorities and guide our decision making process.

	 Customer	 Investor	 Employee
Priorities and Expectations	<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"> Stable financial returns Robust corporate governance Effective risk management and controls Transparency and disclosure Voting Rights 	<ul style="list-style-type: none"> Work experience and satisfaction Attractive compensation and benefits Professional training/ development Non-discrimination, equal opportunity & gender equality Open communication channel Wellbeing & work-life balance Fair performance management
Engagement Modes	<ul style="list-style-type: none"> Need based personal interactions/ branch visits Customer satisfaction Surveys Online communication Mobile application Social media Call center Website ITMs 	<ul style="list-style-type: none"> Annual General Meeting (AGM) Quarterly financials Press releases / Disclosures Investor meetings/ conferences Telephonic and electronic media VOIP calls, etc. Roadshows Quarterly earnings calls IR section on Website 	<ul style="list-style-type: none"> Knowledge sharing Annual performance and development discussion Employee surveys Training and wellness programs Personal interaction Burgani app
Actions	<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 	<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 	<ul style="list-style-type: none"> Provide a safe and healthy work environment Culture of continuous learning Employee networks/ employee surveys Competitive Remuneration Promoting diverse work culture Dedicated employee app "Burgani" "My learning" application




Regulator

- Compliance with legal and regulatory norms
- Effective risk management
- Transparency and disclosure
- Business continuity
- Financial crime
- Cyber security and data privacy
- Financial literacy
- Ethical conduct
- Robust compliance function

- Need based Meetings with Regulators
 - CBK
 - CMA
- Boursa Kuwait
- Periodic regulator reports and disclosures
- Emails and calls
- Audits

- Ongoing communication to align with regulatory requirements and other dialogue.
- Robust governance
- Business ethics and transparency
- Timely reporting



Community

- Societal development
- Creating employment opportunities
- Positive contribution to society
- Youth Empowerment
- Financial Inclusion
- Support to National Development plans

- Formal and informal community interventions & partnerships
- Social media reviews
- Sponsorships
- Personal interactions

- Continuous engagement
- CSR programs
- Training and Inclusive growth
- Charitable contributions, partnerships and knowledge sharing
- Corporate volunteering
- Sponsorships
- Career fairs
- Advertisements and campaigns
- Social media



Supplier & service providers

- On time payment
- Fair and transparent tender process
- Ethical work standards

- Annual/quarterly vendor meets
- Inspection visits to facilities
- Need based interaction through emails and phone calls

- Tendering
- Training support to local vendors
- Contracts
- Meetings

ESG Focus Areas

We are continuously strengthening our ESG practices and bringing ESG matters to the core of all business activities. These strategic ESG priorities form the basis of our strategy for sustainable value creation.

Material Topics

Endorsing Ethical Practices & Transparency



- ▶ Diversity and Equal Opportunity
- ▶ Non-discrimination
- ▶ Business Integrity
- ▶ Anticorruption
- ▶ Regulatory Compliance

Approach

Burgan is fully committed to conducting its business professionally and in accordance with all applicable laws, rules, regulations and the highest ethical standards.

The corporate governance guidelines serve as essential tools in the effective functioning of the Board and its committees to fulfill their responsibilities.

Burgan's Code of Conduct and Ethics, defines the high standards of integrity and ethics applicable to all our employees and Board members.

There is a strong emphasis on building a culture that fosters diversity, equal opportunity and non-discrimination. To combat money laundering, corruption, and terrorism, stringent anti-money laundering policies and controls are in place. In order to ensure compliance with these principles, the bank has set up a process to conduct regular audits of ethical standards across all operations.

Responsible Banking and Financing

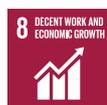


- ▶ Economic Performance
- ▶ E-banking
- ▶ Responsible Lending and investing
- ▶ Data Security and Privacy
- ▶ Financial Literacy

In its commitment towards responsible banking and financing, the bank endeavors to advance financially and environmentally sustainable banking products and services while ensuring innovative offerings to customers with a strong focus on data privacy and security.

Burgan Bank actively promotes investment in the SME sector as a sustainable driver for national economic growth. The bank contributes to the unbanked or underbanked communities to fulfill its commitment to financial inclusion by providing banking services.

As part of its ongoing sustainability journey, the bank is dedicated to integrating ESG considerations into its Risk Assessment Framework, thereby embedding ESG factors in its lending portfolio.





Minimizing Environmental Impact



- ▶ Energy Consumption
- ▶ Supplier Environment Assessment
- ▶ Waste Management

Burgan Bank's dedication to minimizing environmental impact is reflected in its efforts to reduce its footprint across operations, investment portfolio, and supply chain. With an unwavering commitment to environmental sustainability, the Bank is actively pursuing carbon neutrality and addressing climate change impacts beyond physical infrastructure.

By understanding its carbon footprint and climate risks, Burgan Bank lays a strong foundation for its decarbonization journey. By prioritizing energy efficiency, emissions reduction, and waste minimization, the Bank is shaping a sustainable future for generations to come.

Positive Community Impact



- ▶ Kuwaitisation
- ▶ Customer Experience
- ▶ Training and Education
- ▶ Employee Satisfaction
- ▶ Corporate Social Responsibility
- ▶ Supplier Social Assessment

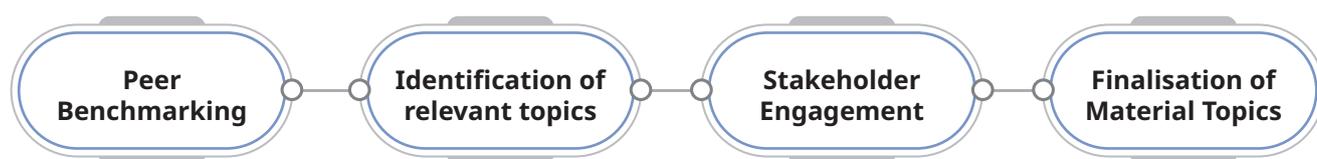
Burgan Bank actively promotes social inclusion by contributing to and participating in community causes, demonstrating a steadfast commitment to supporting the local community in various areas, including health, youth, empowerment education, environment, and culture. The bank diligently works towards advancing the special needs segment of society, empowering women in society, and undertaking initiatives and activities to foster financial literacy and awareness in the communities it serves.

The Bank's products and service aim to ensure a seamless banking experience for customers. Burgan Bank recognizes the importance of internal stakeholder satisfaction and makes continuous efforts to enhance employee satisfaction and engagement.



Materiality Re-alignment

Materiality is a key principle followed to ensure that the Bank remains focussed on sustainability related risks and opportunities. Towards this, the bank has set up a three year periodic review cycle to re-assess material ESG factors which will influence how the Board and the management will steer the bank. In 2023, the re-alignment of material topics was conducted in line with the GRI 2021 guidelines on materiality assessment.



This exercise has furnished the Bank with invaluable insights into areas requiring expansion and new priorities in its ESG strategy for the coming year. Emerging topics from the materiality assessment include Human Rights which is the fundamental element of every ESG topic identified as relevant to Burgan and cuts across all four pillars of Burgan Bank's focus areas. During 2023, the outcomes of the earlier materiality assessment remained active. Therefore, this report of the Bank is reporting on the topics active during the year. These areas are clubbed into four ESG pillars of Burgan Bank.

2020-2023 Material Topics	Endorsing Ethical practices and transparency <ul style="list-style-type: none"> Diversity and Equal opportunity Non- discrimination Business Integrity Anti Corruption Regulatory Compliance 	Responsible Banking and Financing <ul style="list-style-type: none"> Economic Performance Responsible Lending and Investing Data Security & Privacy Financial Literacy E- banking 	Positive Community Impact <ul style="list-style-type: none"> Kuwaitisation Customer Experience Training and Education Employee Satisfaction Corporate Social Responsibility Supplier Social Assessment 	Minimising Environmental Impact <ul style="list-style-type: none"> Energy Consumption Supplier Environmental Assessment Waste Management
	Good Governance <ul style="list-style-type: none"> Diversity, Equity & Inclusion Governance & Business Ethics 	Responsible Banking <ul style="list-style-type: none"> Responsible Lending and Investing Privacy & Data Security Financial Inclusion and Literacy 	Community Betterment <ul style="list-style-type: none"> Nationalization Customer Experience & Digitalisation Human Capital Development Employee Wellbeing Community Relations & Impact 	Environmental Impact Reduction <ul style="list-style-type: none"> Climate Change & Environmental Risk Exposure
2024-2026 Material Topics				

Future Direction



Continuing our Climate Impact Evaluation



Comprehensive Carbon Footprint Mapping aligning with the GHG Protocol and SBTi guidance.



Towards Decarbonization



In line with Kuwait's pledge for Net Zero emissions by 2060, to fulfil our commitment we are developing a roadmap to achieve carbon neutrality.



Extending our commitment to UN initiatives



Committed to UN initiatives, we endorse the Women's Empowerment Principles (WEPS) and plan to become a signatory to the United Nations Global Compact (UNGC).



Revisiting the ESG strategy



Our updated focus areas will guide the realignment of our ESG strategy and actions in the coming years.



Climate risk integration in credit portfolio



To mitigate the climate impact of Bank's portfolio, Climate Risk integration in Bank's risk management process has been initiated.



Endorsing Ethical Practices **and Transparency**

Corporate Governance

Effective governance promotes our overall goal of protecting the rights of our shareholders and stakeholders. Upholding the principles of good governance and commitment to modern corporate governance practices enhances administrative efficiency, mitigates risks, and promotes transparency. Burgan Bank has cultivated a secure and positive work environment recognising that transparent corporate governance, proactive ESG risk management and adherence to rules and regulations form the foundation of a robust governance structure. The guidelines of the Central Bank of Kuwait, which are based on Basel Committee recommendations on Corporate Governance are followed by the bank as guiding principles. The bank regularly provides awareness and training to their employees on good corporate behavior throughout the Bank, to imbibe ethics within our organisation culture. The Bank maintains stringent policies, systems, protocols, and reporting mechanisms to uphold these corporate governance principles.

Burgan Bank policies and procedures which support responsible governance are:

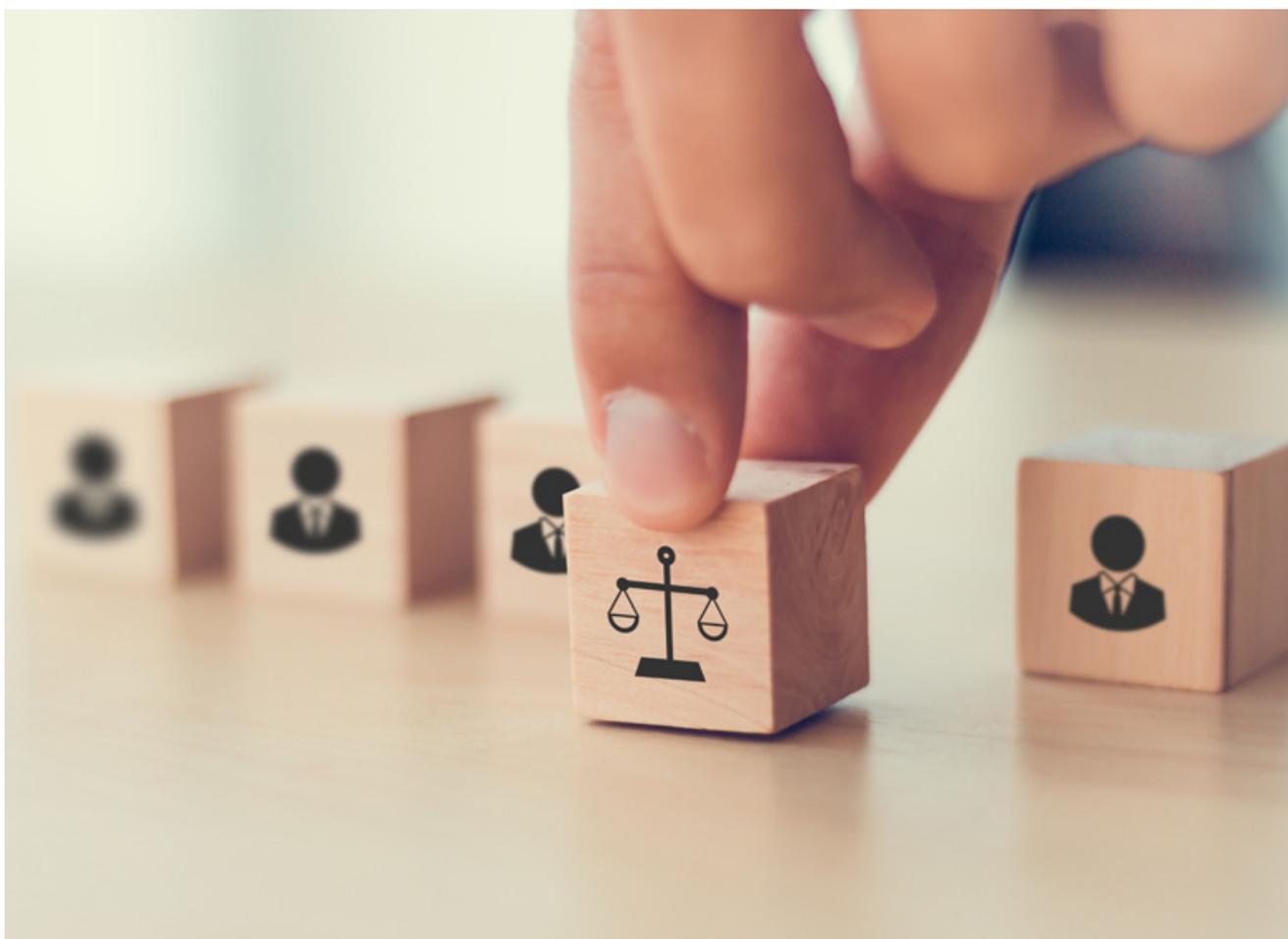


Board of Directors

The Board of Directors is the highest governance body responsible for the overall strategy, execution, risk management and controls. The Board oversees the banks activities through various Board level committees and management committees. Nomination and selection of Board members is based on criteria such as qualifications, experience, diversity, knowledge, reputation and independence from the Bank. The appointment of directors is based on Central Bank of Kuwait (CBK) regulations. Individual Board members are appointed for a tenure of three years and can be re-appointed when their term expires. Further details of the Board Committees with their mandates as well as achievements are available in the Corporate Governance section in Annual Report 2023.

