

Driven by You
Motivated by Sustainability.



SUSTAINABILITY REPORT 2020
Thriving Towards Sustainability

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H.H. Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah
Emir of the State of Kuwait



H.H. Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah
Crown Prince of the State of Kuwait



About the Report



The Report captures Burgan Bank's operations, products and services, management approach as well as its economic, social, governance and environmental performance from 1st January 2020 to 31st December 2020. It also includes select business and sustainability initiatives implemented in 2020.

The Report has been prepared in accordance with the "Global Reporting Initiative (GRI) Standards: Core option" and meets the disclosure requirements of the Sustainability Accounting Standard for Commercial Banks, published by the Sustainability Accounting Standards Board (SASB). Aligned with the United Nations' Sustainable Development Goals (UNSDGs), the Report considers the priorities of Kuwait Vision 2035 "New Kuwait", the Central Bank of Kuwait, and Boursa Kuwait. All the sustainability disclosures made in this Report pertain only to Burgan Bank's operations in Kuwait.

The disclosures related to Burgan's financial performance, however, covers Burgan's operations across Kuwait and its subsidiaries, which include Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq & Lebanon), Tunis International Bank - TIB (Tunisia), and fully owned Burgan Bank - Turkey, (collectively known as the "Burgan Bank Group"). Unless specified otherwise, all monetary disclosures are in Kuwaiti Dinar (KD).

Burgan Bank welcomes your feedback and encourages you to share any comments, inquiries, or suggestions you may have on its sustainability journey at ESG@burgan.com. Please refer to the digital version of this report on the website: www.burgan.com

Our ESG Highlights



KD 213_{mn}

Economic Value Generated



30+

ESG Action Areas and Outcomes Identified



KD 1_{Mn}

Donated to Red Crescent Society for Covid-19 Relief



KD 4.98_{mn}

Lent Towards Green Projects



45%

Female Employees (Promoting Gender Equality)



16+

Digital Initiatives Rolled Out



1st

Bank in Kuwait to Obtain PIMS Certification



15+

CSR Activities Conducted



19,458

Total Number of Training Hours



Message from our Chairman



Let me start off by saying that I am proud and delighted to be able to share with you Burgan Bank's Sustainability Report for the year 2020.

In the rapidly changing, expanding, and diversifying world of today, it is no longer sufficient for any company or organization to simply conduct its business and go about its daily operations – without taking into account the social ecosystem within which it exists.

Which is why, as a Bank, we remain firmly committed to the notion of active corporate citizenship and ethically responsible business practice. That is also why a solid environmental, social and governance (ESG) framework has been embedded into our organizational fabric and long-term strategies.

We understand that our shareholders, our customers and our community partners are increasingly on the lookout for a value-driven financial partner they can trust and build long-term affinity with. We are conscious of our current and potential impact on our world and our community, and we are committed to leveraging our resources to ensure that impact skews positive.

From the internal employee culture to social responsibility platforms and initiatives – all the way to business decisions regarding products and services to offer, investment opportunities to pursue and partners and clients to associate with – our ESG pillars are taken into account and all actions are carefully assessed within the framework of our ESG principles.

This is how we believe we will continue to deliver the best value to our communities and all our stakeholders, now and in the future.

Majed Essa Ahmed Al-Ajeel
Chairman of the Board

A handwritten signature in blue ink, consisting of stylized Arabic calligraphy. The signature is written in a cursive style with a long horizontal stroke extending to the right.



Message From Our Vice Chairman and Group Chief Executive Officer





Mr. Masoud M.J. Hayat
Vice Chairman and Group Chief
Executive Officer

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

As an organization, we have taken it upon ourselves to adopt a proactive and comprehensive approach to sustainability and environmental, social and governance (ESG) management.

Regulatory requirements and public expectations aside, we are firm believers in conducting our business responsibly, ethically and positively. Our investment in the ESG is long-term and is intended to encompass every aspect of our operations and our culture.

Our ultimate goal is to amplify our positive impact as an organization; minimizing any negative environmental impact we may have whilst bolstering our contributions as an agent for positive social change. That includes building a diverse workforce that operates within a safe, respectful and value-centric culture. That also includes investing in sustainable community development and environmentally-positive action. At its core, that also means maintaining a strict code of conduct and standards of practice at every level of our operations.

It is with this in mind that we have integrated environmental and social risk assessments into our entire decision-making process, to help ensure our continued compliance with organizational policies, internal and external commitments, and international best practices and industry standards.

I hope that this report is able to shed light on our efforts in this area, as we continue to strive to better ourselves and our communities.

1. Overview of Burgan Bank

Established in 1977, Burgan Bank is the youngest conventional Bank and second largest by assets in Kuwait. The Bank is headquartered in Kuwait and its operations are diversified across retail, private and corporate banking.

The Bank has majority owned subsidiaries in the MENAT region, supported by one of the largest regional branch networks. The network includes Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq & Lebanon), Tunis International Bank – TIB (Tunisia), and Burgan Bank – Turkey, (collectively known as the Burgan Bank Group). The bank has a representative office in the UAE (Burgan Bank Financial Services Limited).

The Bank's focus has been on maintaining steady growth in key markets, forging strategic partnerships, enhancing operating efficiencies and returns, deploying risk management policies across the group, while optimizing capital allocation. Throughout its growth journey, the endeavour of the Bank has always been to strive consistently to boost its performance and create a lasting impact on the society.

Snapshot of our Sustainability Journey



1.1. Product Portfolio

Burgan Bank delivers a variety of services in the banking sector. They are as mentioned below:

1.1.1. Corporate Banking

Burgan Bank's Corporate Banking Group (CBG) is one of the leading service providers in Kuwait, catering to business community. The Bank has history of sound practices and has nurtured, grown, and strengthened relationships through financing important infrastructure, and industrial projects in Kuwait.

With seven main units that provide custom tailored solutions to corporate and business entities, the Corporate Banking team delivers customer service excellence with a focus on portfolio growth. As a group, the Bank has consistently expanded its client base and achieved credit growth with improved asset quality metrics.

The Corporate Banking has also financed projects, domestically and across the border for over KD 2,159 million during the year, covering various sectors and activities such as construction, maintenance, infrastructure, services, oil, marine and real estate developments.

During 2020, CBG continued its solid financial performance with an effective strategy that is based on

customer centricity. CBG achieved a growth of 4.1% in terms of credit portfolio, while ensuring the quality of the portfolio and broadening its base in target economic sectors. The team has contributed to maintain the bank's strong position to despite the economic stresses in 2020. Despite severe disruption in economic activity, NPAs have marginally increased from 1% in 2019 to 1.27% in 2020.

Further, CBG has been taking further precautionary measures in creating new facilities as well as supporting clients who have been affected during the pandemic.

1.1.2. Retail Banking

services to its customers and growing the range of products, in order to maintain the market share. The products are highly competitive and made to satisfy the banking requirements of an evolving market.

In 2020, one of the major achievements was the launch of our OmniChannel Solution (OCS), a unified customer experience with enhanced capabilities across multiple channels on mobile and web. This new enhancement on our mobile application and online banking portal introduced several important digital milestones to enrich our customers' experience. These included an enhanced dashboard, easier funds transfer, bill payments, personal finance management, prepaid cards, transfer limits management, and many more.

Another major milestone was the launch of our mobile application named "Tijarati", a first of its kind in GCC, exclusively for the business community. This initiative is in line with the bank's thrust to support and cater to the needs of all businesses, particularly SMEs. "Tijarati" provides real time feed and information to a business owner of the cash flows through Point-of-Sale machines/payment gateway it's across all the outlets. The application also provides real time dashboards, reports and aids in any service requests and tracking of the same.

1.1.3. Private Banking

Since its launch in 1999, Burgan Bank's Private Banking Group has been catering to high net worth individuals with diversified financial needs. Private banking group has been providing customized financial solutions ensuring the client's needs are met.

The Private Banking Group has recently revamped its processes, placing more focus on efficiency, resource allocation and quality. Private Banking went the extra mile to support its customers during this challenging year. Private Banking took the time and care to understand each customer's situation, analyze their financial position and recommend the most suitable solution. The business accommodated different needs of its clients from postponing obligations to providing short-term bridge financing to see its customers through this tough period. Private Banking intends to offer its customers more incentives to grow their relationships with Burgan Bank.

1.1.4. Financial Institutions

This department caters to institutional relationships, locally and globally, with banks and Non-Banking Financial Institutions (NBFIs). The team offers leading service standards, optimizes key financial institutions and correspondent banking relationships.

Financial Institutions Division (FID) is mandated to service Burgan Bank's correspondent banking needs and relationship with the global financial institution community. It also manages the Bank's wholesale products and services related to financial institutions.

Through its expansive network of global correspondent banks, FID is instrumental in providing necessary support to facilitate sustainable, competent, and cost-effective access to international markets and cross border-payments. FID's activities are undertaken to fully comply with the local regulatory authorities as well as international guidelines governing AML/CFT and KYC framework. The business follows international standards and practices when evaluating new correspondent banking relationship and undertake extensive analysis to comply with AML/CFT and KYC guidelines.

Snapshot of Burgan Bank's presence

	Kuwait	Turkey	Algeria	Tunisia	Iraq
Branches	29	32	61	3	36
ATMs	150	32	104	-	66
Employees	948	1039	1083	104	762
Total Assets	5,568 mn KD	1,094 mn KD	593 mn KD	150 mn KD	316 mn KD

As on 31st December 2020

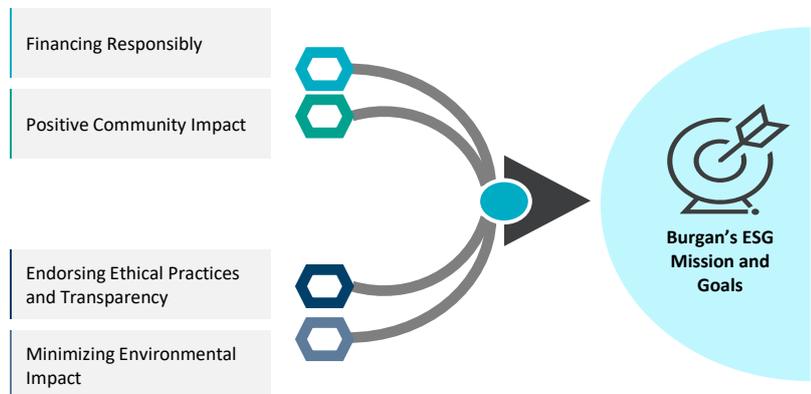
2. Our Approach Towards Sustainable Future

2.1. Our ESG Mission and Goals

At Burgan, we are highly committed to our sustainable journey and in this journey, we do our best to contribute positively for the betterment of our employees, customers and community. In order to achieve this, we have deeply embedded our ESG mission and goals within our ESG pillars that are linked to the United Nation's Sustainable Development Goals (UN SDGs). Therefore, while working towards our ESG mission and goals we are also playing a pivotal role towards the achievement of (UN SDGs).

2.2. ESG Mission in Alignment with Our ESG Pillars

We have established our ESG mission in alignment with our four ESG pillars:



Financing Responsibly

Burgan Bank strives to promote financially and environmentally sustainable products and services that support customers at every stage of life embedding responsible financing and investing in its practices.

Positive Community Impact

Burgan Bank deems social responsibility as an important pillar of the long-term sustainability for the bank and the community at large. We believe in giving back to our community at an institutional and employee level, with time, effort, financial contributions and financial literacy outreach to all strata of society.

Endorsing Ethical Practices and Transparency

Burgan Bank is committed to the highest standards of governance, consistent with regulatory expectations, evolving leading practices, and evolving our strategy and our risk appetite for ethical, transparent, and compliant business.

Minimizing Environmental Impact

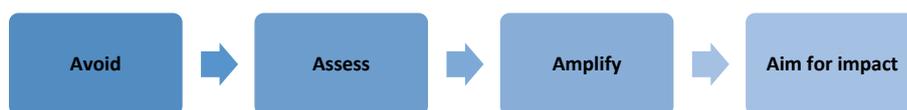
Burgan Bank values its commitment to environment and aims at reducing the environmental footprint of its operations and investment portfolio. Our aim towards energy efficiency initiatives to power our business with renewable energy, lower our emissions and reduce waste, among other efforts.