Board Training

Burgan Bank prioritizes a well-informed Board of Directors through comprehensive training sessions addressing critical topics such as fraud, anti-money laundering, cyber resilience, business continuity, and ESG. These sessions empower our directors with the latest banking trends and updates in international regulations for informed strategic decisions. They have played a significant role in shaping the Bank's latest strategy, ensuring alignment with best practices and maximizing stakeholder value.



Board Composition

Burgan Bank's shareholders have elected five independent board members with proven leadership and extensive expertise. The Board members' collective experience and expertise provide a balanced mix of attributes to fulfil its duties and responsibilities. For more details, please refer to the Corporate Governance Report section in Annual Report 2023.

Burgan Bank has maintained **female representation** on its Board of Directors since 2021, demonstrating its commitment to diversity and inclusion. ”

Board of Directors

Name	Age (Years)	Tenure (Years)	Independent of Management	Nationality	Industry	Expertise
 Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah	47	2		Kuwaiti	Investment	Investment
 Mr. Faisal Mansour Sarkhou	46	2		Kuwaiti	Investment	Investment
 H.E Abdulkareem El-Kabariti	74	20		Jordanian	Financial Services and Politics	Audit, Finance
 Mr. Fouad Husni Douglas	65	5	Yes	Canadian	Auditing	Audit, Finance, Risk
 Mr. Mazen Issam Hawwa	48	2		Lebanese	Real Estate and Investment	Audit, Finance, Risk
 Dr. Amani Khalid Boursesli	60	2	Yes	Kuwaiti	Education	Risk
 Mr. Sager Abdullah Al-Sharhan	56	2	Yes	Kuwaiti	Education and Entrepreneurship	Investment
 Mr. Michel A. Accad	70	2	Yes	Lebanese	Banking	Finance, Investment, Risk
 Mr. Abdullah Mohammed AlSharekh	42	2		Kuwaiti	Investment	Investment
 Mr. Jamal Abdullah Dashti	53	1		Kuwaiti	Investment	Investment, Risk
 Mr. Abdulaziz Al Rashed	51	1	Yes	Kuwaiti	Investment	Audit, Investment, Risk

For more details, please refer to the Corporate Governance Report section in Annual Report 2023.

Risk Management Framework

Recognizing the inherent challenges posed by a dynamic risk landscape, Burgan Bank actively mitigates and manages emerging threats. The Bank's risk management framework, comprehensive risk management policy, and effective risk management practices enable the Bank to identify, assess, and minimize these risks, ensuring the stability and sustainability of its operations.

The Bank instills within its workforce a deep understanding of the importance of risk management through several programs and workshops to cultivate a risk-conscious culture, seamlessly integrating risk management into daily operations and control activities.

The risk management policy guides the Bank towards identification and management of various types of risks which are broadly classified as credit, market, information and cyber-security risks, as well as non-financial risks which include operational, fraud, ESG, third party risks and business continuity and resilience. The Risk Management function is an independent function reporting to the Board Risk Committee which ultimately reports to the Board of Directors. As the 2nd line of defence, the Risk function independently monitors, reports and provides oversight and advice to the business and support units who form the 1st line of defence.

Managing ESG and Climate Risk

Considering the overarching impact of climate change across various key risk types, building our climate and ESG risk management capabilities is a top priority. In 2023, the Bank initiated the 'Climate Risk Project' to lay the framework for integration of climate risk in assessment of clients for the bank's lending portfolio and for its investment activities. It involved developing ESG Risk appetite framework, ESG risk assessment scorecard, KRI's, and reporting tools. In the coming year, the bank will focus on taking steps to implement and rollout the ESG risk framework with targeted role-based training for frontline staff.



Climate Scenario Analysis and Stress Testing



Climate change has the potential to impact the future credit worthiness of our customers and the financial stability of the economy as a whole. The Bank has incorporated climate-related financial scenarios in its Stress Testing exercise in 2023 to assess climate related risks as well as the potential impact on our strategy and business model. Our approach to climate scenario analysis includes Physical Risk and Transition Risk assessment. The climate-related financial risk scenarios are partly built upon the 2021 Climate Biennial Exploratory Scenario (CBES) framework provided by the Bank of England (BoE). The CBES scenario framework builds upon a subset of the Network for Greening the Financial System (NGFS) climate scenarios. We have applied scenario analysis to ESG risks

within the scope of ICAAP & Stress Testing since 2022, which is reported to CBK semiannually. In this exercise, we define ESG risk as the potential for noncompliance with standards and regulations governing sustainable behavior. Climate Risk is a key component of ESG risks; however, it is assessed independently of ESG.

We also independently assess cybersecurity risks within the scope of ICAAP & stress testing since 2018. The cybersecurity methodology covers DDoS attacks, ransomware, phishing, and insider threats.

Business Continuity Management

At Burgan bank, business continuity is at the core of our operations to ensure that customers are ensured uninterrupted banking services. Implementing Business Continuity Management is critical to ensure that we maintain and continue our business operations in case of any unforeseen circumstances. During crisis, such as natural disaster, force majeure events, technology failure, epidemic, or a pandemic, our aim is to ensure that financial losses are minimized, we continue to serve our customers and ensure quick recovery from the business disruptions with minimum negative impacts. We have a robust business continuity framework and policy in place, supported by crisis management framework and incident response procedures. All our business functions are responsible for identifying and prioritizing their activities to support business continuity management.



Ethical Business Practices

The Board prioritizes ethical leadership by upholding professional standards and institutional values, safeguarding the integrity of the Bank and all stakeholders. In 2023, an audit of Conduct, Culture, and Ethics was conducted to assess the design and effectiveness of key controls supporting these aspects, including relevant technology managed by Information Technology. The audit covered processes such as the Code of Business Ethics and behavioral values, Conflict of Interest Policy, Whistleblower Policy and reporting mechanism, Conduct Risk Management, Monitoring Culture/Conduct Risk Indicators, and Board and Management Reporting.

Code of Conduct



The Bank maintains a Board-approved 'Code of Business Conduct and Ethics,' which is communicated through various training programs and awareness sessions. This is followed by all members of the Board and employees and describes the values and minimum standards for ethical business conduct expected.

Registered conflicts of interest related to employees are managed by the Human Resources department. Board members are expected to act without personal gain, unless so permitted under the applicable rules after fulfilling all the requirements of such permissions. 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. This ensures integrity and transparency in Burgan Bank's operations, safeguarding its reputation and fostering accountability among its members.

In 2023, **no** serious violation of code of conduct were reported..”



Whistle Blowing Mechanism



The whistleblowing policy of Burgan Bank is designed as a channel for employees, vendors, consultants, advisors, stakeholders and all other associated parties, to communicate their concerns or doubts about possible violations for further investigation, without fear of reprisal. The purpose of this policy is to encourage and support all stakeholders in raising any red flags related to any malpractices and improve the overall integrity and performance of the organization through transparent and effective procedures. Whistleblowers can raise their concerns via email, telephone, or online form or can even direct matters concerning Executive Management to the Chairman of the Board. The Bank

has appointed a Whistleblowing Committee to oversee the governance for whistleblowing and it comprises of the heads of Internal Audit, Human Resources, Risk Management and Legal with the head of the Human Resources function nominated as the Whistleblowing Officer of the Committee.

The Bank aims to keep the identity of the whistleblower confidential and it will not be disclosed except with the consent of the whistleblower. We take the utmost care to protect the identity of whistleblowers and the confidentiality of such a report, within the limits defined by applicable laws and regulations. When needed, the Committee may also appoint a qualified Welfare Manager to oversee the general welfare of the whistleblower, to protect him or her from any negative actions and retaliation as well as assure a supportive work environment.

Commitment to Human Rights

While the Bank is in the early stages of formalizing its commitment to human rights, it is dedicated to a strong foundation for ethical practices and responsible business conduct. The Bank will outline its resolute commitment to human rights, drawing from global benchmarks while respecting Kuwait's distinct cultural and regulatory landscape. The foundation principle highlights that the Bank fully believes that financial institutions can and should be a force for positive change within their wider community and commit to human rights as a core pillar of institutional identity.

In 2023, no cases of ethical non-compliance were reported.”

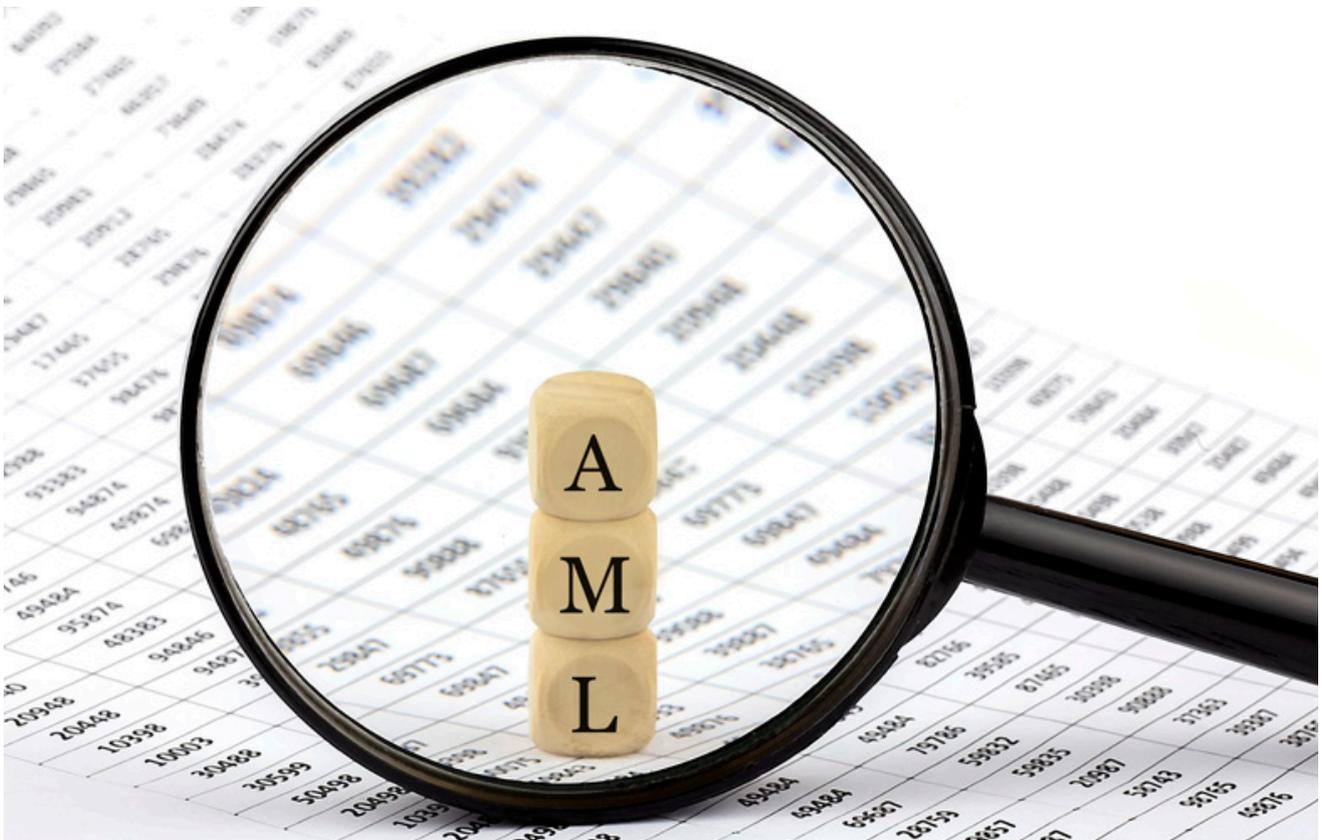
Anti-Corruption Practices

Burgan Bank adheres to stringent Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) laws and regulations across its operational jurisdictions. Compliant with the Central Bank of Kuwait's (CBK) directives and Kuwaiti law, the Bank maintains a robust policy to combat financial crimes and corruption. Led by the Anti-Financial Crime, an independent function reporting directly to the Chairman, Burgan Bank focuses on detecting, preventing, and reporting suspicious financial activities, including money laundering, terrorism financing, and sanctions violations.