1.3 Product Portfolio

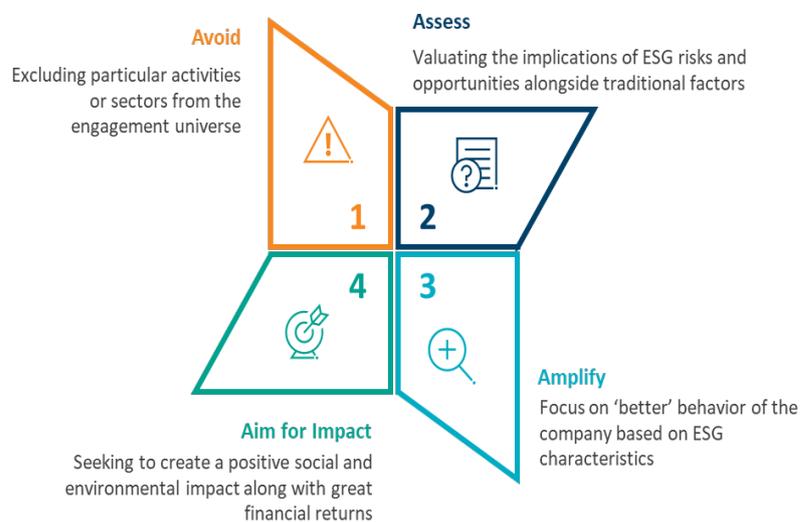
Burgan Bank, through its customer centric model, tactical growth processes, improved efficiencies and lower credit costs, delivers a variety of services in the banking sector. They are as mentioned below:

2.3. Our ESG Principles

Our ESG Principles are derived from the ESG Integration Model developed by the Bank to conduct our business in a responsible manner and making meaningful contributions to the society. The commitments laid out in these principles are underpinned by our ESG Mission, which acts as ultimate guide on how we integrate ESG in our business operations. Our ESG Integration Model comprises of 4 key stages:



The ESG Integration Model act as a guideline for integration of ESG considerations in our investment and engagement process across our operations.



2.3.1. Avoid

By abiding to this principle, the bank ensures that each activity or investment is verified for alignment with Burgan Bank's ESG parameters. The verification is done based on the nature and impact of an activity or investment to the bank's ESG goals. All activities or investments that pose a significant risk or severe adverse impacts on our ESG goals are avoided by the Bank.

Example of activities and investments that are likely to pose such high risks and severe adverse impacts on our ESG goals includes:

- Activities involving human trafficking or harmful or exploitative forms of forced labour
- Activities involving harmful or exploitative forms of child labour
- Activity deemed illegal under the host country laws or regulations

2.3.2. Assess

One of the key principles of the ESG Integration Model is to assess all activities or investments and ensure that it is in alignment with Burgan's primary goal i.e. value creation and capital protection. This is done through active asset management and ESG-aligned investment.

The Bank constantly monitors for any ESG related issues or risks pertaining to any activity or investment the Bank has decided to undertake. Prior to the approval of such an activity or investment, it goes through a rigorous review and approval mechanism on an executive management and Board level. The Bank determines on a case-by-case basis whether further assessment is required and seeks independent analysis and expert advice from specialist. In cases where material ESG risks are identified and deemed acceptable, a plan is developed to prioritize, manage, and mitigate the identified ESG risks. The Bank also reviews ongoing ownership and exit of invested assets and businesses in case the ESG risks are catastrophic in nature.

2.3.3. Amplify

Upon finalizing the decision on an ESG investment or activity, the Bank's next focus is on amplifying positive environmental and social impact that the investment or activity can have on the community, while enhancing the ESG performance.

To bring this into realization, the Bank periodically reviews and monitors ESG activities or investments on a periodic basis based on the nature and complexity of the activity or investment.

2.3.4. Aim for Impact

Additionally, the Bank seeks sustainable investing opportunities and develops investment criterion infused with ESG in the due diligence process where the Bank favours investment that aim to create a positive environmental and social impact.

"With People, Prosperity, Planet, Peace and Partnership as key focus areas, the Kuwait government is committed to United Nations Sustainable Development Goals and the vision under 'New Kuwait' of leaving no one behind. Completely aligning ourselves to this vision and keeping the interest of stakeholders and the growth of the Bank as central, we mapped our material issues, which will enable us to have a holistic approach towards sustainable development and corporate progress."

3. Glance at Burgan's ESG Journey

In the year 2020, we laid down the steppingstones to take our commitment towards sustainability to the next level by establishing a comprehensive ESG Framework, publishing our first sustainability report, developing an ESG roadmap, identifying ESG initiatives, promulgating the idea of sustainability throughout the organization and embedding it in the ethos of our business. Meeting our commitment towards sustainability related responsibilities will enable us to be in line with our vision to be the best of class financial service provider in the region. While the integration of ESG into our day-to-day operations currently remains in the early stages, we aspire to be in the forefront of ESG activities in the near future and are proactively taking the necessary actions to achieve this feat.

Our goal of attaining sustainable growth supports the Kuwaiti Government's Vision of a "New Kuwait" where Kuwait's national development plan is linked to the United Nations' Sustainable Development Goals (SDG's). We believe this global blueprint for achieving a sustainable future will enable us to better understand key challenges related to sustainability and drive solutions to work collaboratively towards the sustainable development of the country.



We believe that material ESG factors are important drivers of long-term growth for all our key stakeholders i.e., our customers, employees, suppliers, regulators, industry associations, investors and the community at large. ESG is a responsible approach towards our employees, suppliers, local communities, environment, and society is an essential part of doing business successfully and sustainably.



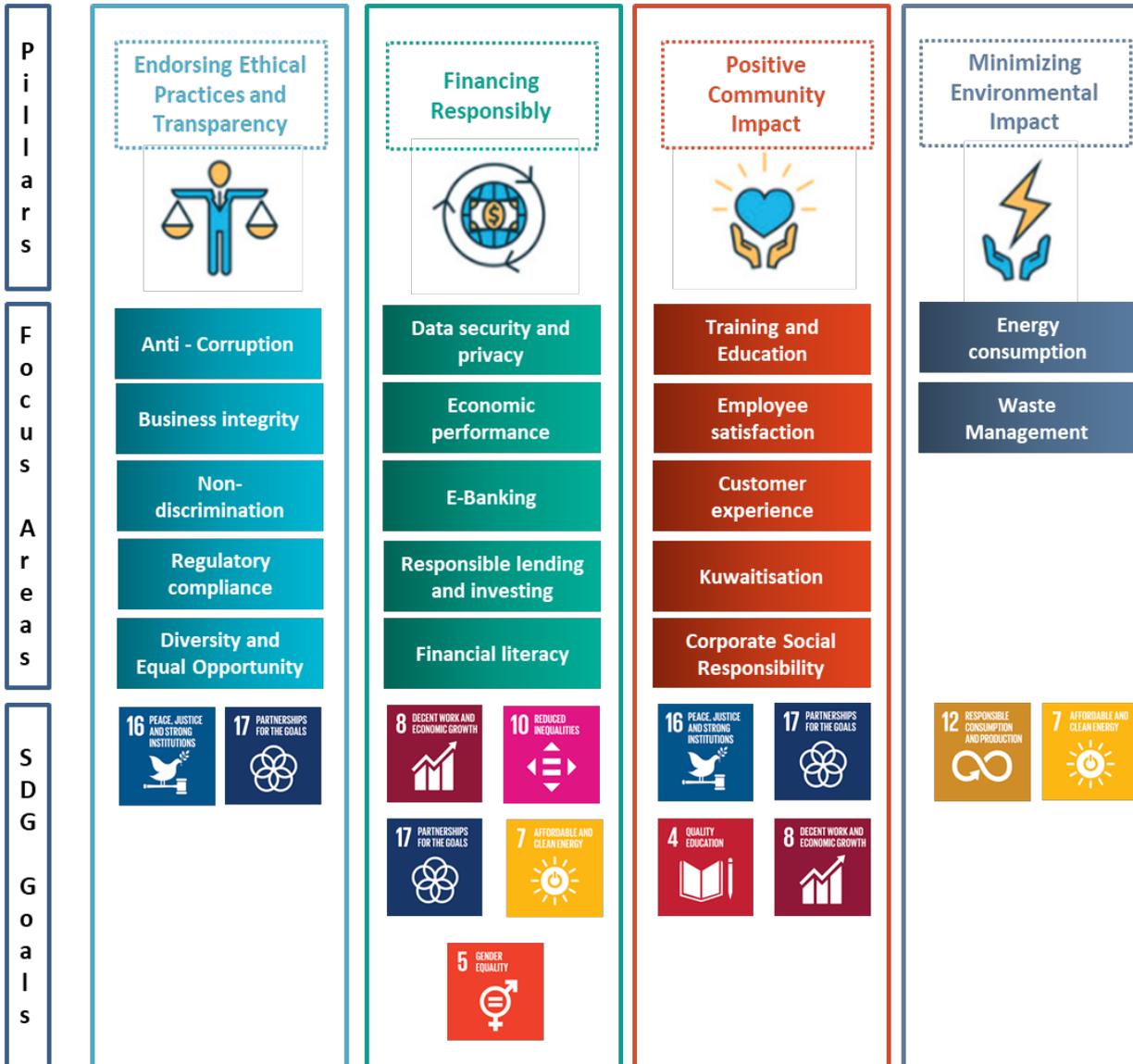
Our ESG Vision is "To be a responsible banking institution that supports building a better future for our stakeholders, our people, and our communities."

As a robust foundation to our Vision, long term journey in ESG and commitment to grow sustainably in a consistent and persistent manner, Burgan Bank have recognized and established four pillars to support and facilitate all future ESG initiatives as mentioned in the previous section.

4. Our Key Environmental, Social and Governance Topics

We have identified the material topics within the key focus areas by conducting a comprehensive materiality assessment which helped us to identify the most relevant reporting topics from an ESG perspective. This enabled us to set a pathway to abide by our four pillars and achieve and promote a long term sustainable growth. As illustrated below, our ESG pillars at the core are also deeply embedded with the United Nation's Sustainable Development Goals (SDGs).

Four Pillars of ESG



These four pillars and its respective focus areas are the core to achieve Burgan Bank’s ESG Mission and sustainable growth. Our focus areas are guided by leading standards such as Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) and the materiality assessment conducted to identify and prioritize Burgan Bank’s focus areas, risks, and opportunities that are of prime concern to our stakeholders and can impact the ability to execute our corporate business strategy.

4.1. Our Material ESG Topics Relevant to Stakeholders

This chart outlines the most material environmental, social and governance issues relevant to our business and our key stakeholders.

Our Material ESG Topics	Key Stakeholders						
	Clients & Customers	Employees	Suppliers	Communities	Investors	Regulators	Industry Association
Governance							
Diversity and Equal Opportunity	●	●		●			
Non-discrimination	●	●		●			
Business Integrity	●	●	●		●	●	
Anticorruption	●	●	●		●	●	
Regulatory Compliance	●	●				●	
Society							
Economic Performance	●	●			●		
E-banking	●	●	●				
Responsible Lending and Investing	●			●	●		
Data Security and Privacy	●	●				●	
Training and Education		●				●	●
Kuwaitisation	●	●		●		●	
Customer Experience	●	●				●	
Financial Literacy and Inclusion	●	●				●	
Employee Satisfaction	●	●				●	
Corporate Social Responsibility	●			●	●		
Environment							
Energy Consumption				●	●	●	
Waste Management				●	●	●	

4.2. Material ESG Topic Definitions / Relevance to Burgan

Material ESG Topics	Definition / Relevance to Burgan
Diversity and Equal Opportunity	Believing in diversity and equal opportunity provides us the foundation to inculcate an inclusive approach in our everyday business operations with a diverse workforce, resulting in fostering sustainable growth
Non-discrimination	We believe equal treatment is one of the fundamental human rights and discrimination on the grounds of gender, race, caste and religion not only deprives the organization of an opportunity to inculcate fairness and justice but also affects the goodwill and brand value
Anticorruption	As a Bank we have strong systems and processes in place to prevent instances of corruption that helps us maintain trust among key stakeholders
Business Integrity	To realize our corporate vision, we have a well-established corporate governance structure that allows us to maintain business integrity and transparency
Regulatory Compliance	Regulatory non-compliance has a potential to disrupt businesses, thus it is the Bank's constant endeavor to achieve complete compliance for all prevailing regulations
Economic Performance	Our focus on economic performance goes beyond the financial returns we generate for our investors. It encompasses a wider impact that we create as an employer and generator of economic activity
E-banking	Digitization is the new normal across the world, thus E-Banking and technology helps us to serve our clients efficiently, while reducing our operating costs in the long-run
Responsible Lending and Investing	Focusing on green and sustainable banking, the Bank emphasizes on investing responsibly in green projects, with a view to contribute towards the regional and global commitment to reducing GHG emissions
Data Security & Privacy	Our customers entrust us with personal details and private information. We take utmost responsibility in securing their data as we are cognizant of the fact that breaches can have a significant negative impact on the trust customers place in us and the future of our business
Training and Education	Talent management is crucial for fostering sustainable growth. Hence, we emphasize on continuous training and development to consistently deliver quality services to our clients
Kuwaitisation	In alignment with Boursa Kuwait's focus on sustainability, the Bank's efforts are focused towards Kuwaitisation which further aligns with Kuwait's National Development Plan
Customer Experience	'Trust' and 'commitment' are the core values, which enable us in building a strong customer portfolio. The wants and needs of our customers enable us in providing quality services
Financial Inclusion and Literacy	We believe that it is our duty to support our stakeholders in increasing their financial literacy as informed stakeholders make informed decisions which works in the best interests of the Bank and the stakeholders in the long run
Employee Satisfaction	Our employees' well-being and satisfaction is of utmost importance to us as it helps in improving employee efficiency, effectiveness and morale and reducing employee turnover
Corporate Social Responsibility	Maintaining a healthy and positive impact in the communities we operate is critical to maintaining our social license to operate and to creating wider prosperity
Energy Consumption	Even though our operations are not energy intensive, we do focus on optimizing our energy consumption in order to reduce emissions
Water Management	Protecting our environment is crucial to us as well as our stakeholders, thus we focus on minimizing our waste generation and maximizing our efforts at recycling

5. Our Reporting Standards

5.1. Global Reporting Initiative

Global Reporting Initiative (GRI) is an international, independent organization that provides businesses and other organizations a common global language to communicate the impacts of their activities in the normal course of their day to day operations and take responsibility for their impacts. This global language is known as the GRI Standards which provides a framework as to what should be disclosed and reported by the businesses.

The GRI Standards are a set of interrelated standards, primarily meant for using together:

- To prepare a sustainability report which is based on the Reporting Principles and focuses on ESG Material Topics; and
- To enhance the global comparability and quality of information on these impacts, thereby enabling greater transparency and accountability of reporting organisation.

The GRI Standards provide a comprehensive coverage over the impacts that an organization has on the economy, environment and people which results in the highest level of transparency. These Standards allows any organization to recognize and report on their impacts on the economy, environment, and people in a comparable and credible way, as a result enhancing the transparency on their efforts towards sustainable development.

The GRI Standards are regularly reviewed to ensure they reflect global best practice for sustainability reporting, helping organizations respond to emerging information demands from stakeholders and regulators. We have adopted GRI as one of our key reporting and disclosure mechanism to ensure transparency of the highest level of our impact on the community.

5.2. Sustainable Accounting Standards Board

A common language for companies and investors to talk about financial performance was made possible through the financial accounting standards. Since sustainability issues are currently issues at a global scale that has a significant impact on the financials, operating performance, and enterprise value of companies it is imperative to have a common language to discuss and compare a company's sustainability performance, similar to its financial performance.

With respect to the above, SASB Standards provides a guide to disclose sustainability information that is financially material to the investors by their companies. The SASB Standards identify the subset of ESG issues most relevant to financial performance in each industry.

Our reporting is mapped to the Sustainable Accounting Standards Board (SASB). The SASB framework helps us identify, manage, and report on financial aspects of sustainability consistently and transparently.

5.3. MSCI ESG Rating

The MSCI ESG Rating criterion enables a company to measure its resilience to long-term, industry material ESG risks. MSCI provides a rules-based methodology to the companies to help them identify whether they belong among the industry leaders or laggards based on their exposure to ESG risks and how well they are able to manage and mitigate those risks relative to its peers. ESG risks and opportunities can differ based on the industry within which a company operates in.

Our reporting is mapped to the requirement of MSCI ESG ratings, and we have identified MSCI ESG Ratings model specifically for the banking industry and identified the ESG risks that are most material to this industry. We have also developed and implemented new initiatives in a bid to improve our ratings and edge closer to becoming the industry leader. The rating criterion has also helped us identify where we are lacking and what are the improvement opportunities / best practices in terms of operating in a sustainable manner.



6. Burgan's Commitment to Achieve Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. Burgan Bank is actively working towards contributing to established goals to make the world a better place to live in. The table below depicts how Burgan Bank contributes towards the sustainable goals.

SDGs	SDG Description	Burgan's Actions
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Burgan Bank promotes a culture of inclusiveness within and outside of the company by providing equal opportunities to all, irrespective of the age, gender, disability, race, ethnicity, origin, religion or economic or other status
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Burgan Bank is striving towards implementation of sustainable goals and have developed several initiatives to improve our contribution towards sustainability
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Burgan Bank prioritizes employee satisfaction by ensuring adequate work life balance as well as providing avenues for developing skills and opportunities for growth. The Bank contributes towards inclusive and sustainable economic growth by catering to the underbanked customers' need with equal priority to other customers.
	Reduce inequality within and among countries	Burgan Bank ensures equal opportunity for all by prohibiting discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
	Ensure access to affordable, reliable, sustainable and modern energy for all	Burgan Bank is committed at the highest level towards efficient usage of energy. We are making active efforts to raise the share of renewable energy in our energy mix
	Achieve gender equality and empower all women and girls	Burgan Bank have run several programs to empower the women in our company. Currently, almost 46% of the employees in the company are women and more than 30% are holding leadership positions.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Burgan Bank have carried out multiple educational programs with a mission to educate the youth and identify and nurture the leaders of tomorrow,
	Ensure sustainable consumption and production patterns	Burgan Bank has set an internal goal of minimizing our environmental footprint through efficient waste management by means of recycling and strictly abiding to the local regulations of disposing waste

7. Our ESG Performance

Burgan Bank has identified four core pillars that support all the focus areas and ESG initiatives that are recognized by the bank which are explained below in detail.

7.1. Endorsing Ethical Practices and Transparency

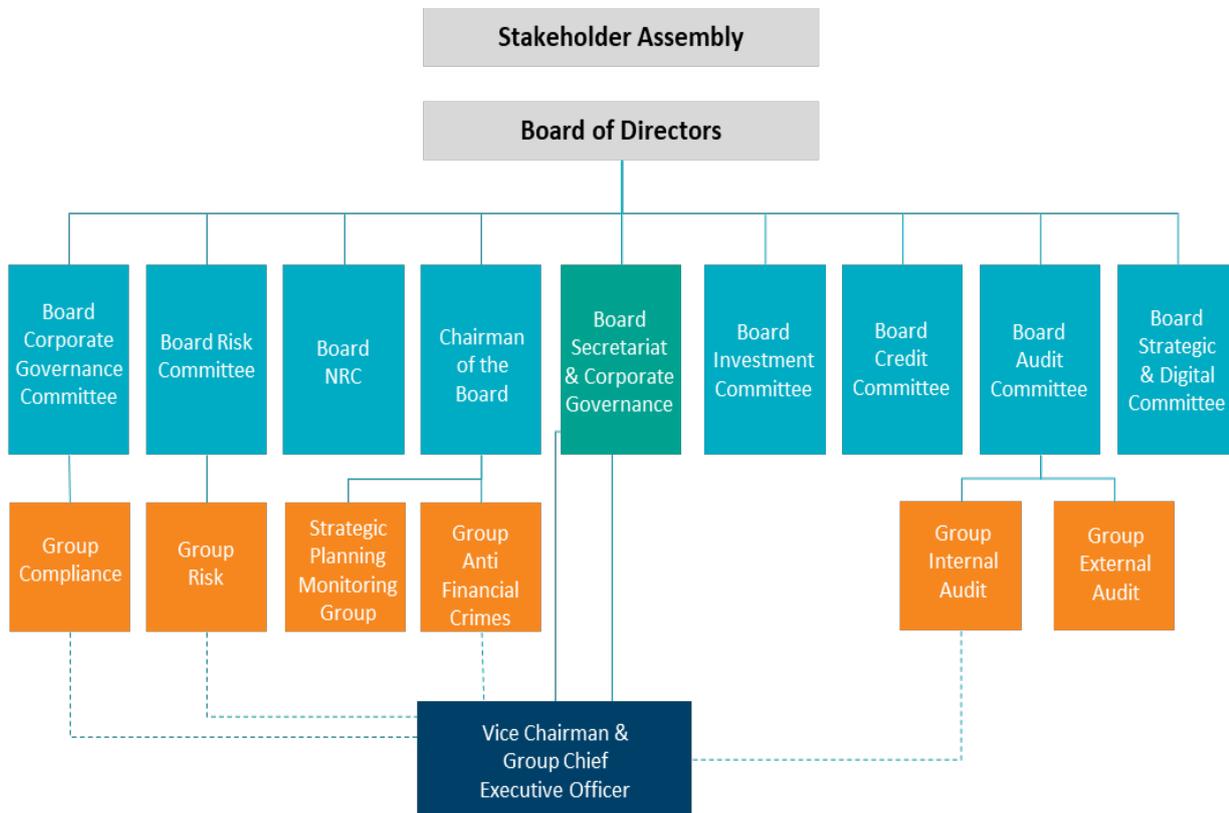
We at Burgan adopt high standards of professionalism, honesty, integrity and ethical behavior in conducting business and in our engagement with all stakeholders. The Bank believes in value-based banking systems, where we are committed uphold our high standards. To ensure these standards are maintained throughout the Bank and its operations, we have identified and established key focus areas for this pillar and are constantly monitoring its compliance. The focus areas are as follows:

7.1.1. Culture of Governance at Burgan

Burgan Bank is committed to the highest standards of corporate governance and recognizes that good governance is pivotal in helping the business to deliver its strategies whilst generating sustainable shareholder value and meeting its obligations towards shareholders and other stakeholders.

Robust Corporate Governance remains integral to the way the group operates. We are committed to operating in a correct, principled and commercially astute manner and staying accountable to our stakeholders. We hold the view that transparency and accountability are essential for our group to thrive and succeed in the short, medium and long term.

As an essential part of this commitment, the Bank operates within a well-defined governance structure (as depicted in the diagram below) and embeds governance principles and practices in its operations based upon the four cornerstones of accountability, transparency, fairness and integrity. The Bank follows the guidelines of the Central Bank of Kuwait, which are based on Basel Committee recommendations on Corporate Governance.



Robust practice of the rules of governance requires controlling the practices and behaviors of the administration and adhering to all the laws and instructions issued by the regulatory authorities while following the internal policies and systems of work as it provides a good environment for self-monitoring of its activities which contributes to reducing risks.

The Bank is steered by an effective and unitary Board which assumes responsibility for its leadership and control and is collectively responsible for promoting Bank’s long-term success by directing and supervising its affairs. The Board of Directors are responsible for ensuring that the Board makes decisions objectively in fulfilling the Bank’s public and corporate responsibilities. The Board shall have overall responsibility for the Bank, including approving and overseeing the implementation of the Bank’s strategic objectives, risk strategy, corporate governance and corporate values. The Board shall also be responsible for providing oversight of the Executive Management. The Board understands that sound governance practices are fundamental to earning the trust of stakeholders, which is critical to sustaining performance and preserving shareholder value. The Board members’ collective experience and expertise provide a balanced mix of attributes for it to fulfill its duties and responsibilities.