Anti-corruption parameters have been communicated to all employees and Board Members through the mandatory Code of Conduct and AML training. The training material and information is readily accessible to all employees through the internal training portal. In 2023, 100% of Burgan Bank's AML operations underwent risk assessments related to corruption, with specialized awareness initiatives tailored to various roles within the organization. These efforts are complemented by periodic reviews of all Bank operations, including subsidiaries, by the Group AFC.

AFC procedures meticulously scrutinize transactions to ensure the Bank maintains prudent and vigilant measures expected of a reputable institution. The AML Risk Assessment covers customer risks, geographic risks, product and service risks, and AFC systems and controls, providing a holistic approach to risk management in Burgan Bank's operations.

Zero confirmed cases of corruption in 2023. ”



Committed to Compliance

The Board Corporate Governance Committee (BCGC) oversees the Bank's effective management of compliance. An independent compliance team conducts risk assessments, compliance testing, educates staff on compliance matters, and develops mitigation/response plans for identified non-compliance.

The Bank has reported paying a fine of KWD 25,000 in 2023 in relation to non-compliance with laws and regulations regarding the results of the inspection conducted on AML & CFT activities within the bank during the year 2022 and violation of CBK's instruction issued in 2010. The Bank identifies any violation issued by the government authorities as significant irrespective of the financial repercussions. Based on this definition, six significant cases of non-compliance with laws and regulations were reported last year.



الاستشارات
consultation



Responsible **Banking and Financing**

Generating Economic Value

Burgan Bank Group has a rich history of generating economic value for its stakeholders throughout diverse geographies. Kuwait remains our core region for operations, contributing a revenue of KD 111.7 million approximately 50% of the total revenue of Burgan Bank Group in 2023.

The Bank divested from the Bank of Baghdad (BoB) during the year with the outcome of better capital utilisation at the Group level.

Demonstrating our commitment to financial stability, the Bank generated revenue of KD 221.7 million in 2023.

	2023	2022**	2021
Generated (Revenue) (A)	222	228	235
Distributed* (B)	213	200	213
Retained (C=A-B)	9	28	22

*Economic value distributed includes operating cost, credit cost, payments to providers of capital, payments to government and community investments. All figures in the table are in million KD.

** 2022 as per restated financials

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



Future Ready Banking

With the shift in the global banking landscape towards digital services and driven by the evolving demands of a tech-savvy customer base, Burgan bank is prioritizing enhancement of its digital banking capabilities. As a key strategic initiative of providing a secure, innovative, and customer centric digital experience going forward, our digitalization initiatives are focused in the key areas of upgrading technological infrastructure, enhancing IT capabilities, promoting smart solutions and ensuring robust risk controls.

In order to promote its digital offerings, Burgan Bank developed engaging media campaigns highlighting the ease and accessibility of the digital platforms to customers. Our branch staff continued to educate customers on the convenience and ease of our digital banking functionalities.

56% of customers are active digital customers 🗨



Awards from Global Finance



Key Achievements in 2023



69,000
active digital users



15%
annual increase in
digital customers



45 second
account opening
for priority accounts

Tijarati Pay

first of its kind app in the region
catering to SME customers



Contactless payment

solutions



TBS online

Enhanced digital cash management
services for corporate clients



Virtual Card and
enhanced Digital Card controls



IVR Voice
biometrics



Online
Customer Complaint
functionality on Burgan app



Cardless
Withdrawal

Information and Cyber Security

As we continue to digitalise our business and operations, the growing complexity of technology compounded by the rising cyber threats present a growing risk to our business. Burgan bank is committed to strengthen its cyber security capabilities to ensure the delivery of safe and secure banking services to customers.

Burgan Bank has ramped up its efforts over the years to safeguard the data and privacy of its customers. With zero tolerance for system attacks or breaches, the Bank conducts annual system audits to proactively identify and address any data security and privacy risks. The Bank has aligned its practices to CBK-mandated cyber compliance programs and continues to achieve external verifications and certifications which exhibit our dedication to maintaining high standards of information security.



Our cybersecurity capabilities and management are underpinned by strong governance and oversight. The Bank's cyber risks are regularly reviewed, monitored and managed by:

- ▶ Information and Cyber Security department headed by the Chief Information Security Officer (CISO), reporting to the Chief Risk Officer
- ▶ Board Risk Committee provides oversight and approval to the strategy, policy and other Cyber Security initiatives.

The Bank prioritizes data security and privacy adoption as a proactive approach to prevent, detect, and respond to potential threats. Early identification through detection layers and continuous monitoring of bank assets is facilitated, with swift response capabilities ensured by multi-stage detection and AI-enabled tools to neutralize potential threats effectively.



Burgan maintains a dynamic process to reinforce and update information, mitigating any oversights in cybersecurity that could potentially impact the bank and our customers. Upon joining, all employees undergo mandatory cybersecurity awareness sessions, supplemented by annual online training sessions covering data privacy, security, and cybersecurity. Internal communication channels such as newsletters, emails etc. are utilized to consistently reinforce best practices towards security. In 2023, our team provided sessions to educate our employees and their families on cybersecurity and safeguards against cyber-bullying. All policies related to cyber security and data privacy are readily accessible via the Intranet, facilitating ongoing familiarization among employees.

Financial Inclusion

Supporting the SME Sector

In line with New Kuwait Vision 2035, Burgan recognizes the pivotal role of SMEs in fostering national economic growth, and as a proactive corporate citizen, the Bank actively continues to support local entrepreneurs and SME business owners. Burgan caters to the needs of the sector through a dedicated SME unit to provide solutions that meet their business needs. As a part of our responsible lending efforts, the Bank provides a comprehensive suite of products to support SMEs at various stages of their growth journey.

Burgan Bank sponsors and participates in SME events

To support its commitment to social responsibility, the Bank sponsors events and initiatives ensuring sustainable mutual benefit for Burgan, its community, and the national economy.



The Bank partnered with Ooredoo as the **main sponsor at the “Ooredoo Small and Medium Enterprises Marketplace” event** to advance the aspirations of Kuwaiti youth and support the creation of employment opportunities. Its innovative and specialized banking business solutions including the Tijarati platform, which has an integrated set of features designed to meet the needs of SMEs were showcased.



The bank participated in the **2023 Farwah Expo** as an official sponsor. The event witnessed participation from many notable homegrown SME businesses. The banks were key interested in the Bank’s business-specific flagship product, Tijarati, point-of-sale (POS), payment gateway (PG), and Merchant Rewards program.

Serving the Underserved

B-Dinar accounts are zero-cost checking accounts specially designed to serve the unbanked and underbanked. These customers are provided with digital services to make banking easy, convenient, and efficient. In 2023, Burgan Bank recorded 4.2 million transactions, with the total number of B-Dinar customers reaching 200,752.



Financial Literacy

Burgan Bank utilized varied channels of communication to reach the widest audience possible, whereby some channels take a more personalized and concise approach, such as app push notifications, while others address a public audience, such as social media, radio appearances on Marina FM, and news releases. The diversity in messaging also extended to include engaging forms of communication, such as social media competitions, that ensure the active participation of the public audience in the awareness campaign and not restricting their roles to that of the passive receivers.

Diraya: Navigating Financial Literacy

Diraya “Let’s be Aware” is a collaborative effort led by the Central Bank of Kuwait and the Kuwait Banking Association. Under Diraya, our focus extended beyond conventional banking boundaries, delving into the topics of cyber security, financial rights, and fundamental banking services. Our commitment isn’t merely to disseminate information; it is to empower communities, fostering a culture of safe and secure banking practices. We envision a community resilient to banking fraud and scams.

Throughout the year, Burgan Bank actively spread the “Let’s Be Aware” campaign messages through its numerous channels, including social media, radio, website, media news releases, ATM and in-branch screens, and in-app notifications. The Bank also made a point of spreading awareness through direct interactions with the public

Burgan Bank expanded its reach and impact by collaborating with esteemed academic institutions like the American University of Kuwait, American United School of Kuwait, American University of the Middle East. By fostering partnerships with schools and universities, Burgan Bank ensures that the next generation is better equipped with the necessary financial knowledge to thrive in an ever-changing world.



Hosting AUS Students in **Educational Trip at Head Office**



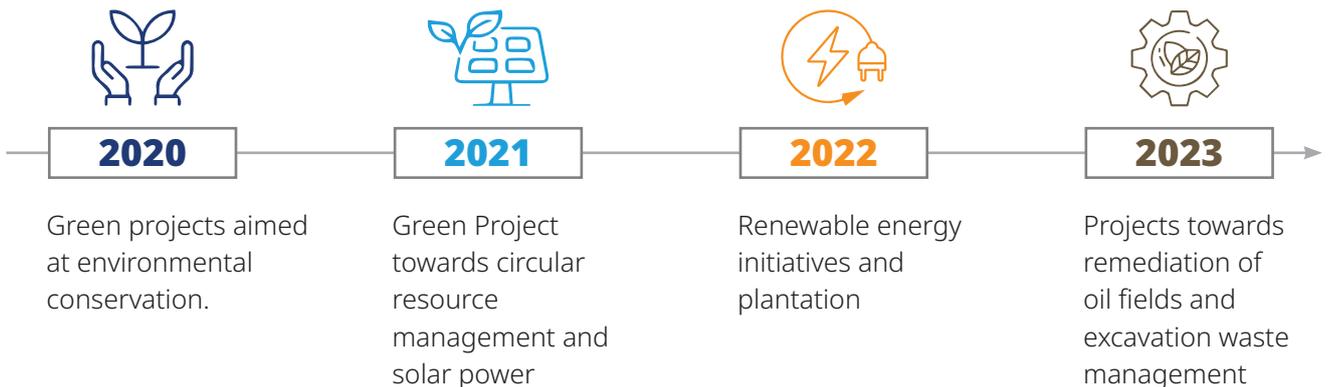
Responsible Lending and Investing

The Bank's commitment to responsible practices extends beyond financial considerations, with ESG factors actively integrated into decision-making processes. These processes align with positive ESG practices, particularly evident in the support of SMEs within our banking activities.

Further, to better understand and address the ESG risks in our lending and investments, we are conducting an ESG risk assessment and developing a more streamlined process to ensure more responsible and ESG-aligned lending and investing. The Bank is preparing for the introduction of ESG scoring of projects and clients, ensuring that our investments and lending are in activities which meet Burgan's accepted ESG performance thresholds.

The Bank has so far financed projects valued at KD 102 million towards renewable energy, plantation, environmental remediation and waste management and will continue to support similar projects.

Responsible Lending Journey



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.



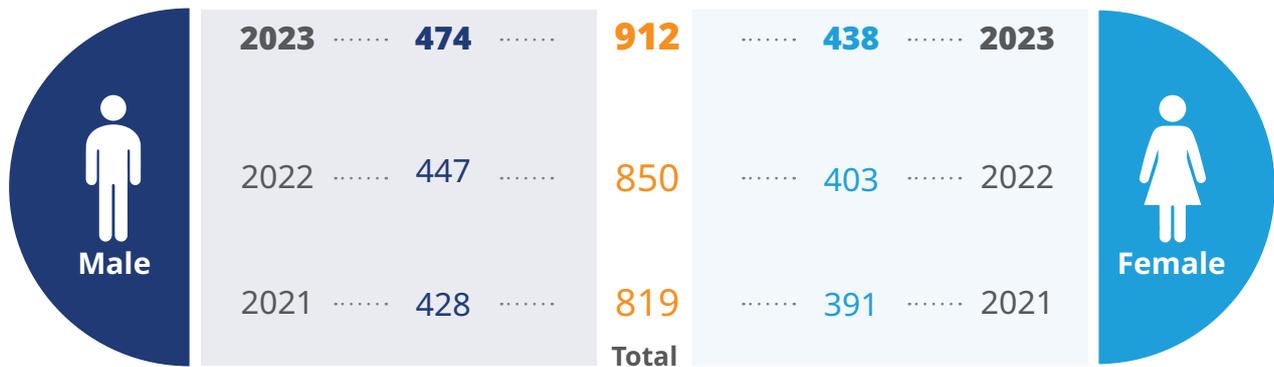
Positive **Community Impact**

Building a Diverse and Inclusive Workforce

Our employees are the cornerstone of our success as they are strengthening relationships with all stakeholders. This dedication has led to Burgan Bank achieving the prestigious “Great Place to Work” certification in Kuwait in 2023, highlighting our commitment to creating a safe, healthy, and rewarding work environment.