The Company’s governance is overseen by seven standing Board Committees, each with accountability for key aspects of the Banks’s functioning:

Committee Member Responsibilities	
Board Corporate Governance Committee	<ul style="list-style-type: none"> Assists the Board in establishing and monitoring the Bank's corporate governance framework Lays out the practices and policies for the conduct at the Bank Monitors and assesses effectiveness of the framework
Board Nominations & Remunerations Committee	<ul style="list-style-type: none"> Presents recommendations to the Board regarding nomination to Board's membership Presents recommendations on the appointment of senior positions, and ensures these positions are occupied by qualified employees with optimal performance standards and succession plans Manages and reviews the structure of the Board Evaluates the performance of the Board, including each member
Board Audit Committee	<ul style="list-style-type: none"> Sets and oversees the sufficiency of internal control and audit functions of the Bank Ensures compliance with applicable laws, policies, instructions and code of business conduct and ethics
Board Risk Committee	<ul style="list-style-type: none"> Provides review and report to the Board on the current and future risk strategy and appetite of the Bank Supervises implementation of the strategy by Executive Management Ensures existence of effective systems for risk management and independence of these functions
Board Strategic & Digital Committee	<ul style="list-style-type: none"> An advisory and consultative body under the Board of Directors, this committee is responsible for providing strategic direction and monitoring the execution of the bank's strategic plans and the digital delivery of its products and services Ensures the Bank's strategic plans, the Digital Banking policies and standards are reflective of the best practices available in the market
Board Investment Committee	<ul style="list-style-type: none"> Provides an oversight of the Bank's investment activities and makes decisions within its delegated authorities
Board Credit Committee	<ul style="list-style-type: none"> Oversees the Bank's lending and credit recovery activities Makes recommendations to the Board of Directors within its delegated authorities Implements decisions made by the Board of Directors

The Board, acting on the recommendations of its Corporate Governance Committee, has adopted a Corporate Governance Manual that incorporates the established corporate governance policies and practices in accordance with the Central Bank of Kuwait instructions. Through this manual, the Board aims to promote adherence and further strengthen the Bank's commitment to good Corporate Governance.

7.1.2. Commitment to Business Integrity and Fight Against Corruption

The Bank has dedicated a Code of Conduct which essentially sets out the basic principles for governance activities throughout Burgan Bank. The Code of Conduct offers guidance on personal conduct and outlines on implementation to safeguard the interests of the Bank's customers, abide by market integrity, prevent laundering of money gained through criminal activities, and combat corruption from within the banking and financial services industries. The Code of Conduct is part of the induction training for new employees and a refresher training is provided for all employees every year. Also, the code of conduct is communicated to all the members of the Board and Board Committees.

The Bank has a dedicated whistle blowing policy including detailed procedures enabling employees to contact the Board to communicate any concerns they might have on the possibility of violations or fraud, and in a way that allows independent investigation into these concerns and its follow-up. These procedures ensures that the Bank provides required protection for these employees to assure them they will not be threatened or penalized even when there is nothing to prove their concerns.

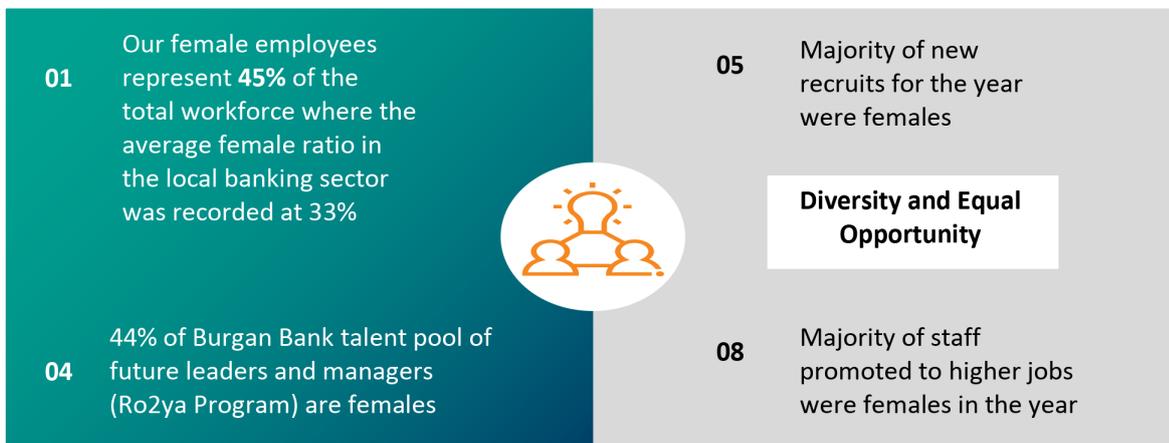
It aims to improve the systems and procedures, encourage and support employees, and improve the overall integrity and performance of the organization. The Bank has in place a robust whistle blowing mechanism that draws attention of the relevant stakeholders of the Bank, to a perceived wrongdoing, misconduct, unethical activity within the Bank. The Bank has established multiple reporting channel in which any wrongdoing can be signaled anonymously to the appropriate parties.

In this reporting period, the Bank has recorded zero cases of fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, corruption, malpractice, or other related non-adherence of financial industry laws or regulations.

7.1.3. Promoting Diversity and Equal Opportunity

Burgan places massive importance towards promoting diversity in the workplace and providing equal opportunity to both the genders. Burgan's goal is to build, develop and retain a diverse talent pipeline, while fostering a culture where every employee feels comfortable, confident, and empowered to make an impact. We believe that diversity within groups leads to better decisions, thereby delivering better outcomes for our clients. Burgan have actively worked towards attaining diversity by developing several programs for women empowerment and making a conscious effort shortlisting woman candidate for majority of the roles. Some initiatives towards women empowerment are as below:

Burgan Bank is considered the 1st Bank in the local industry who offers equal benefits for its female employees with their male counterparts. This includes all remuneration components (salary, allowances, ticket fairs, medical insurance, educational assistance etc.). All female employees receive benefits for their spouses and children same as males and this has been the Bank's practice for more than a decade.

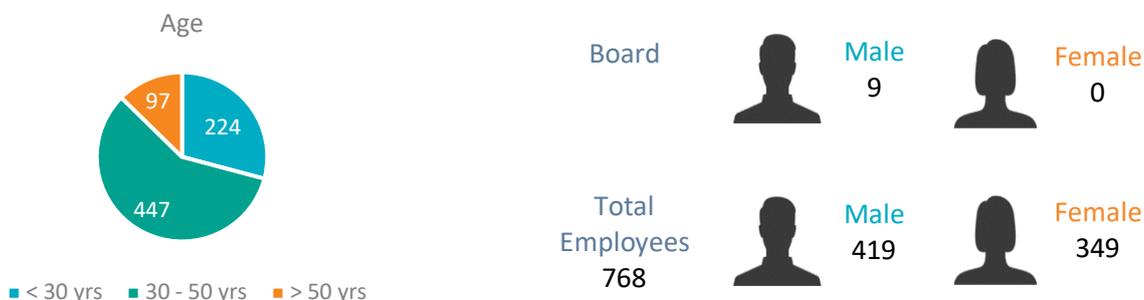


Burgan continues to expand on its pioneering philosophy and practice of equal benefits for all its employees – with equal treatment for male and female employees for benefits such as airfare, education assistance, health insurance as well as parental leave.

Gender	Number of Employees	Average Gross Salary - Monthly	Average Gross Salary – Yearly
Female	349	1,135 KD	13,618
Male	419	1,857 KD	22,281
Grand Total	768	1,528	17,950

In addition, the Bank has its whistle blowing policy and procedures in place. The Whistle Blowing Committee (WBC) is in charge of the dynamics of the policy. The committee consists of the Group Chief Human Resources and Development Officer, Group Legal Counsel and Group Chief Internal Auditor.

Snapshot of our workforce is given below



Presently Kuwaitisation % in the bank stands at 76.56% with 588 out of 768 employees are Kuwaiti nationals.

Total workforce by employee category



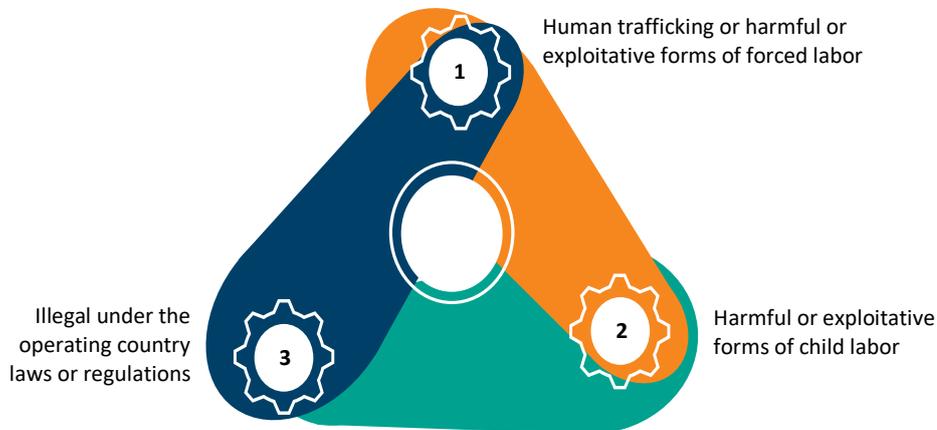
For reporting any case of unethical conduct, the complainant can use any of the reporting Channels anonymously. The petitioner can highlight the issue through e-mail at WB@burgan.com or by calling our hotline at 1824030, or through online platform on the Bank's intranet. The WBC and procedures are in compliance with local regulations, which is also available on the intranet.

7.1.4. Zero Tolerance for Discrimination

Burgan Bank has zero tolerance for any sorts of discrimination and have developed policies and procedures that abolish any practices that is associated with discrimination and corrective actions to be taken in case of any such occurrences. The bank emphasizes in providing equal opportunities to all based on merit and experience, irrespective of the age, gender, disability, race, ethnicity, origin, religion or economic or other status. The acceptance of a diverse culture in the Bank has led to zero cases of non-discrimination reporting during this period.

7.1.5. Respecting Human Rights

Burgan bank strictly prohibits any practices that violates the human rights. The Bank has follows strict principles of not investing or lending or do any sort of business with individuals / companies involved in such cases for example, activities that are:



7.1.6. Robust Compliance Practices

The Bank has established an independent department that looks after the compliance activities that reports directly to the Board Corporate Governance Committee. The compliance department is responsible to identify all the compliance obligations/requirements that are applicable to the Bank. The Bank has developed a repository of the compliance obligations and actively monitors on a periodic basis depending on the nature and reporting frequency of the compliance obligations. The department is also responsible to develop mitigation / response plan in case any non-compliance are identified. Furthermore, the department, on a sample basis, tests status of the compliance obligations on a periodic basis ensuring that testing for all the regulations is covered in a considerable amount of time. Currently the bank is in compliance with all its applicable compliance obligations and have not reported any instances of non-compliances or breaches.

7.2. Financing Responsibly

Financing responsibly is Burgan's mission driven approach to serve the customers that are not supported by mainstream lenders, investing in or lending to individuals / organization that deliver economic, social and environmental benefits while also performing a robust credit risk assessment, create wealth for the shareholders, improve customer financial literacy and expanding digital footprint while keeping all digital channels and the data received from them and stored in a secure manner.

7.2.1. Improving Economic Performance

Our primary responsibility is to maximize the returns of our shareholders, while also contributing to our stakeholders such as employees, vendors, customers, government, and the society. The table below highlights the economic value generated and distributed to our stakeholders during 2020.