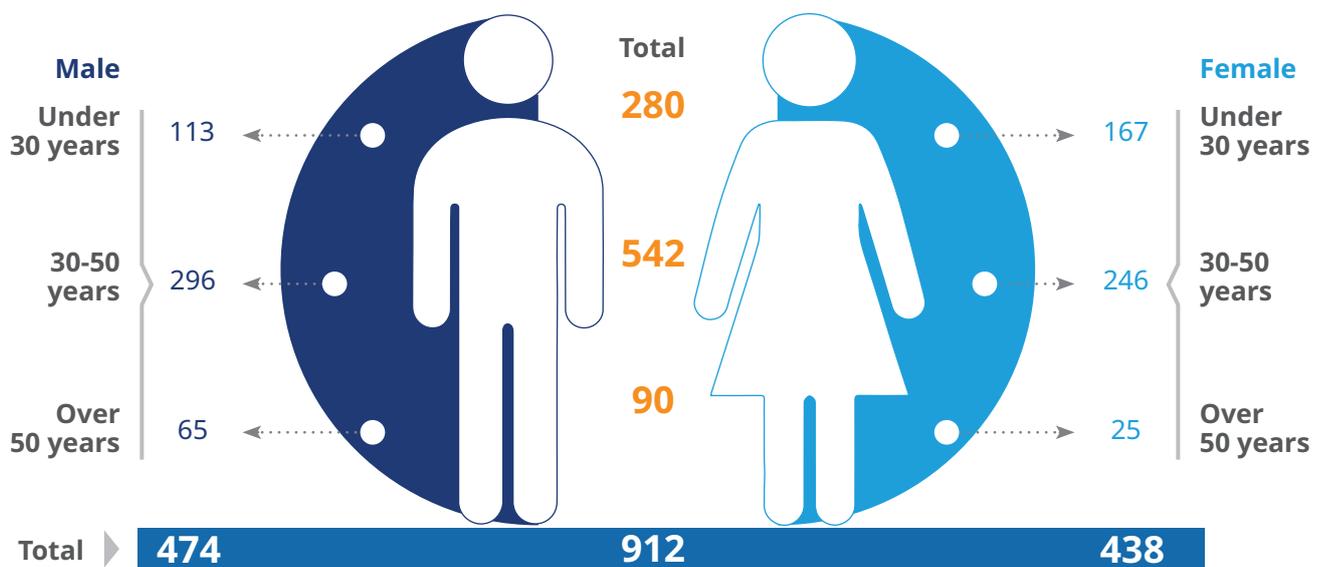
In alignment with our ethos of inclusivity, Burgan Bank maintains a steadfast commitment to fostering a discrimination-free workplace. Through established policies covering ‘Non-discrimination’ and ‘Staff Grievance’ we prioritize equal treatment for all employees. This dedication is reflected in our proactive approach to addressing and preventing instances of discrimination. As a result, **zero** incidents in were reported in 2023.

Employee Composition



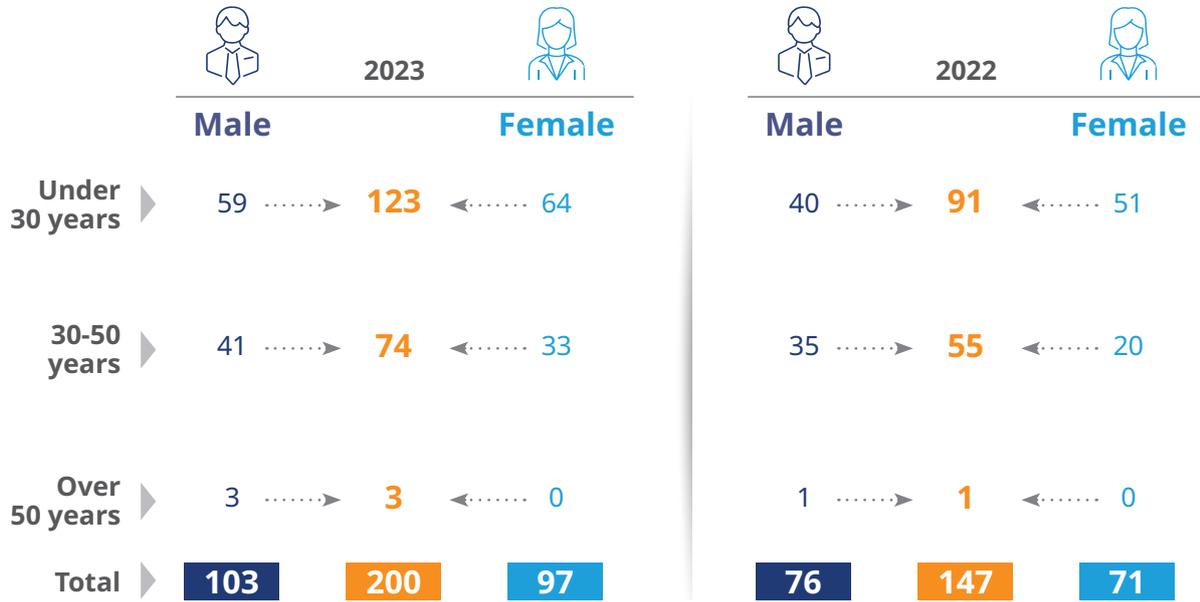
*Note: All permanent employees are full-time employees and no part-time roles have been identified by Burgan Bank.

Employee Composition by Age

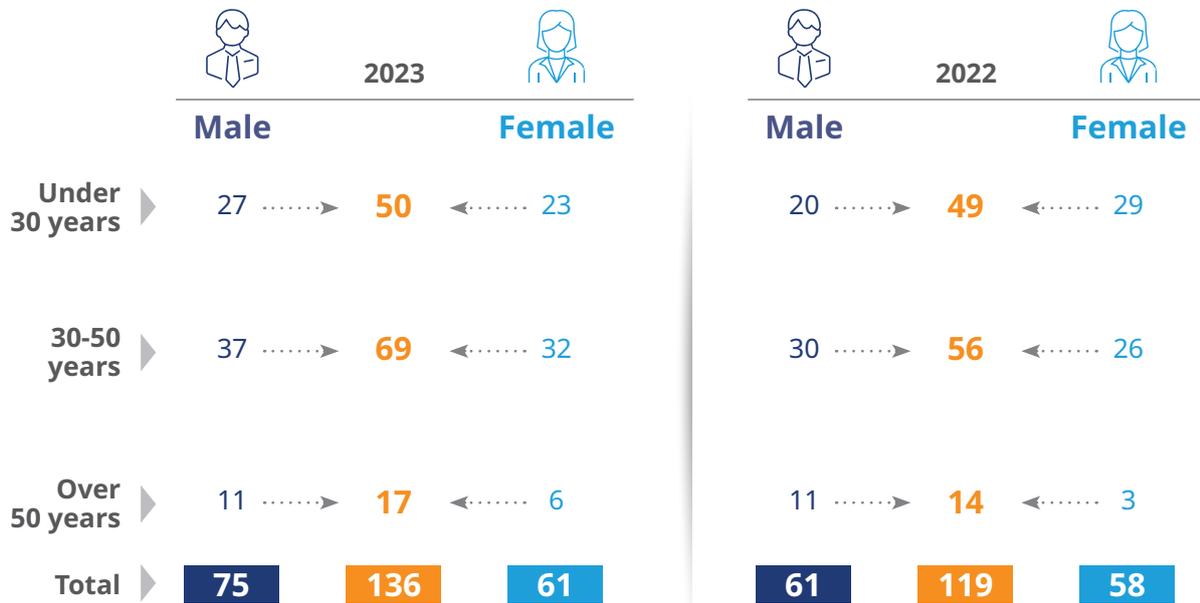


30% of our employees are under 30 years ”

New Hires



Employee Turnover



Our average turnover in 2023 was **14.45%**. 99

Women Empowerment at all Levels

Burgan Bank has been maintaining a female workforce of approximately **48%** in the last three years ”



Over the past few years, Bank has consistently upheld a fair gender balance within its workforce. Our recent recruitment initiatives have also mirrored this commitment to gender equity, positioning us firmly on the path to staying a truly balanced organization in terms of gender representation.

Next, we are working towards creating enablers for inclusion and a gender balance across levels. Bank encourages women employees to participate in initiatives like Global Women Leadership, EQ

Women in Leadership, and Women Empowerment programs and forums. About 150 staff members participated in these programs and supported female empowerment and advancement. Bank also has other targeted programs aimed at enhancing women's skills and leadership capabilities. As a result, about 53% of the woman employees participated in these programs and about 54% of the women could move up the ladder. Today, women hold several leadership roles in the core business areas of the Bank.

The Bank believes in providing support for all round development of women. Bank identifies sports to be relevant in this development and sponsored the Women's Football Tournament during Ramadan and Kuwait Women's Football League (KWFL) for the 2023 season.

Promoting Inclusion for Persons with Disabilities

For our customers

Inclusivity and accessibility of all customers is a must. The fundamental needs of specially abled people are physical accessibility and communicability. Burgan Bank currently has six specialized branches equipped with advanced services tailored to the needs of customers with special requirements. These branches ensure accessibility for all, featuring ATMs with braille keyboards and earphones, as well as enhanced privacy measures. The bank's staff is trained to provide services in sign language, while all dedicated branches are wheelchair accessible and offer reserved parking spaces. These efforts underscore Burgan Bank's commitment to serving diverse customer needs and promoting inclusivity throughout its operations.

38 employees undertook sign language training which helps employees bridge communication barriers and provide a more seamless banking experience for customers with hearing impairment.

By investing in modern technology and training programs, the bank ensures that its employees continue to stay equipped to provide necessary support and understand the diverse needs of customers, furthering its mission to create an inclusive banking environment.

In our workforce

As part of the Bank's commitment to inclusivity and solid ESG practice, Burgan Bank participated as a gold sponsor in the conference, "Integration of Persons with Disabilities " in line with the New Kuwait 2035 vision.

This conference, reaffirms our commitment to creating a more inclusive workforce where persons with disabilities can be integrated into the Bank to build a vibrant, supportive work culture.

We actively participate in initiatives like the 'Partners to Hire' campaign, by the Public Authority for Disability Affairs to promote job creation and training opportunities for individuals with disabilities in the banking sector. At Burgan, we continue to integrate talented individuals with disabilities, supporting our mission to build a vibrant, supportive work culture for everyone.



Burgan Bank Gold sponsor at the conference on "Integration of Persons with Disabilities in the Goals of Sustainable Development"

Nurturing a Sustainable Workplace

Prioritizing Employee Satisfaction

Employee well-being and satisfaction plays a crucial role in enhancing employee efficiency and morale. This central philosophy drives Burgan Banks interaction and engagements with employees.

In 2023, Burgan Bank had the distinction of being officially certified as a Great Place to Work®, a recognition that is a testament to our positive and empowering work culture. Burgan bank is the first bank in Kuwait to be awarded and certified. It was also selected as one of the 20 Best Workplaces in Kuwait 2023. The certification was based on independent analysis conducted by Great Place to Work® Middle East, through an extensive survey conducted on Burgan staff anonymously about the Bank's workplace experience.

Burgan invested in creating "The Rock" at our head office, a dedicated space for networking, collaboration and creativity for our employees aimed at fostering a vibrant Burgan community.

Maintaining Work-Life Balance

Burgan is cognisant of the importance of providing our employees a healthy work-life balance, which not only improves employee satisfaction but also has a positive impact on their commitment to the organisation. To enhance work-life balance, the Bank provides a comprehensive range of benefits to support its employees. Understanding the needs of employees to handle varied life events during their employment with the Bank, the bank provides various leaves, such as annual leave, sick leave, hospitalization leave, education leave, marriage leave, hajj leave, and parental leave. In 2023, the Bank also introduced two new types of leave to factor in the personal responsibilities of employees. These are the Treatment Abroad leave and the Treatment Companion leave. Our employees are also provided several benefits such as medical and life insurance, disability coverage, education assistance, annual travel allowance, health club memberships and access to zero-interest loans. To further promote a healthy work life balance, our employees are provided the benefit of flexible working hours, known as Flexitime, to opt for work schedules best suited to their circumstances.

The bank follows the Social Security Rules to provide pensions to Kuwaiti nationals. All employees are also entitled to indemnity as per Kuwait Private Sector Labor Law.

In 2023, 16 female and 23 male employees took parental leave. 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. Burgan continues to be the highest among the banks in Kuwait, providing 5 days of parental leave to our male employees. We believe that this underscores the effectiveness of the Bank's supportive policies and work culture.



Burgan's sports teams



Recognising Employee Performance

Burgan Bank has developed a transparent, performance-driven recognition strategy. The model acknowledges and rewards exceptional contributions with competitive compensation. All employees at the Bank undergo regular performance review and career development process. The performance review process is key to fostering a performance-driven culture, aimed at offering comprehensive, timely, and actionable feedback for professional development. A midyear review system has been implemented to improve the effectiveness of the performance evaluation process, ensuring that employees regularly receive formal feedback and guidance.

To attract and keep the best talent, the Bank carefully develops the compensation and reward structure drawn on the trends in the industry. The bank participates in salary surveys and other industry events to take well-informed decisions. This commitment not only fosters a positive work environment but also serves as a powerful motivator for employees.

100% of employees received regular performance and career development reviews ”

Employee Health, Safety and Well being

Burgan Bank places paramount importance on the well-being of its workforce, exemplified through continuous efforts to foster a safer and healthier workplace. Our operations are office based and do not pose significant health and safety hazards in day-to-day operations. Ergonomically designed workplaces with good working practices create a comfortable work environment for employees, reducing the risk of illnesses, absenteeism, and turnover rates.

Burgan is committed to creating opportunities for our employees to lead healthier and more fulfilling lives. Besides the positive impact of these initiatives on their personal lives, they reflect very clearly on their professional performance and sense of belonging.

The Bank promotes healthy habits among our employees through various programs such as,:

1. "Rock your habits" initiative, a four weeks program aimed at employees focussing on their physical well-being and leading a healthy lifestyle
2. Yoga sessions and stress relief sessions

The Bank maintains a safe work environment through proper awareness of its Code of Conduct which discourages workplace misconduct like violence, harassment, illegal substance abuse, and smoking. Advanced safety training to guard against armed robbery and crisis situations is provided to our front line staff.



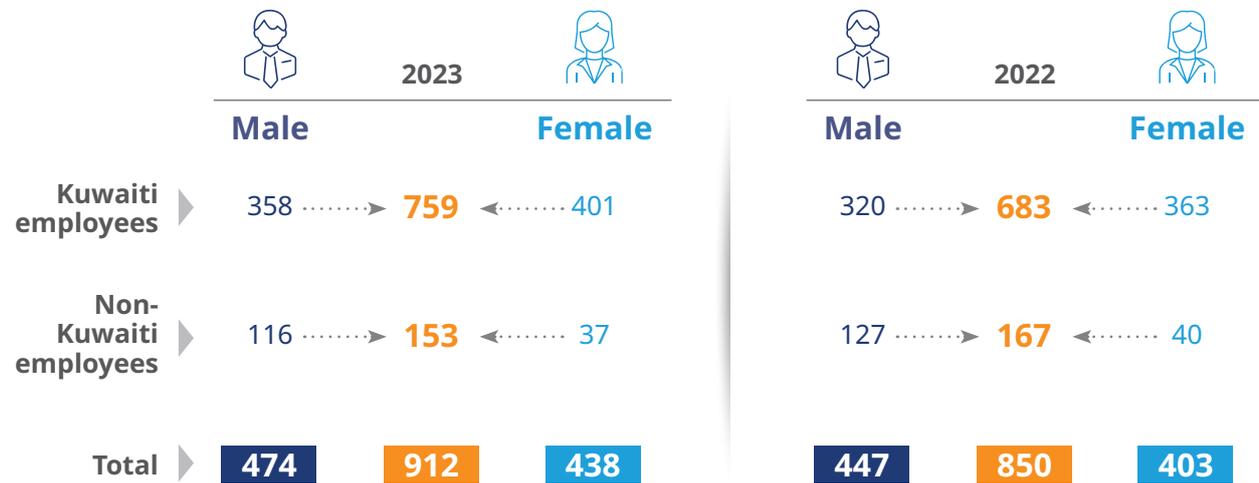
Health and Safety mock drills.



Empowering Kuwaiti Talent

Burgan Bank places paramount importance on attracting and retaining national talent, recognizing its critical role in economic development and fulfilling the Kuwait National Development Plan. 83% of the Bank workforce now comprises of Kuwaitis. 96% of new recruits in 2023 were from the local population. The spread of local employees across levels has been changing, with an 8% increase in the local population in middle management.

This has resulted from a targeted strategy and dedicated leadership programs. The Bank has introduced initiatives like campus recruitment, global university collaborations, and partnerships with institutions such as KFAS and the Institute of Banking Studies. Additionally, the bank has also partnered with the American University of Kuwait's Center for Continuing Education, delivering technical and leadership programs for Kuwaitis. Burgan Cares is another initiative to encourage our employees to pursue their further education with graduation degrees to help them in achieving their career aspirations and moving to the next level in their professional journeys. These efforts aim to offer Kuwaiti employees diverse career paths and opportunities.



Taking Part in **Kuwait's Largest Job Fair: Watheefti**



Diamond sponsor at **GUST Career Fair**



Platinum sponsor at **AUK Career fair**



Kfas Innovation Challenge



Nurturing a Learning Organisation

Burgan remains committed to strengthening the Bank's internal culture, by developing bespoke training programs that empower and enable employees to deliver on the Bank's vision of an elevated banking experience. Burgan consistently invests in our employees and provides an array of developmental opportunities to help them grow in their careers. Burgan's Learning and Talent Development (LTD) strategy is aimed at nurturing key competencies essential for professional growth, fostering strategic thinking, and encouraging innovation. Through its LTD strategy, the bank offers modernized training aligned with market needs. LTD prioritizes accessibility, adapting learning approaches to suit employees' schedules and workloads.

In 2023, Burgan Bank launched its **Digital Academy** to empower employees through tailored learning opportunities. Remarkably, over 90% of our workforce has undergone training on customer protection, while more than 55% and 62% have received training on ESG and cyber security, respectively.

Burgan has established a **Retail Banking Academy** which provides new graduates with focussed role-based training through programs such as Entelaqah which provides skills necessary to work in the banking sector with a focus on bank products and systems used as well as customer service and sales skills. In 2023, 99 employees were trained under this academy.

Burgan Club is yet another platform introduced to drive engagement, collaboration and encourage learning through hands-on experiences. In 2023, an outdoor activity was organised for employees to build competencies such as team work, leadership and resilience.

Burgan Talks is another initiative developed to provide bank employees a platform for knowledge sharing even beyond banking. This initiative encourages our employees to be speakers at these forums to share their life experiences such as our employee on "Chasing Storms" and external speakers on parenting tips.



Graduation of Employees from **Burgan's Retail Banking Academy**

Developing Leaders at Burgan

Burgan Bank believes in strategic succession planning and has in place leadership grooming plans for all levels of the organisation. The collaborations with global business schools like Harvard, INSEAD, HEC Paris, Kellogg, among others, equip our future leaders with world class professional skills to succeed in their careers. These partnerships aim to cultivate strong leadership capabilities by fostering strategic thinking, effective decision-making, and adept team management among other skills and competencies.

Ro'ya, is Burgan's flagship talent program designed to retain and grow Burgan's most promising talents while also attracting the best candidates in the market. Designed with the Bank's diversity of talent in mind, Ro'ya presents three learning paths that serve different career paths and aspirations: Eagles, Arrows, and Sprouts. Along all paths, program participants receive dedicated guidance that is tailored to their personal needs and professional aspirations. This is further enriched by the invaluable collaborations signed with local and international universities and business schools including the American University of Kuwait (AUK), Harvard Business School (HBS), London Business School (LBS), and INSEAD, among others. In addition to the 52 candidates graduated under Ro'ya 1, 37 more employees successfully completed the Ro'ya program in 2023.

The bank has in place a succession plan overseen by the Board Nomination and Remuneration Committee (BNRC) to ensure continuity of leadership in critical positions while maintaining the skills necessary to implement the Bank's long-term strategy.



Burgan Bank Celebrates its First **Ro'ya** Graduating Cohorts

Strengthening Customer Experience and Satisfaction

Burgan Bank's mission is to deliver excellent customer experience. Enhancing user experience, increasing efficacy, and expanding reach are the elements of customer experience that have been in focus. The Bank is leading it by complementing conventional customer service practices with innovative and modern service digital delivery mechanisms.

Total retail customers in Kuwait reached **120,147**. ””

Redefining Customer Experience

Burgan Bank is enhancing its customer experience with the introduction of an innovative personalized queuing system available across all branches in Kuwait. The primary goal of this system is to prioritize individual needs and create a seamless and productive journey for each customer. It reduces customer wait time, personalizes the visit to enhanced the customer experience experience and overall service satisfaction.

The Bank has launched an exclusive range of services known as “Elite Banking” especially tailored for the priority customer. This supports the customers with highly trained Relationship Managers, special pricing for products, a dedicated credit card, family banking options, virtual cards, and personalized concierge services, all aimed at elevating lifestyle privileges for elite customers.

Our commitment to a customer-centric approach gives Burgan Bank a competitive advantage, attracting and retaining loyal customers who value tailored service. Furthermore, the Bank has added new features and functionalities to its mobile banking app, further augmenting the overall banking experience for its customers.

Acquired **15,000** new customers in Retail during 2023, marking a **14%** increase from the previous year. ””

Customer Communication Channels

Burgan Bank's customer communication channels are designed for a transparent and open experience. The Bank has consistently dedicated resources to the development of tools and technology to achieve higher and better engagement with its customers. The Bank has a robust Net Promoter System (NPS) program to identify customer sentiment. Additionally, the program actively tracks customer interactions across products and channels, employing metrics like Customer Satisfaction Scores to provide a well-rounded view of customer satisfaction. The identification of customer journeys helps pinpoint areas for improvement. Since 2011, the Bank has effectively managed a 'Client Complaint and Protection Unit,' offering customers a channel to raise any grievances.

Burgan Bank provides a diverse range of channels for customer interaction, including branches, call centers, website, online and mobile banking platforms, relationship managers, social media, chatbots and email. These channels cater to various customer banking needs, requests, and complaints, ensuring accessibility and convenience for all banking activities.

Ensuring Ethical Advertising

Burgan Bank adheres to fair advertising principles designed to safeguard consumer rights, applicable across all promotions of its financial products and services and is in line with the Central Bank of Kuwait's Banks Customer Protection Manual. The bank ensures that its marketing communications are respectful of human dignity and devoid of any discriminatory content. It emphasizes financial inclusion, catering to a wide array of customers and community members without exploiting their fears, misfortunes, or lack of experience. Advertisements avoid condoning violent or unlawful behavior, align with current decency standards, and maintain consumer trust without misleading consumers about the terms, conditions, or attributes of banking services. Burgan Bank commits to clear, honest communication, ensuring customers are fully informed and not misled in any manner.

The Smiling Campaign

Cultivating Happiness and Customer Delight is a challenge. In November 2023, Burgan Bank launched the "Smiling Campaign" as part of its aim of enhancing customer satisfaction and fostering a positive work environment commitment. The initiative aimed to promote happiness and customer delight by increasing friendliness among staff members and creating a welcoming atmosphere for customers.

Monthly customer satisfaction surveys were conducted before and after the Smiling Campaign to evaluate the effectiveness of the campaign. The post-campaign results revealed a notable increase of 13% in positive feedback, particularly highlighting improvements in client experience attributed to enhanced employee friendliness. This positive shift not only reflects a positive work culture in the Bank but also reflects its dedication to delivering exceptional service and exceeding customer expectations.



Strengthening Communities

Building on our longstanding commitment to community, the Bank has championed multifaceted community programs, addressing focus areas like health, sports, education, humanitarian causes and cultural preservation with nation building as one of our central themes.

Total community spend for 2023 as **KD 851,647** 🗨️

Sports

Burgan Bank continues to make sports a central part of its community engagement initiatives. The bank offers strategic sponsorship to various sporting events in Kuwait and collaborates with sporting bodies to ensure comprehensive advancement of sports in Kuwait.

As part of its strategic partnership with the Kuwait Olympic Committee and its Olympic Athlete Preparation Program, Burgan Bank is sponsoring the three **Kuwaiti Olympians** competing at the 2023 World Athletics Championship. It continues to support **the Kuwait Women's Football League** in addition to other sporting events. Burgan was also the sponsor of the **Kuwaiti national Padel team** in the NAS Padel Tournament 2023. With the aim to integrate People with disabilities into mainstream society, Burgan Bank continued its sponsorship of Tareq Al-Qallaf, the **wheelchair fencing world champion** for the ninth consecutive year. Burgan Bank was also a platinum sponsor for the final match of the Kuwait Crown Prince Cup, as well as the sponsor of the Kuwait Equestrian Federation Tour.