#	PARTICULARS	UNIT (Mn)	2020
A	Direct economic value generated (EVG) - Revenue	KD	212.77
B	Economic value distributed (EVD)*	KD	207.31
C	Economic value retained (EVR) = (EVG-EVD)	KD	5.46

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

The Bank has developed a short-term and long-term strategy to expand the Bank's portfolio of loans in which the loan growth will be focused predominantly in Kuwait with deliberate reduction in International business. The business unit wise loan growth strategy for Kuwait operations are as follows:

- Corporate - Target project financing in Kuwait in sectors with high potential such as Education, Healthcare, etc.
- Private - Tactfully target top premier clients in Kuwait & focus on security backed lending propositions only (subject to regulatory limits).
- Retail – 1) Increase touch-points (including digital) to capture “lending” leads 2) Leverage automated loan underwriting models 3) Dedicated sales team to focus on new-to-bank customers’ growth 4) Workplace banking

Burgan Bank have received financial assistance of KD 2.33 Million from the Public Authority of manpower.

7.2.2. Ensuring Security and Privacy of Customer's Data

Burgan Bank considers security and privacy of customer's data as an utmost priority where there is no room for compromises due to the nature of data we possess and repercussions in case the data / system is compromised. As a result, the Bank has ensured that it is in strict compliance with ISO 27001:2013 since 2019. Further, the Bank is 27701 Privacy Information Management System certified and compliant since 2020. Moreover, Burgan Bank is the 1st Bank in Kuwait to obtain Privacy Information Management System certification which showcases our commitments towards keeping our IT systems and customer data secure. We have also detailed out a dedicated privacy policy on our website, which is applicable to all operations of the Bank including its subsidiaries.

The Bank has also established a Vulnerability Management Program (VMP) since 2015 where the IT assets are scanned periodically and mapped according to their criticality. Various scans including for patches, application, operating system, database, and other interfaces are done to identify vulnerabilities and are shared with the asset's owner and notified. Additionally, as the assets are mapped in real time impacted (potential assets) and actuals are listed as early warning to act and mitigate adverse impacts.

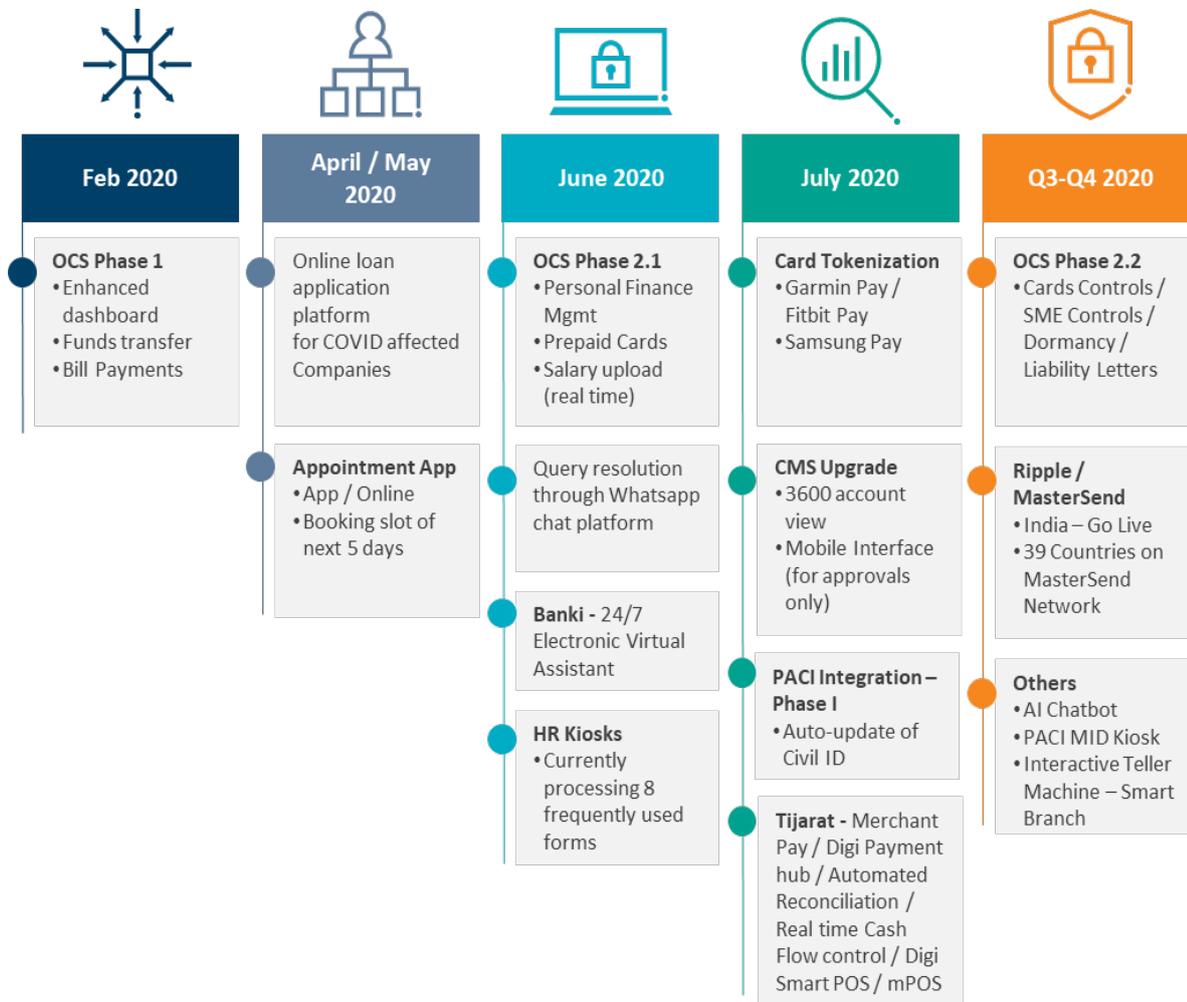
Furthermore, the Bank has developed a cyber crisis strategy that sets out the procedures in the event of a cyber-attack. We have put together a Cyber Crisis Management Team that meets periodically and also on need basis. The team is headed by Deputy Group CEO and CEO.

The Bank has defined roles and responsibilities where data can be accessed only by the authorized employees and any access of data beyond the authorized limits requires the adequate approval. The roles and responsibilities are reviewed periodically to ensure that no employees had access beyond their authority. Also, the Bank has a strict policy of deleting all data acquired from customer after a defined period of time as stipulated in the rules and regulations. Also, the Bank is committed to deleting data after a defined amount of time period and refrains from collecting personal data from third parties (except when required by law).

7.2.3. Enhancing Digital Footprint

Burgan Bank aims to enhance its digital footprint and has launched multiple digital initiatives throughout the year in this regard. Also, the Bank has established a Board Committee - Board Strategic & Digital Committee (BSDC), that oversees all digital initiatives launched and currently run by the bank. They serve as an advisory and consultative body responsible for providing strategic direction and monitoring of digital delivery of Burgan Bank products and services. The committee also ensures that the Digital Banking polices, and standards are reflective of the best practices available in the market.

For the year 2020, Burgan Bank has carried out the following digital initiatives as depicted in the diagram below:



Burgan has made innovative changes in terms of alternative branchless distribution channels. For example, the roll out of new rewards program across all cards products, customer(s) have now got the convenience of redeeming their rewards points across various retail stores across Kuwait or can also plan their next holidays, using their reward points via booking airlines / hotels of their choice using our reward program. Also, with the roll out of Samsung pay/Fitbit & Garmin pay, customers can now do complete contactless payments using their respective devices. All they have to do is link their Burgan bank Credit / Prepaid or Debit Card with your compatible mobile device to enjoy seamless payments when tapping it at any POS terminals where card payments are accepted either here or abroad. Several benefits for the customers that will come out of this are:

- Fast, easy, and secure payments when you add your Burgan Bank Credit / Prepaid or Debit Card and pay with your compatible device.
- High level of security.
- High acceptance wherever contactless payments are accepted.
- Ability to temporarily block or delete a card at any time.

Burgan Bank has enhanced its reach of Points Service by making available ITM (Interactive Teller Machines) to its customers. This is a cutting-edge service enabling our valued customers, to talk directly to a Burgan Bank agent for assistance with financial services using audio and video conferencing. This allows access to Burgan Bank when the branches are closed, and no more waiting in Branches to perform simple and quick transactions. A dedicated customer service agent would assist our customers with any questions during their interactive session. Also, Burgan Bank launched WhatsApp Banking to enable retail customers to interact with bank from their home at a time when they are advised to stay indoors in the wake of the Covid-19 outbreak.

7.2.4. Empowering Consumers with Financial Literacy

We believe that it is our duty to support our stakeholders in increasing their financial literacy as informed stakeholders make informed decisions which works in the best interests of the Bank and the stakeholders in the long run. We provide our customers with the information and knowledge related to banking awareness which is made publicly available in our corporate website. We educate our customers of their rights and responsibilities and provide tips and guidelines on services such as availing loans, cheque acceptance and processing instructions, cheque book safety, virtual currencies, safeguarding personal information etc.

Also, while imparting financial wisdom to the consumers, the Bank is cognizant of the fact that there should not be any information that would mislead the consumers. The Bank has a Policy on Fair Advertising, where presenting its products and services should not contain false or inaccurate information leading to an unsound understanding by the consumers that may lead to wrong decisions taken by them.

7.2.5. Lending and Investing Responsibly

As a practice of lending and investing responsibly, Burgan bank provided around KD 4.98 million to finance green projects that contribute positively to the environment. One such example is the execution of plantation work where the borrower is expected to plant 7 types of desert fungi plants in a total area of 32 Million square-meters agricultural blocks of 1 kilometer by 1 kilometer 10 vegetation lines 54-meter-wide and 1 kilometer long. Another such project where the Bank has provided loans for environmental benefits was to transfer 120,000 tons of tyres from "Rhya" to "Salmi" within 6 months, where the emptied plot will be utilized to produce different types of recycled tyre product.



7.2.6. Robust Credit Risk Assessment

In order to generate and distribute economic value to all our stakeholders without interruption, we ensure that adequate mechanisms are in place to subdue the risks that may have an adverse impact on the generation of economic value. A pivotal exercise is to perform an independent credit risk assessment every time the Bank extends or renews credit to its customers and also when it amends any approval terms and conditions to ensure that the risk is within the acceptable level.

The Bank's Credit Risk management continuously assesses the existing credit facilities granted to customers operating under different sectors, which could potentially be under stress. They continue to work with respective business divisions to ensure robust credit review analysis is in place for borrowing clients. Extra measures, such as in-depth review of the customers' business, repayment capabilities in the current environment, stress analysis of the collaterals have been implemented to ensure a better risk mitigation.

The management continue to assess the past conduct, and payment history of the clients on an ongoing basis. Significant judgment has been applied while ascertaining whether the cash flow and liquidity issues faced by the customer are temporary or long term in nature. The Group management is also conducting frequent reviews of the collateral coverage on the securities held against facilities, specifically where the collaterals are illiquid in nature.

Post the credit risk assessment phase, the Bank also continuously assesses the risk of default payment and for that purpose, the Bank has a dedicated Debt Collection Policy and detailed procedure document to control delinquency within acceptable levels and minimize credit losses.

7.2.7. Embracing Financial Inclusion

As a responsible leader in Kuwait's banking space, we are committed to creating sustainable value for all our stakeholders. Therefore, we have made a conscious effort in identifying the underbanked communities and provide them with the financial assistance they require.

We have also provided such support to Small and Medium Enterprises (SMEs), who we believe are an important sector for the economy and have contributed immensely to the country's socio-economic development, as depicted in the table below:

PARAMETER	UNIT	2020
Amount outstanding from SMEs	KD	13,753,011
Amount past due	KD	1,293,000

Burgan Bank is committed to provide banking services to SMEs as part of our focus on increasing financial inclusion and stimulating and diversifying local economies. As a result, we have carried out the below activities to serve the SMEs better:

- Segment SMEs into clusters for better management, support and direction into corporate-linked upstream/downstream businesses and Cluster banking group
- Build advisory unit to support SMEs in business planning, capital structuring and financing
- Introduce innovative offerings like "Tijarati" that provide real-time feed on cashflows to business owners
- Enhance product and service offering to include LCs, LGs, loans against contracts, cash credit and overdraft facilities, cash management solutions etc.

7.3. Positive Community Impact

Burgan Bank desires to be a positive business where we create not just economic value, but also offer great places to work, nurture the leaders of tomorrow, keep customers satisfied, and help to solve challenges through positive community impacts. Therefore, we have taken the steps to achieve our goals and objectives of being a positive business as well as creating a positive impact in the community which is detailed below.