Burgan Bank continues to support **Kuwaiti Olympians**

In continued efforts to support Kuwait's top athletic talents and as part of its strategic partnership with the Kuwait Olympic Committee and its Olympic Athlete Preparation Program, Burgan Bank sponsored Kuwaiti Olympians competing at the 2023 World Athletics Championship and the 2023 Arab Games. The Bank's ongoing sponsorship includes Kuwaiti athletes Amal Al Roumi, Yaqoub Al-Youha, Mudhawi Al-Shammari, Ebrahim Al-Zofairi, and Joud Tawfiq.



Burgan Bank sponsors the **Kuwait Crown Prince Cup Final Match**



Kuwaiti Equestrian **Federation Tour**



Burgan Bank Sponsoring Kuwait National Team's Participation in **NAS Padel Tournament**



Sponsorship of **Wheelchair Fencing Champion**

Health and Fitness

Burgan is keen to give back to the community and improve the overall health and fitness of the community. Bank sponsored and actively participated in events like the Blood Donation Campaign in Al Ahmadi Governorate, themed "Every Drop, Saves a Life" which garnered significant attention and drew the participation of 161 donors, including those with rare blood types.

In another noteworthy endeavor, Burgan proudly supported the 8th Flare Festival, Kuwait's largest fitness challenge held at Marina Crescent. The event witnessed a remarkable turnout of over 3,000 participants and 7,500 visitors over three days.



8th Flare Festival, the **Biggest Fitness Challenge in Kuwait**



Al Ahmadi Governorate's **4th Blood Donation Campaign**

Education



Al-Ahmad School **Beautification Campaign**

Music: From Broadway to Hollywood,” and “My Governorate is the Most Beautiful” program. The initiative primarily aimed at renovating the Governorate’s educational buildings, fostering a love of art amongst the students by artistically decorating playgrounds, classrooms, and other facilities.

Education is integral to Burgan Banks community connection and strengthening activities. Educating and creating awareness on financial literacy is essential and fundamental to its education campaign. However, the Bank goes beyond and also encourages various other initiatives towards education.

The educational conference called EDUCON (14th IEEE Global Engineering Education Conference) was hosted for the first time in Kuwait by the American University of Kuwait’s (AUK) College of Engineering and Applied Sciences. About 300 researchers and scientists from various engineering disciplines and representatives from Kuwait’s vital sectors participated in this conference. Burgan Bank facilitated the event.

It participated in various other initiatives like Al-Bayan Bilingual School’s (BBS) annual carnival, Art’s Night at the American United School (AUS), themed “Lights, Camera,



Burgan Bank Sponsors ‘**EDUCON**’ 2023

Supporting Humanitarian Causes



Disaster **relief support** for Turkey earthquake victims

Burgan Bank is focused on making a meaningful difference in the lives of individuals and the broader society. Burgan Bank supports and works for various humanitarian initiatives within and outside of Kuwait.

In support of the afflicted and the families of the victims of the earthquake that struck Turkey and some of its neighboring countries, **Burgan Bank donated two million dollars to address their needs and help them overcome this crisis.** One million dollars out of the total value of the donation was allocated to the Kuwait Red Crescent Society, for

its effective and ongoing role in supporting all efforts aimed at helping those in distress. This step by Burgan Bank Group comes within the framework of its commitment to its humanitarian role, locally and regionally and its support of sustainable development.

Burgan Bank had also launched its special Ramadan campaign, "Driven by Kindness," as part of its Corporate Social Responsibility (CSR) program. From distributing Ramadan food baskets to organizing toy drives for children in hospitals, in the spirit of Ramadan, Burgan Bank partnered with KACCH and BACCH to organize a toy drive for hospitalized children. 110 children received toys by the bank employees who personally distributed toys at Jaber and Al Amiri Hospitals. Burgan Bank partnered with Kuwait Red Crescent Society (KRCS) and distributed over 1,000 toys to families across Kuwait.



Distributing **Ramadan Food Baskets** in Cooperation with KRCS



Joining Hands with **KACCH and BACCH** to Organize a Toy Drive for Children in Hospitals in the **Spirit of Ramadan**

Supporting Art and Culture

Burgan bank supports the preservation and development of art in various forms and extends its support across a spectrum of cultural and musical events, reinforcing our dedication to Kuwait's cultural landscape. Our diverse sponsorships help to preserve Kuwait's identity and national cultural heritage. It helps Kuwait's budding talents excel in various forms of art like music, theatre, and comics. This also aligns with our vision of building a brighter future for the community and a strong bond with different segments of the society.

Burgan Bank sponsored "Feykom Tarab"; the musical extravaganza touted as the year's biggest audio-visual performance, impressing an audience of more than 25,000 concertgoers from all walks of life.

Burgan Bank also supported the 2023 Pop Up, organized by Comfest Culture Convention – Kuwait's largest comic convention. This strategic partnership aimed to address the evolving banking needs of the younger demographic while providing attendees with immersive activities and competitions. The participants had the opportunity to contribute to the design of Burgan's new virtual card.

Burgan Bank celebrated the success of its sponsorship of the play, "Abracadabra", As one of the most prominent theatrical productions for children in 2023 featuring educational messages for children through music.



Celebrating the Success of "Abracadabra" Eid play, the Largest Theatrical Production in 2023



Feykom Tarab



Local Craft

Burgan Bank has supported various events as an initiative to focus on the development of Kuwait's culture scene and preserve the Kuwaiti identity, The bank concluded its sponsorship of the 5th annual exhibition organized by Expo 965 Team for Heritage Crafts and Talented Kuwaitis. This sponsorship comes as part of the Bank's comprehensive social responsibility and sustainability program, in addition to its continuous support of all efforts that aim to preserve the Kuwaiti identity and national cultural heritage, whether in traditional handicrafts, performative arts, or even the local dialect.



5th Annual Fair Held by **Expo 965 Team** for Heritage Crafts and Talented Kuwaitis



Minimizing **Environmental Impact**

Navigating Climate Change

Climate change is one of the biggest environmental threats currently facing the world and specifically the Middle East. This is a crucial area of focus for Burgan Bank, as we understand that the impact by climate change extends beyond our own physical infrastructure. Therefore, to address climate change and reduce the potential risks that it brings to our business, Burgan Bank took two necessary fundamental actions during the year: by understanding its own **carbon footprint** and understanding the **climate risk** faced by the Bank. These steps lay a strong foundation for the Bank to initiate its decarbonisation journey. These measures are timely and well aligned with the need to achieve the commitments of the Paris Agreement and Kuwait's pledge to achieve Net Zero status by 2060.

Carbon Footprint

Burgan Bank has initiated comprehensive carbon footprint estimation in 2023. The GHG Protocol was adopted to conduct this assessment. The bank has conducted GHG estimation with comprehensive carbon footprint analysis for both 2022 and 2023, covering Scope 1, scope 2 and Scope 3. Seven categories in scope 3 were chosen for the GHG inventorization. The bank will expand and further strengthen the GHG estimation in the upcoming years.

As a strategic starting point, the carbon footprint analysis primarily focused on Burgan Bank's headquarters and branches throughout Kuwait. This foundational assessment of critical operations and assets provided invaluable insights, laying the groundwork for future expansions of the assessment. Leveraging insights from this analysis, the Bank will set ambitious carbon reduction targets, explore renewable energy solutions, and integrate sustainability principles into its core operations.

	2023	2022
Scope 1 : Direct Emissions (MtCO2e)	145.80	193.28
Scope 2 : Indirect Emissions (MtCO2e)	4,285.52	4,680.46
Total (Scope1 & Scope 2)	4,431.32	4,873.74
Scope 3 : Indirect Emissions (MtCO2e)	11,295.17	9,262.11

Revenue based Emissions Intensity

 **12.02**
(Scope 1 and 2)
(in MTCO2e/Million USD)

 **30.65**
(Scope 3)
(in MTCO2e/Million USD)

Employee based Emissions Intensity

 **4.86**
(Scope 1 and 2)
(MTCO2e/employee)

 **12.39**
(Scope 3)
(MTCO2e/employee)

Energy Consumption

Recognising the intrinsic link between energy and climate, Burgan Bank focuses on measures to identify and reduce energy consumption sources. The bank's primary fuel requirements are for operating vehicles, and standby diesel generations. Overall, electricity is the major source of energy for Bank and it facilitates all its operations.

	2023	2022	2021
Diesel (GJ)	209.91	28.01	22.80
Petrol (GJ)	618.47	603.00	542.60
Electricity (GJ)	22,856.08	24,838.30	30,788.70
Total Energy consumption (GJ)	23,684.46	25,469.31	31,354.10
Specific energy consumption (Energy Intensity) - GJ/Employee	25.96	30.00	38.00

In 2023, the Bank also installed and commissioned **high-efficiency solar panels** at its headquarters, generating clean, renewable energy seamlessly integrated into the building's grid-based power system. With a collective capacity of 10 KWh, these panels produced 35 GJ of renewable energy in 2023 alone. By implementing **occupancy and motion sensor lighting**, we are able to optimize light usage during different times of the day. The Bank remains committed to continuous improvement in energy efficiency and energy sourcing in our operations.

Beyond lighting and renewable power, the bank is committed to supporting e-mobility in all possible ways. We observe a growing number of electric vehicles being used by our customers and employees. To support them with the need of charging EV vehicles, two fast charging **Electric Vehicle (EV) chargers** have been installed at our headquarters to serve our employees and visitors respectively. We have adopted charging system which enable simultaneous charging of two electric vehicles with exceptional speed and efficiency.

Energy savings initiatives by the Bank have helped reduce energy consumption by **10.12%**. ””

Waste and Water Management

Due to the nature of its operations, Burgan Bank requires water primarily for drinking and sanitation purposes. It manages its water requirements through the fresh water supplied by the local agencies. While Kuwait is a water-stressed country, the overall water requirement of the Bank is limited. Therefore, it does not see water as a significant risk for its operations in the country. However, it is aware of the need to save water and create consciousness amongst all its stakeholders. In 2023, Burgan Bank’s water usage was 10,462 KL as compared to 2022 which was 3,472 KL. In 2023, water consumption was higher than in 2022, primarily because the readings were only taken for 8 months in 2022.

Burgan Bank mainly generates municipal waste and e-waste. Its approach towards plastic waste and e-waste, the two major categories of waste generated in it’s operation has been two fold; one to responsibly manage the waste and second to avoid generation of waste. The Bank implements these activities across its operations. It has implemented few important measures to collect the plastic and e-waste such as placing recycling containers, and launching electronic waste recycling drives for employees. To reduce the generation of single-use plastic waste Bank has initiated replacing single-use plastic bottles with permanent, reusable ones for all employees. In the coming year, the Bank will completely discontinue the use of single-use plastic water bottles at its operations. While minimizing generation of single use plastic waste, the Bank is responsibly managing its electronic waste through authorized local recyclers. In 2023, 1.20MT of e-waste was recycled.

The Bank generates negligible hazardous waste and therefore, not included in the current waste accounting and disclosure practices.

	2023	2022	2021
Waste Recycled (MT)	1.20	26.50	28.80
Municipal Waste (MT)	110.00	120.00	129.60
Total waste generated (MT)	111.20	146.50	152.40

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



Responsible Supply Chain

Burgan Bank prioritizes mitigating negative social and environmental impacts throughout its supply chain by implementing responsible procurement practices like the supplier code of conduct. Upholding the highest ethical standards, the Bank plans to integrate ESG principles further into procurement decisions and supply chain management.

We are committed to integrating local businesses as banking customers and as part of the supply chain. Over the years, we have maintained more than 99% of our spending on local suppliers. Burgan Bank has in place a code of conduct for its suppliers and service providers which provides suppliers with guidelines on expected business conduct in line with our ESG efforts.

99% of the bank's procurement budget spent is towards local suppliers. ”

	2023	2022
Total amount spent on local suppliers (KD'000)	2,133	2,729
Total number of local suppliers	312	65
Total amount spent on global suppliers (KD'000)	10	599
Total number of global suppliers	92	24







Sustainability at **Subsidiaries**



Burgan Bank's ESG strategy, commitments, and initiatives extend throughout its subsidiaries network. Each subsidiary actively contributes through implementing targeted initiatives aligned with their operational area. These initiatives encompass financial literacy, art and culture, sports, education, health, environment, community development and humanitarian efforts, all designed to generate a positive social impact.

Endorsing Ethical Practices and Transparency

- ▶ Each subsidiary maintains a distinct and comprehensive Code of Conduct, applicable to all employees, including Board members. These codes address vital issues such as anti-corruption and conflict of interest, ensuring responsible and transparent conduct.
- ▶ Each subsidiary has implemented a Whistleblowing Policy and Procedures, in compliance of applicable regulations, designed to empower employees to report any ethical concerns they may encounter, with anonymity and protection from retaliation guaranteed.
- ▶ Each subsidiary has ensured that employees are provided training in AML and cybersecurity to keep them abreast of latest developments.

Future Ready Digital Banking

- ▶ BBT is experiencing a digital boom, surpassing 600k+ digital banking customers in just two years. A significant increase in digital customers was experienced in 2023, which underscores the commitment to continuous investment in mobile banking applications for further growth.
- ▶ BBT's 'ON Plus' and 'Earn with ON' digital programs continue to advance digital banking, attracting customers with personalized rewards, increased interest on deposits, discounts on loans, and cash rewards. This leads to improved customer value proposition and the potential for increased cross-selling opportunities.
- ▶ AGB has a robust digital banking customer base of over 105k, which saw a significant surge in 2023. It continues to launch products such as automatic debit on postal accounts and Visa USD card to further augment its value proposition.
- ▶ TIB is prioritizing operational efficiency through process automation while maintaining strong security. Further, it also embarked on a project to leverage data analytics and predictive systems, positioning them for future growth.

Burgan Bank Turkey's digital banking platform, ON, received the **"Best Digital Bank Award"** in both Turkey and Europe at the prestigious **'World's Best Digital Banks Awards 2023'** by Global Finance Magazine. Launched in October 2021, ON has secured this award for two consecutive years, a testament to its user-friendly design and innovative approach to banking.



Financial Inclusion & Literacy

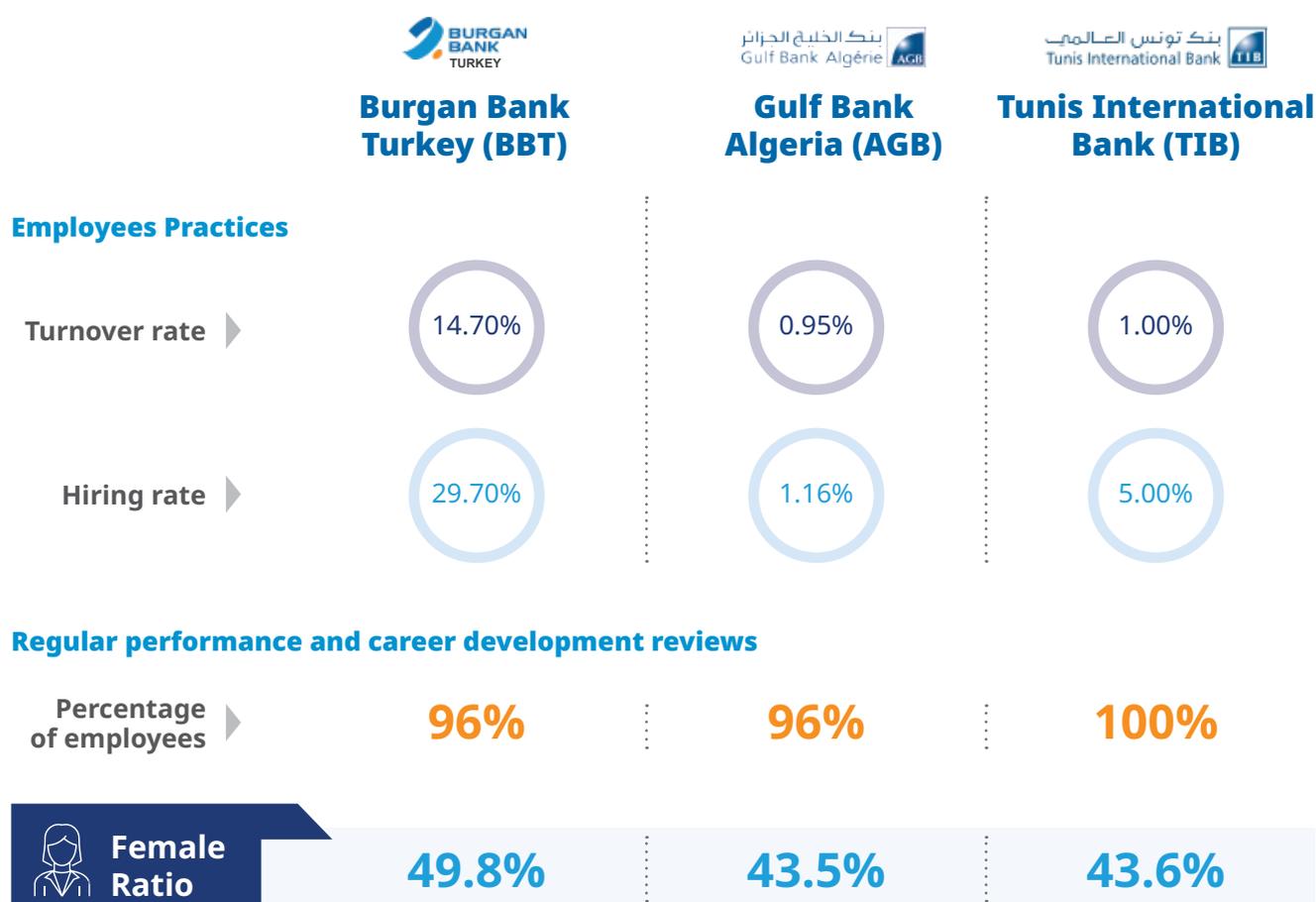
- ▶ At AGB, financial literacy is actively promoted through digital campaigns conducted throughout the year to educate users and empower them to manage finances securely. These campaigns include dissemination of educational content on social networks and websites, banking security measures as well as creation of tutorial videos.
- ▶ TIB is dedicated to promoting small business and community development through responsible lending and investment initiatives and has provided loans worth USD 1.49 million to SMEs.
- ▶ BBT continues to encourage better spending habits through “Earn with ON” and also provides periodic training sessions to keep Private clients abreast of current developments in tax-related matters.

Strengthening Customer Experience and Satisfaction

- ▶ BBT is committed to enhancing its customer journeys through new and innovative offerings through their digital banking platform ON.
- ▶ AGB has introduced a digital onboarding solution called “Welcome AGB” that reduces account opening times to under 30 minutes by going paperless and utilizing e-signatures AGB also offers “AGB Pack”, which bundles products and services into a single operation for a more streamlined customer experience.
- ▶ All subsidiaries are equipped to support specially abled individuals to access banking services from providing physical access solutions as well as solutions for the blind and hearing impaired customers. BBT has ensured training of its employees on the “Right approach to Disability” and sign language. AGB exhibits solidarity for disabled sports through support of Boufarik Disabled Sports Association and Amizour Disabled Sports Association.

Strengthening Communities

- ▶ AGB demonstrated its commitment to community well-being, environmental sustainability, education, healthcare, and cultural preservation through various initiatives. These include organizing blood drives, sponsoring conferences, engaging in solidarity actions through food distribution drives to families in need and hospital staff and sick people, celebrating student and children's days with site visit and organised activities and collaborations on projects to preserve Algerian music with partners such as Chikh Abdekerim Dali Foundation and Aldjazair Association.
- ▶ TIB's commitment to enhancing social welfare has been demonstrated through its support for sports and cultural activities. Notably, TIB has contributed to the creation of a center dedicated to serving abandoned and needy children up to the age of 14. The center focuses on providing children with education through reading, computing, and robotics. Additionally, TIB supports an association dedicated to the mental health of children and adolescents, among other noble causes.
- ▶ In 2023 considering the impact of two major earthquakes in Turkey, BBT focused on support to the earthquake region through donations and social initiatives such as support for education of children in the earthquake zone; aid in the form of clothes, educational & hygiene supplies; food support project and organising activity days to realise the wishes of children with life threatening conditions.



Building a Diverse and Inclusive Workforce

- ▶ All the subsidiaries are committed to building a diverse and inclusive workforce, implementing various initiatives to achieve this goal. All our subsidiaries reflect a high female ratio supported by low turnover and robust hiring rates for females.
- ▶ All subsidiaries have various initiatives for maintaining low turnover rates. And the same is reflected by several practices including fair hiring process, training, career development, and performance reviews process for all employees aimed towards keeping employees satisfied and continue to maintain low turnover rates.

Minimizing Environmental Impact

- ▶ AGB's commitment to the circular economy in 2023 included supporting the start-up "Nrecycli," which specializes in office waste management and recycling, and entrusting them with the management of AGB's own office waste. AGB also updated their own office recycling system through strategic sorting points.
- ▶ In 2023, BBT reduced paper usage by switching printed forms and slips to digital format reflects its dedication to reducing its ecological footprint and supporting local initiatives that positively impact the community, aligning with their ESG commitments.
- ▶ During 2023, TIB extended credit facility to projects aimed at decreasing carbon emissions like the financing of photovoltaic system installations. This is also aligned to its commitment to "Financing Responsibly".



About the **Report**

The Sustainability Report 2023 reflects Burgan Bank's Environmental, Social, and Governance (ESG) performance for the year. This report adheres to the Global Reporting Initiative's (GRI) Universal Standards (2021) and is guided by external frameworks, including the UN Sustainable Development Goals (UNSDGs), Sustainability Accounting Standards Board (SASB), and the priorities of Kuwait Vision 2035 'New Kuwait,' along with Bursa Kuwait.

The sustainability report is to the best of our efforts based on key reporting principles of GRI Accuracy, Balance, and Verifiability. All our sustainability reports are available on Burgan Bank's website.

Reporting period and frequency

This is the fifth annual sustainability report of Burgan Bank covering the period from January 1 to December 31, 2023. Burgan Bank's sustainability report is aligned to the financial report year of Burgan Bank i.e. the calendar year format. The sustainability report for the previous year i.e. 2022 was published in April 2023. All monetary disclosures are in Kuwaiti Dinar (KD) unless specified otherwise.

Reporting boundary

The Burgan Bank group, headquartered in Kuwait, owns majority stakes in subsidiaries across the MENAT region. The group includes 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.

The sustainability disclosures in this report pertain to direct operations in Kuwait. The report specifically addresses the direct operations in Kuwait due to the 50.4 % of revenue contribution from Kuwait operations towards the total revenue and the largest workforce in this location, making it a prominent location of operations. Furthermore, it also serves as the headquarters for the Bank. All information specifically the data, in this report is related to Burgan Bank Kuwait unless mentioned otherwise.

Burgan Bank is committed to reporting on its sustainability performance across its business. This report includes information on the subsidiaries of Burgan Bank in Turkey, Algeria, and Tunisia, wherever available. Specific data points related to the boundary are mentioned in the respective chapters.

Restatement of information

The economic value figures have been revised for 2022 and same is presented in the report in relevant sections.

Assurance

The report has undergone internal review by various departments within Burgan Bank but has not yet undergone independent verification by any third party.

Reach out and feedback

The report is intended for a broad audience, including Regulators, Investors, Customers, Researchers, NGOs, Governments, and other generalist audiences, including citizens. Readers are encouraged to submit feedback or suggestions about this report to the following email address:

ESG@burgan.com



Appendix

GRI Index

Statement of use

Burgan Bank has reported the information cited in this GRI Content Index for the period 1st of April 2023 to the 31st of December 2023 'with reference' to the GRI Standards

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Section	Page no.	
GRI: General Disclosures 2021				
GRI 1: The organization and its reporting practices	2-1	Organizational details	Core Business Activities	10
	2-2	Entities included in the organization's sustainability reporting	Core Business Activities	10
	2-3	Reporting period, frequency and contact point	About the Report	66
	2-4	Restatements of information	About the Report	66
	2-5	External assurance	About the Report	66
GRI 2: Activities and Workers	2-6	Activities, value chain and other business relationships	Core Business Activities	10
	2-7	Employees	International Presence, Building a Diverse and Inclusive Workforce	11, 39
	2-8	Workers who are not employees	Building a Diverse and Inclusive Workforce	39
GRI 3: Governance	2-9	Governance structure & composition	Corporate Governance	22-23
	2-10	Nomination and selection of the highest governance body	Corporate Governance	22
	2-11	Chair of the highest governance body	Chairman's Message	4
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG at Our Core	13
	2-13	Delegation of responsibility for managing impacts	ESG at Our Core	13