7.3.1. Fostering Potential Successors

We realize the importance of nurturing future leaders to ensure the operations of the Bank run smoothly with minimum disruption in the event of leadership changes. The Bank has a succession plan in place implemented by the Board NRC where key roles, highly performing employees with the right skills and crucial positions that may be vacant in a short space of time are identified. Accordingly, we train and prepare these individuals for these positions to take the next step when called upon. We see these individuals as our future leaders that will steady the ship in uncertain times and continue to take the Bank towards growth and profitability.

7.3.2. Employee Welfare and Work Life Balance

Burgan considers employee welfare and work life balance as a major component in improving the culture and overall productivity level at the Bank. Hence, it is our goal to be on par with the industry standards in providing non-monetary benefits to our employees. The benefits provided to our employees are depicted in the table below.

APPLICABLE BENEFITS	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	NON-MANAGEMENT WORKERS
Life and Medical Insurance	Yes	Yes	Yes
Health Club Membership	Yes	Yes	No
Disability and Invalidity Coverage	Yes	Yes	Yes
Parental Leave	Yes	Yes	Yes
School Fees	Yes	Yes	No
Annual Ticket	Yes	Yes	Yes
Staff Zero Interest Loan	Yes	Yes	Yes

As per the Bank's policy, the employees are given an option of flexible working hours, known as Flextime, where employees are free to choose the working hours most suitable to them which enhances employee work life balance. In Burgan Bank, all employees are entitled to parental leave. Male employees can avail paternity leave of one day, while female employees can avail maternity leave of 70 days. During the reporting period, a total of 11 females and 5 males took parental leave. All employees who took parental leave in the reporting period have joined back their positions and have continued to remain employed with the Bank as on 31st December 2020.

The Bank has developed a dedicated policy and procedure document "Staff Grievance and Problem Solving" where employees have a mechanism to report any grievance or concerns faced by an employee. The Bank's policy strictly states that "no employee shall be penalized, formally or informally, for voicing a grievance as long as he / she follows the applicable policies and procedures of the Bank".

As part of the Bank's defined benefit plan obligations and other retirement plans, the Bank provides pension to the Kuwaiti nationals as stipulated in the 'Social Security Rules' and indemnity is provided to all staff as per Kuwait Private Sector Labor Law.

7.3.3. Training and Development Initiatives

We consider our employees as our most important asset and are in continuous efforts to improve them. Our goal is to develop creativity, positive attitude, and a sense of responsibility and help the employees to attain a high degree of motivation. Several training programs and learning & development initiatives were identified and provided to our employees throughout the year. We have provided comprehensive trainings in areas such as core banking operations, grooming next managers/leaders, certification/degree programs in collaboration with banking institutions/universities, ethics, cybersecurity, digital tools etc. The below table shows the number of employees and hours trained.

Employee Category	Number of Employees		Hours Trained	
	Male	Female	Male	Female
Senior Management	16	2	118	31
Middle Management	150	60	2561	1428
Non-Managerial Staff	266	302	7726	7594
Total	432	364	10405	9053

The Bank conducts in-house as well as external trainings. In house trainings are primarily on the job trainings, trainings provided during induction, training on common themes such as cybersecurity risks or ethics, talent programs developed by the learning & development team etc. External trainings are usually done in collaboration with an external party for certification/degree programs. The Bank has provided several high-end executive learning programs in collaboration with top Universities such as Cornell, Harvard, London Business School, UC Berkley, Wharton etc.

Burgan has also developed a learning platform where the employees can choose to avail trainings that are suitable for them. 489 employees have completed a customer protection learning path from this platform, where the scope is to ensure that all customer-facing staff maintain a good understanding of the customer protection guidelines and vital principles by CBK. This course shares all resources required for learners to understand these important guidelines from CBK. This is an annual practice in collaboration with the Compliance department.

Also, as per CBK mandate, 565 staff – including top management - attended cybersecurity programs live or online. The scope is to familiarize all staff with what cybersecurity is, what are the methods of hacking used and how to identify and prevent such attempts.



In addition, we have delivered programs for established and rising leaders titled “Business Ethics & Etiquette” and “Ethics and Values” for 37 staff. As for the rising leaders each staff had to identify their personal values and link them to the organization values to increase performance and productivity. Also, fraud cases were explained and how to be manage such incidents as role models of the Bank.

We regularly take feedback on our trainings - content, relevance, methodology and trainer to understand how the training experience and quality can be enhanced.

7.3.4. Improving Employee Satisfaction

To understand the needs and desires of our employees and cater to them accordingly is one of the key criteria to keep our employees satisfied. As a practice to identify their needs and desires, we undertake organization wide survey known as the ‘Organizational Culture Survey’. During the year, we improved upon our feedback methods to understand our employees better, to build around them an environment promoting responsible ownership and innovation. The results from the survey highlighted that Involvement and Adaptability of our staff were 55.5% and 50.2% respectively reflecting team orientation, customer focus, organizational learning among others. While Mission and Consistency were 50.6% and 50.5% respectively reflecting on strategic direction & intent, core values and vision. Borgan HR has set a high internal strategic target of 70% for all the above measures.



Also, all our employees, irrespective of gender or employee category, receive regular performance and career development reviews.

7.3.5. Enhancing Customer Experience

For Burgan, customers are always of the utmost priority. Hence, we are proactively identifying different ways in which the customer experiences can be enhanced. This year we have identified several digital initiatives in which we have aimed to make the lives of our customer easier. Few such initiatives are enhancement of our mobile application, launch of new mobile application to cater to the needs of business community, launch of Interactive Teller Machines (ITM) etc. Also, during the pandemic the bank had launched cash delivery services so that customer can withdraw cash without having to go to the ATMs.

To continue building customer engagement, the bank has also launched several spend campaigns during 2020, rewarding their customers with extra miles/extra cashback for spends done on their Qatar Airways prepaid card and Visa Signature credit card. The bank also provided 22,336 no-cost retail checking accounts (also known as value accounts) to unbanked or underbanked customers.

We have also taken up certain initiatives that are aimed at our differently abled customers so that we as a banking institution is accessible to all equally. These initiatives are:

- Introduced special ATM rooms for handicapped in 7 branches across Kuwait where these rooms have special access, lower ATM levels to ease the movement and operations for handicapped.
- Handicapped wheelchair ramps in all Burgan branches to ease access/entrance of handicapped to the branch.
- Dedicated handicapped parking slots in front of branches.
- Offsite ATMs in malls, hospitals, universities, ministries, hotels, and exchange shops.

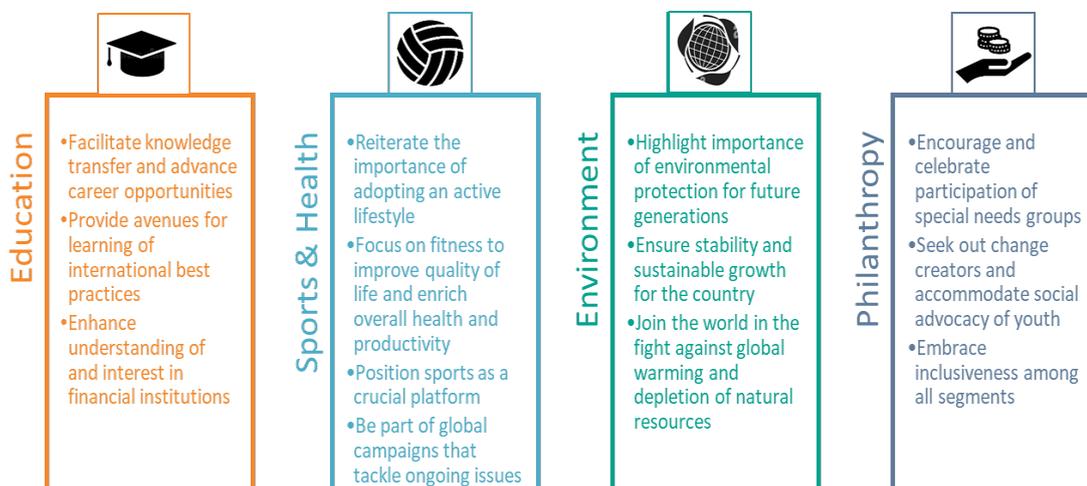
The Bank has a dedicated policy and procedure document for addressing, investigating, and handling customer complaints as well as a dedicated team namely the Client Compliant Unit. Various channels are made available to the customer to log their complaints such as mail, e-mail, fax or in person. The Bank has a very low rate of complaints received from the customers due to its excellence in customer service.



7.3.6. Contribution to Local Communities

Burgan is committed to improve the world by supporting the local communities, making environmentally responsible decisions and encourage professional and personal growth of our employees. We have identified and carried out multiple campaigns and programs throughout the reporting period to contribute to the society. To supplement to these goals with our actions, we have defined four CSR Thematic Areas as below:

Our CSR Thematic Areas



7.3.6.1. Education

Burgan Bank considers education as a crucial element in the growth and advancement of a society. Therefore, each year we ensure that a portion of our efforts towards contributing to the society is reserved for education related activities.



Successful Completion from the Institute of Banking Studies (IBS) Certified Programs

Burgan Bank celebrated the graduation of 32 of its employees during the annual graduation ceremony of IBS that took place at Kuwait Chamber of Commerce and Industry. The graduation ceremony was held under the patronage of Governor of the Central Bank of Kuwait and Chairman of the IBS, and it was attended by certified bankers from across Kuwait, top management, and the banks' leaders to show their support and encouragement to the graduates.

Graduation of the 2019 - 2020 Batch of Kuwaiti Trainees from Dedicated Academy Program

Led by the Learning and Development department, 24 ambitious trainees were inducted into the world of banking through theoretical and experiential learning. The new bankers were coached on the respective domain skills that would equip them to function in various positions. The latest program included an intensive 2-week field training across the banks' branches to aid the employees to transform

their theoretical knowledge into practical experiences. The specialized training workshops also consisted of an in-depth introduction to the various banking products and services, including training in core areas such as customer experience and selling to ensure optimal customer satisfaction.

KFAS Innovation Challenge 2020

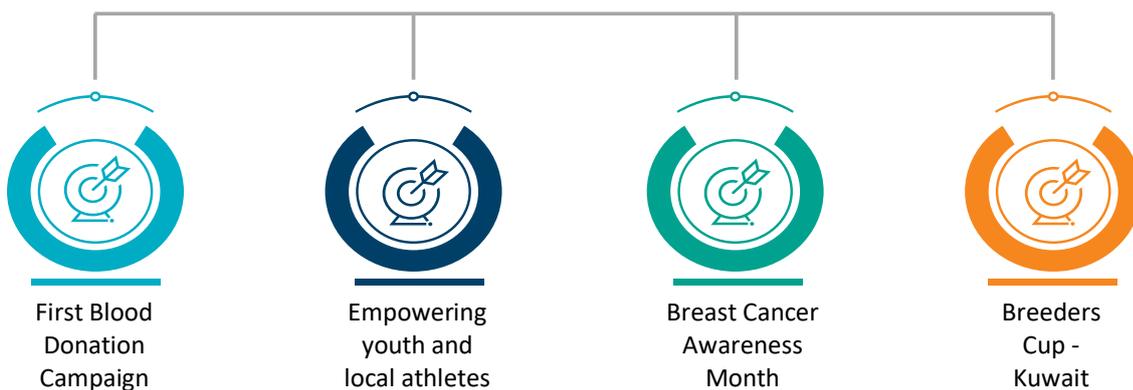
The Learning and Development department at Burgan Bank under the Human Resources Group leadership handpicked five talented employees from various divisions, to participate in the Kuwait Foundation for Advancement of Sciences (KFAS) Innovation Challenge Program. Each were tasked with the responsibility of acquiring the skills to further integrate a more innovative culture within the bank and to ensure each brings value from a diversified banking perspective. The program brought the combined resources of global business and innovation leaders from the Wharton School's Mack Institute of Innovation Management and the Penn Center for Innovation to the program. Participants gained industry insights, explored the themes of innovation, worked in teams on selected projects and at the end of the program, each of the teams presented to their companies.

Dynamic Talent Program 'Ro2ya'

A dynamic blended program called 'Ro2ya' was launched by Burgan Bank at its new and modernized training center and online Learning and Development portal. Developed in response to the Central Bank of Kuwait's vision to nurture Kuwait's future banking leaders, the advanced platform was launched with the attendance of management and senior leaders. 63 participants will be equipped with next generation technical and behavioral skills and business tools to prepare them for market challenges and meet the demands of today's digital era. The participants were given pins and divided into three groups based on their current career levels and aptitude based on which they will undergo on-the-job trainings and assignments for a period of two to three years. The event highlighted Burgan Bank's core values - of trust, commitment, excellence, and progression, which were wall-mounted in the new training center as part of the bank's overarching mission to bring these to life through its new recruits.

7.3.6.2. Sports and Health

Burgan Bank believes sports have an immense impact on a person's daily life and health therefore, the Bank is committed to ensure that a portion of our efforts is reserved for sports and health activities.



Ahmadi Governorate "First Blood Donation Campaign"

Under the patronage of Al-Ahmadi Governor, Burgan Bank in collaboration with the Department of Blood Transfusion Services at the Ministry of Health held the "First Ahmadi Governorate Blood Donation Campaign". The campaign was organized at the Headquarters of the Cooperative Blood Transfusion Center at Al-Adan Hospital under the slogan "A drop of your blood ... a life for others". Ensuring optimal safety standards and well-executed preventive measures during the current Covid-19 pandemic, blood donors were requested to book appointments through the website btas-kw.org prior to the donation.

Empowering youth and local athletes

For the sixth consecutive year and as part of its corporate social responsibility strategy to inspire talented young athletes, Burgan Bank continues its support of Wheelchair Fencing Titleholder, Tareq Al-Qallaf. He continues to serve as a role model among the ambitious Kuwaiti youth and aspiring special needs segment by representing Kuwait on prestigious international platforms and championships. In preparation for the upcoming tournaments, the home-grown hero completed his training through various sports camps in the United States of America.

Breast Cancer Awareness Month with Female Employees

Run under the theme of "Your Will Makes the Difference", the campaign comes as part of the bank's endeavors to continually support a healthy lifestyle despite the current pandemic. The Internal Communications Unit at Burgan Bank shared awareness and educational messages with all of the female employees emphasizing the benefits of a nutritional diet and regular exercises alongside information on breast cancer. The bank is driven to developing an inclusive and supportive internal environment for the bank's female employees, who represent 43% of the bank's staff. The initiative aided in raising awareness of the symptoms, types, causes, risks, treatment, and prevention methods of the disease.

Breeders Cup - Kuwait Hosted by Bait Al Arab

Held for the first time in Kuwait with the aim of encouraging local breeders to improve production and raise the quality and performance of home-grown horses, Burgan Bank sponsored the Kuwait Breeders Cup 2020. The tournament that was organized by the Arabian Horse Center - Bait Al Arab, under the patronage of His Highness the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, was held at Bait Al Arab, the official State Stud dedicated to the breeding of purebred Arabian horses. The long-standing partnership between the bank and the renowned center fall within the framework of its social responsibility strategy to support Kuwait's sports culture and elevate the sport's legacy in society. The sponsorship included two championships, namely the Arabian Horse Breeders Cup and the Straight Egyptians Arabian Horse Breeders Cup.

7.3.6.3. Environment

Burgan Bank considers that environment plays pivotal role in sustainable living and the existence of life on planet earth therefore, each year the Bank ensures that a considerable focus and efforts are diverted towards environmental activities.



Beach Cleanup Drive 2020

Burgan Bank organized a beach clean-up drive under the theme “Driven by you Motivated by Sustainability” at the Al-Salam beach in Shuwaikh in collaboration with ‘Mw6iny’ and under the support of en.v, Green Hands Environmental Team and Kuwait Dive Team. Advocating for the conservation and restoration of Kuwait’s marine environment, Burgan Bank top management, staff and their kids including other volunteers participated in this initiative. Driven by the belief that efforts to preserve the country’s ecosystem ensure the longevity of cultural heritage for future generations, the event also helped to raise awareness of the health dangers of pollutants, plastic waste and hazardous substances if neglected.

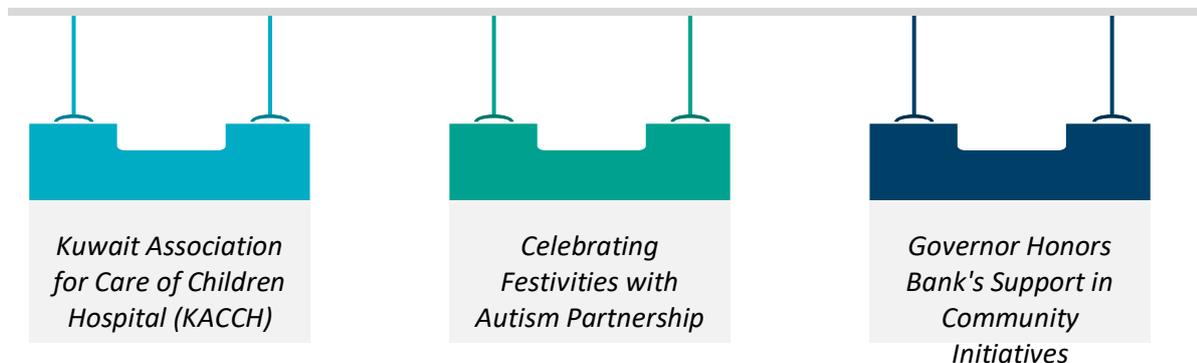
Keep Kuwait’s Beaches Clean by Supporting “Saveq8c” CSR Campaign

As part of its mission to rectify unhealthy practices and inspire an environmentally conscious community, Burgan Bank adopted the national campaign in cooperation with “Saveq8c” team to protect and clean Kuwait’s beaches. The active team of “Saveq8c” has made waves in a short span of time by engaging the community through activities and strong messages and social media campaign focusing on the importance of the preservation of Kuwait’s pristine beaches and marine life. This grassroots activity motivated people from all parts of the community, ranging from the youth, adults and children who participated in the waste collection from various beaches and shared it with the team.

7.3.6.4. Philanthropy

Philanthropy supports projects and endeavors to gain the widespread support of the general public and/or the government and we are committed towards delivering philanthropic activities which supports the society at large.

Our Philanthropy Initiatives



Kuwait Association for Care of Children Hospital (KACCH)

Burgan Bank reiterated its support to the Kuwait Association for Care of Children in Hospital (KACCH) by presenting its annual donation to the association this season. The financial aid ensures access to optimal healthcare within pediatric facilities at various health institutions for the children and their families. Maintaining its strong 19 year-long partnership with the Kuwait Association for Care of Children in Hospital (KACCH), a series of visits was also organized by the bank’s Public relations representatives.

Celebrating Festivities with Autism Partnership Kuwait

Burgan Bank participated in the National and Liberation Days festivities that were organized by the Autism Partnership Kuwait (APK). Celebrating together with the children, who were dressed in national clothes, and their families, the kids enjoyed a fun-filled program which included decorating of flags and various competitions followed by distribution of gifts. The celebration was dedicated to spreading happiness through a memorable event and a sense of belonging during one of Kuwait’s most important

months as part of the bank's objective to promote social inclusion among the children and other segments of the society.

Al-Ahmadi Governor Honors Burgan Bank's Support in Community Initiatives

In line with its commitment to support child welfare, Burgan Bank signed a partnership agreement with Autism Partnership Kuwait (APK) for the second consecutive year. The ongoing funding ensures the continuity of the treatment services that would sustain their advancement and contribute to the social inclusion of the children with their peers in society. As part of the program, the Bank participated in APK's celebration, bringing joy to the children by donating special gifts and toys to ensure a memorable day. The children and their families expressed their happiness during the celebratory event that included a range of exciting activities and competitions.

7.4. Minimizing Environmental Impact

We aspire to minimize our environmental footprint and address climate change by transitioning to resource neutral operations, managing resource consumption responsibly and improve energy efficiency. Addressing climate change, and the GHG emissions that contribute to it, requires urgent action and long-term commitments. Therefore, understanding the long-term ramifications of inaction against climate change, we have made driving financial growth while protecting the environment our priority.

7.4.1. Using Energy Efficiently

Burgan Bank aims to combat climate change through reduction in emission of greenhouse gas (GHG) and other pollutants which adversely impacts the environment. Acknowledging the consequences our energy consumption will have on the environment, we initially sought to manage its negative impacts effectively and then we began to actively seek interventions to optimize the energy use within the organization.

Our direct and indirect energy consumption consists primarily of high-speed diesel and purchased electricity respectively. By emphasizing on optimizing our energy use throughout our operations, we have been able to increase the energy efficiency of our operations, even while raising the share of renewable energy in our energy mix, as a measure to reduce our net GHG emissions.

Particulars	Unit	2020
Direct energy consumption (diesel)	GJ	-
Indirect energy consumption (electricity)	GJ	17043.83
Total energy consumption	GJ	17043.83
Specific energy consumption (Energy Intensity)	GJ/Employee	22.19

7.4.2. Efforts to Manage Waste Sustainably

Effective management of waste is important to minimize the Bank's adverse impacts on environment and the Bank has established relevant waste management segregation protocols that is strictly abided by throughout the Bank.

Hazardous wastes are not generated by the Bank due to its nature of operations. The electronic waste generated at our facilities is recycled through collection and sale to authorized dealers in the local market. The municipal waste includes municipal and paper waste, which is collected by the municipality and disposed-off into municipal landfills. The Bank are also in the process of identifying several initiatives to reduce waste generation.

Particulars	Hazardous Waste	Non-Hazardous Waste
Recycling	-	28.8
Other (Municipal Waste)	-	129.6
Total waste generated	-	158.4

8. Responding to the Covid-19 Pandemic

While governments around the world have taken restrictive measures in an effort to control the outbreak, these measures negatively impacted economic activity and business sentiment. The Bank's business was impacted in most of its geographies leading to more challenging operating environments across the Bank's network. In Kuwait, the domestic economy was similarly pressured due to long periods of curfews which negatively impacted the Bank's operations.

Irrespective of these adverse impacts to the economy and business, during the year, our strong operating model and solid risk management framework ensured effective business continuity and minimized the impact of the COVID-19 pandemic on the bank and its customers. Burgan's focus in the near term during the pandemic is on client servicing and risk management, along with continuous enhancements to our digital platform.

Since the beginning of the pandemic and curfew measure implementation, the Bank worked closely with the Government and the Central Bank of Kuwait to provide support to the economy in a quick and efficient way and to support its customers in their financial needs. Moreover, the Bank supported government efforts to combat the spread of the pandemic by contributing towards fund created by Central Bank of Kuwait (CBK) and donated KD 1 million to Kuwait's Red Crescent Society.