GRI Standard	Disclosure	Section	Page no.
GRI 3: Governance (cont...)	2-14 Role of the highest governance body in sustainability reporting	ESG at Our Core (MESGC overlooks sustainability reporting)	13
	2-15 Conflicts of interest	Ethical Business Practices	26
	2-16 Communication of critical concerns	Ethical Business Practices	27
	2-17 Collective knowledge of the highest governance body	Corporate Governance	23
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, Annual Report 2023	23
	2-19 Remuneration policies	Corporate Governance, Annual Report 2023	23
	2-20 Process to determine remuneration	Corporate Governance, Annual Report 2023	23
GRI 4: Strategy, policies, and practices	2-22 Statement on sustainable development strategy communicating critical concerns	Chairman's Message, Group CEO's Message, Future Direction	4,5,19
	2-23 Policy commitments ¹	Corporate Governance	21
	2-24 Embedding policy commitments	Corporate Governance	21
	2-25 Processes to remediate negative impacts ²	ESG Focus Areas	16
	2-26 Mechanisms for seeking advice and raising concerns	Key Stakeholder Engagement , Ethical Business Practices,	14,15, 27
	2-27 Compliance with laws and regulations	Committed to Compliance	29
GRI 5: Stakeholder Engagement	2-28 Membership associations	Future Direction	19
	2-29 Approach to stakeholder engagement	Key Stakeholder Engagement	14-15
GRI 3: Material Topics	3-1 Process to determine material topics	The ESG Focus and Materiality Re-alignment	18
	3-2 List of material topics	The ESG Focus and Materiality Re-alignment	16-17
	3-3 Management of material topics	The ESG Focus and Materiality Re-alignment	16-17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Generating Economic Value	31

¹ Policies which are not sensitive and relevant to stakeholders outside of Burgan Bank have been provided in the website

² Burgan Bank conducts environmental and social assessments as per regulatory requirements

GRI Standard	Disclosure	Section	Page no.
GRI 204 Procurement Practices	204-1 Proportion of spending on local suppliers	Responsible Supply Chain	60
	205-1 Operations assessed for risks related to corruption	Anti-Corruption Practices	28
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption Practices	28
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption Practices	28
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Consumption	58
	302-3 Energy intensity	Energy Consumption	58
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Navigating Climate Change, Annexure	57, 80-82
	305-2 Energy indirect (Scope 2) GHG emissions	Navigating Climate Change, Annexure	57, 80-82
	305-3 Other indirect (Scope 3) GHG emissions	Navigating Climate Change, Annexure	57, 80-82
GRI 306: Waste 2020	306-2 Management of significant waste related impacts	Waste and Water Management	59
	306-3 Waste generated	Waste and Water Management	59
	306-4 Waste diverted from disposal	Waste and Water Management	59
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Building a Diverse and Inclusive Workforce, Nurturing a Sustainable Workplace	39, 43
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Building a Diverse and Inclusive Workforce, Nurturing a Sustainable Workplace	39, 43
	401-3 Parental leave	Nurturing a Sustainable Workplace	43
GRI 404: Training & Education 2016	404-1 Average hours of training per year per employee	Key ESG Highlights	6
	404-2 Programs for upgrading employee skills and transition assistance programs	Corporate Governance, Nurturing a Sustainable Workplace	22, 46
	404-3 Percentage of employees receiving regular performance and career development reviews	Nurturing a Sustainable Workplace	44

GRI Standard	Disclosure	Section	Page no.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance, Building a Diverse and Inclusive Workforce	23, 39
GRI 406: Non- discrimination 2016	406-1 Disclosure Incidents of discrimination and corrective actions taken	Building a Diverse and Inclusive Workforce	39
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Strengthening Communities	50-55
GRI 418: Customer Privacy 2016	418-1 Disclosure Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information and Cyber Security	34

Boursa Kuwait Index

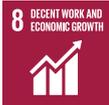
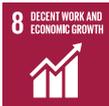
Environmental

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)		GRI 305: Emissions 2016	Sustainable living environment.	Minimizing Environmental Impact- Navigating Climate Change
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)				
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)				
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor		GRI 305: Emissions 2016	Sustainable living environment.	Minimizing Environmental Impact- Navigating Climate Change
	E2.2) Total non-GHG emissions per output scaling factor				
Energy Usage	E3.1) Total amount of energy directly consumed		GRI 302: Energy 2016		Minimizing Environmental Impact- Navigating Climate Change
	E3.2) Total amount of energy indirectly consumed				
Energy Intensity	Total direct energy usage per output scaling factor		GRI 302: Energy 2016		Minimizing Environmental Impact- Navigating Climate Change
Energy Mix	Percentage: Energy usage by generation type		GRI 302: Energy 2016	Sustainable living environment.	Minimizing Environmental Impact -Reducing Carbon Footprint
Water Usage	E6.1) Total amount of water consumed		GRI 303: Water and Effluents 2018		Minimizing Environmental Impact- Waste and Water Management
	E6.2) Total amount of water reclaimed				
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No		GRI 103: Management Approach 2016*		Putting ESG at our core
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No				
	E7.3) Does your company use a recognized energy management system? Yes/No				

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comment
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No		GRI 102: General Disclosures 2016		Yes. Endorsing Ethical Practices and Transparency - Governance
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No				Yes. Endorsing Ethical Practices and Transparency - Governance
Climate Risk Mitigation	Total amount invested, annually, in climate- related infrastructure, resilience, and product development?				Sustainable living environment.

Social

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comments
Gender Pay Ratio:	Median male compensation to median female compensation		GRI 405: Diversity and Equal Opportunity 2016	Creative human capital.	
Employee Turnover	<p>S3.1) Percentage: Year-over-year change for full-time employees</p> <p>S3.2) Percentage: Year-over-year change for part-time employees</p> <p>S3.3) Percentage: Year-over-year change for contractors and/or consultants</p>		GRI 401: Employment 2016		Nurturing a Sustainable Workplace
Gender Diversity	<p>S4.1) Percentage: Total enterprise headcount held by men and women</p> <p>S4.2) Percentage: Entry- and mid-level positions held by men and women</p> <p>S4.3) Percentage: Senior- and executive-level positions held by men and women</p>		GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 405: Diversity and Equal Opportunity 2016	Creative human capital.	Nurturing a Sustainable Workplace
Temporary Worker Ratio	<p>S5.1) Percentage: Total enterprise headcount held by part-time employees</p> <p>S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants</p>		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*	Effective civil service/ Public Administration	Anti-Corruption and Non-Discrimination Practices
Injury Rate	Percentage: Frequency of injury events relative to total workforce time		GRI 403: Occupational Health and Safety 2018		

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comments
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No		GRI 103: Management Approach 2016*		Bank maintains a safe work environment through strict enforcement of its Code of Conduct. It prohibits workplace misconduct like violence, harassment, illegal substance abuse, and smoking and empowers employees to report any unacceptable behavior.
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 labor and
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*	Effective civil service/ Public Administration	The ESG Focus and Materiality Re-alignment
Nationalization	S11.1) Percentage of national employees S11.2) Direct and indirect local job creation			Sustainable diversified economy.	Key ESG Highlights, and Nationalization

Governance

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comments
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women		GRI 405: Diversity and Equal Opportunity 2016	Endorsing Ethical Practices and Transparency	Governance-Board Composition, Annual Report 2023
	G1.2) Percentage: Committee chairs occupied by Men and women				
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No		GRI 102: General Disclosures 2016	Endorsing Ethical Practices and Transparency	Governance-Board Composition
	G2.2) Percentage: Total board seats occupied by independents				
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No		GRI 102: General Disclosures 2016	Endorsing Ethical Practices and Transparency - Governance	Information Unavailable
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)		GRI 102: General Disclosures 2016		NA
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No		GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*	Minimizing environmental impact- Responsible Supply Chain	Yes, Responsible Supply Chain
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?				
Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No		GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*	Endorsing Ethical Practices and Transparency	Yes, 100% Anti-Corruption and Non-Discrimination Practices
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?				
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No		GRI 103: Management Approach 2016*	Responsible Banking and Financing- Future Ready Digital Banking	Yes, Future Ready Digital Banking
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No				

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Kuwait 2035 Vision Pillars	Comments
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No				Yes, we have been publishing Sustainability Report since 2019.
	G8.2) Is sustainability data included in your regulatory filings? Yes/No				
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No				Burgan Bank is aligned with UNSDGs but have not set set targets and reported progress on the same
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No				BB is also committed to UN initiatives and endorse the Women's Empowerment Principles (WEPS). There is a plan to become a signatory to the United Nations Global Compact (UNGC).
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No				
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		

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

NA Not applicable

IU Information unavailable / incomplete

Annexure

Energy and GHG Emission Quantification

The GHG calculation and inventory for Burgan Bank follow the internationally recognized Greenhouse Gas Protocol, developed by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). This protocol provides a comprehensive framework for companies to measure and report their greenhouse gas emissions. Specifically, the bank adheres to the GHG Protocol for Corporate Accounting and Reporting Standard, ensuring consistency and transparency in its emissions data.

Emission Factors

Scope 1: Stationary Combustion			
Fuel Type	Emission Factor	Unit	Reference Link
Diesel	2.66	kgCO ₂ e/Liter	DEFRA
Scope 1: Mobile Combustion			
Fuel Type	Emission Factor	Unit	Reference Link
Motor Gasoline	2.308	kgCO ₂ e/Liter	World Bank Energy Balance Sheet
Scope 1: Fugitive Emissions			
Refrigerant Type	Emission Factor	Unit	Reference Link
CO ₂	1	KgCO ₂ e/kg	DEFRA
R22	1760	KgCO ₂ e/kg	DEFRA
R134	1120	KgCO ₂ e/kg	DEFRA
R410	2048	KgCO ₂ e/kg	DEFRA
Scope 1: Renewable Energy			
Type of Renewable Energy	Emission Factor		Reference Link
Solar	0	Solar power produces no emissions during generation itself, and life-cycle assessments clearly demonstrate that it has a smaller carbon footprint from "cradle-to-grave" than fossil fuels.	UN Article
Scope 2: Electricity Consumption			
Purchased Electricity from Grid	Converted Emission Factor (TCO ₂ e/kWh)	Unit	Reference Link
Kuwait	0.000675	Operating Margin Grid Emission Factor, 675gCO ₂ e/kWh	UNFCCC

Scope 3: Category 1 - Purchased Goods and Services			
Category	Emissions Factors	Unit	Reference Link
Multiple Categories	Determined through EEIO	kg CO2e/2021 USD, purchaser price	EEIO
Scope 3: Category 2 – Capital Goods and Services			
Category	Emissions Factors	Unit	Reference Link
Multiple Categories	Determined through EEIO	kg CO2e/2021 USD, purchaser price	EEIO
Scope 3: Category 3 - Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)			
Fuel Type	Emission factor	Unit	Reference Link
Purchased Electricity	0.000675	tCO2e/kWh	UNFCCC
Fuel (WTT emission factor)	0.62409	kg CO2e/liters	DEFRA
Scope 3: Category 6 – Business Travel- Air			
Category	Emissions Factors	Unit	Reference Link
Air Travel	0.976	kg CO2e/2021 USD, purchaser price	EEIO
Scope 3: Category 7 – Employee Commute			
Category	Emissions Factors	Unit	Reference Link
Upper Medium	0.19143	kg CO2e/km	DEFRA
Scope 3: Category 8 & 13 – Leased Assets			
Leased Vehicles			
Category	Emissions Factors	Unit	Reference Link
Upper Medium	0.19143	kg CO2e/km	DEFRA
Dual purpose 4X4	0.204049	kg CO2e/km	DEFRA
Leased Assets (Buildings)			
Purchased Electricity from Grid	Converted Emission Factor (TCO2e/kWh)	Unit	Reference Link
Kuwait	0.000675	Operating Margin Grid Emission Factor, 675gCO2e/kWh	UNFCCC

GHG Inventorization

Total Scope 1 & 2	Subcategories	2023	2022
Scope 1 : Direct Emissions (MtCO ₂ e)	Stationary Combustion	14.69	13.02
	Mobile Combustion	34.85	34.85
	Fugitive Emissions	96.26	145.40
Total Scope 1 : Direct emissions (MtCO ₂ e)		145.80	193.28
Scope 2 : Indirect Emissions (MtCO ₂ e)	Electricity Consumption	4,285.52	4,680.46
Scope 3 breakup by categories		2023	2022
Category 1 - Purchased Goods and Services		7,475.66	5,833.44
Category 2 - Capital Goods		893.69	885.98
Category 3 - Fuel- and energy-related activities		595.67	649.53
Category 6 - Business Travel		553.81	116.83
Category 7 - Employee Commute		619.42	619.42
Category 8 & 13 - Upstream & Downstream Leased Assets		1,156.90	1,156.90
Total Scope 3 Emissions (MtCO ₂ e)		11,295.17	9,262.11
		2023	2022
Revenue based Emissions Intensity (Scope 1&2) - MTCO ₂ e/Million USD		12.02	12.13
Employee based Emissions Intensity (Scope 1&2) - MTCO ₂ e/employee		4.86	5.73
Revenue based Emissions Intensity (Scope 3) - MTCO ₂ e/Million USD		30.65	23.06
Employee based Emissions Intensity (Scope 3) - MTCO ₂ e/employee		12.39	10.90

BURGAN BANK H.Q.

Kuwait - Al-Sharq

B.: 1, St.: Abdullah Al-Ahmad - Building No. 22

P.O Box 5389 Safat 12170 Kuwait

esg@burgan.com