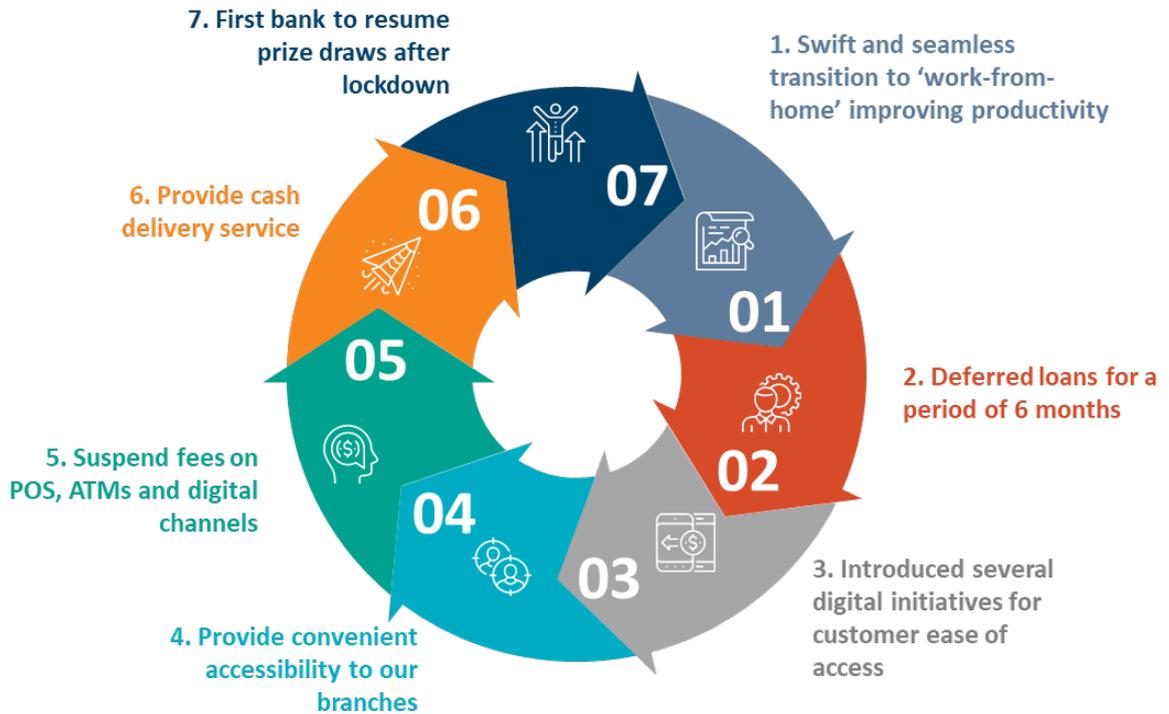
The Bank also took proactive measures and activated emergency plans during the early stages of the crisis in order to protect its employees and ensure business continuity including strict health and precautionary controls to ensure a safe environment for its staff and customers. Given the impact of COVID-19, the Bank and its Subsidiaries are following issued regulatory guidelines and ensured Group wide safety and security standards are upheld. Overall controls and diligence efforts have been maintained satisfactorily in all Subsidiaries.

Concurrently, the Bank sought to leverage the flexibility of its business model, providing support and advice to customers facing financial difficulties and relying heavily on the Bank's digital capabilities to maintain the level of service quality and accessibility that customers would expect in normal times. As the dependency on digital channels increased, a Social Media communication strategy was put in place to make it the main channel of communication during the pandemic. This new strategy ensured a faster response rate towards customer inquiries. In addition, the platform was utilized to educate our customers on general as well as the bank's safety and health measures.

9. Awards and Recognitions



We have also taken the lead in many initiatives during the pandemic that aim to ease banking transactions. Burgan Bank was the first bank to resume prize draws after the lockdown. The bank also introduced an appointment booking service online to give the customers convenient accessibility to our branches, particularly in such times, as maintaining social distancing is crucial. The bank also offered cash delivery service to guarantee comfort by avoiding crowds from going to the branches during this COVID-19 situation. Additionally, the bank collaborated with a number of Kuwaiti businesses to provide delivery of goods to support both customers and community.



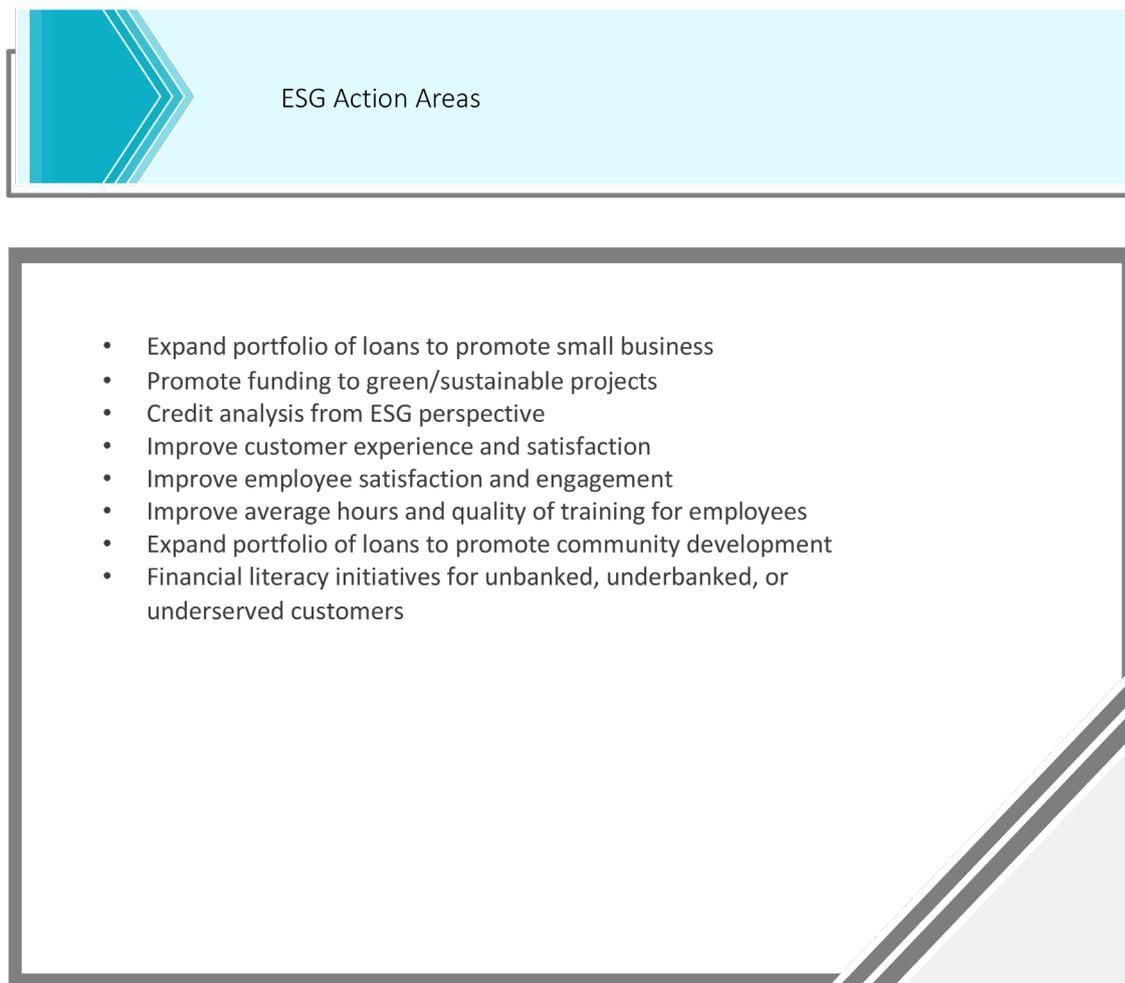
The Bank built a seamless remote working functionality with a swift transition to 'work-from-home'. To ensure the continued support and engagement of Burgan employees, training facilities were moved to an online platform enabling uninterrupted learning opportunities. In this context, and without jeopardizing the Bank's future business plans, the Bank initiated cost-cutting initiatives to reduce the impact of the pandemic on profitability.

In coordination with the Central Bank of Kuwait and the Kuwait Banking Association, the Bank participated in all initiatives aimed at lifting the pressures customers were facing. For example, the Bank extended support to customers by suspending fees on POS terminals, ATMs and digital channels for 3 months and increased the limit for contactless payments. In addition, the Bank provided support to individuals by deferring consumer loans, instalment loans and credit card instalments for a period of six months for all customers.

10. Our ESG Way Forward

We have planted the seeds of robust foundation to take the Bank's ESG performance to the next level with the establishment and implementation of the ESG Framework which guided us to identify and prioritize our ESG action items. As highlighted in this report, we have already contributed heavily to align our ESG practices with the leading practices as stipulated by multiple ESG reporting standards. Additionally, we have identified several areas in which we can further enhance our overall ESG maturity. The Bank is preparing a plan and roadmap to work towards the identified action areas.

Bank's key ESG action areas for the upcoming years are



11. Annexure

Definition of Terms

AGB	Gulf Bank Algeria
APK	Autism Partnership Kuwait
ATM	Automate Teller Machines
BOB	Bank of Baghdad
BSDC	Board Strategic & Digital Committee
CBK	Central Bank of Kuwait
CEO	Chief Executive Officer
COVID-19	Coronavirus
CSR	Corporate Social Responsibility
ESG	Environmental, Social, and Governance
GCC	Gulf Cooperation Council
GHG	Greenhouse Gases
GJ	Gigajoule
GRI	Global Reporting Initiative
IT	Information Technology
ITM	Interactive Teller Machines
KACCH	Kuwait Association for the Care of Children in Hospital
KFAS	Kuwait Foundation for Advancement of Sciences
KD	Kuwaiti Dinar
LC	Letter of Credit
LG	Letter of Guarantee
MENAT	Region comprising of Middle East, North Africa, and Turkey
MSCI	Morgan Stanley Capital International
OCS	Omni Channel Solution
PACI	Public Authority for Civil Information
PIMS	Privacy Information Management System
POS	Point of Sales
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
TIB	Tunis International Bank
VMP	Vulnerability Management Program

GRI Content Index

GRI Standard	Disclosure	Page Reference and Explanation
GRI 102: General Disclosures, 2016		
GRI 102: Organizational Profile		
102-1	Name of the Organization	Page 1
102-2	Activities, brands, products, and services	Page 7
102-3	Location of headquarters	Page 7
102-4	Location of operations	Page 7
102-5	Ownership and legal form	Annual Report
102-6	Markets served	Page 7
102-7	Scale of the organization	Page 7
102-8	Information on employees and other workers	Page 24
102-11	Precautionary principle or approach	Burgan Bank conducts environmental and social assessments as per regulatory requirements
102-12	External initiatives	Page 34
GRI 102: Strategy		
102-14	Statement from senior decision-maker	Page 5 & 6
102-15	Key impacts, risks, and opportunities	Planned under Burgan Bank's ESG way forward and shall start reporting once implemented
GRI 102: Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Page 20
102-17	Mechanisms for advice and concerns about ethics	Page 22
GRI 102: Governance		
102-18	Governance Structure	Page 21
102-19	Delegating authority	Page 21

GRI Standard	Disclosure	Page Reference and Explanation
102-20	Executive-level responsibility for economic, environmental, and social topics	N/A
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 15
102-22	Composition of the highest governance body and its committees	Annual Report
102-23	Chair of the highest governance body	Annual Report
GRI 102: Stakeholder Engagement		
102-40	List of stakeholder groups	Page 15
102-42	Identifying and selecting stakeholders	Page 15
102-43	Approach to stakeholder engagement	Page 15
102-44	Key topics & concerns raised	Page 15
GRI 102: Reporting practices		
102-45	Entities included in the consolidated financial statements	Annual Report
102-46	Defining report content and topic boundaries	Page 4
102-47	List of material topics	Page 15
102-48	Restatements of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	1 st January to 31 st December 2020
102-51	Date of most recent report	16 th February 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Page 4
102-54	Claims of reporting in accordance with the GRI Standards	Page 17 & 18
102-55	GRI Content Index	Page 45

Topic Specific Standard: Economic

GRI Standard	Disclosure	Page Reference and Explanation
GRI 103: Management Approach, 2016		
103-1	Explanation of the material topic and its boundary	Page 26
103-2	The management approach and its components	Page 26
103-3	Evaluation of management approach	Page 26
201-1	Direct economic value generated and distributed	Page 26
Topic Specific Standard: Environment		
GRI 302: Energy, 2016		
103-1	Explanation of the material topic and its boundary	Page 39
103-2	The management approach and its components	Page 39
103-3	Evaluation of management approach	Page 39
302-1	Energy consumption within the organization	Page 39
302-3	Energy intensity	Page 39
GRI 306: Effluents and Waste, 2016		
103-1	Explanation of the material topic and its boundary	Page 39
103-2	The management approach and its components	Page 39
103-3	Evaluation of management approach	Page 39
306-2	Waste by type and disposal method	Page 39
Topic Specific Standard: Social		
GRI 401: Employment, 2016		
103-1	Explanation of the material topic and its boundary	Page 23 & 33

GRI Standard	Disclosure	Page Reference and Explanation
103-2	The management approach and its components	Page 23 & 33
103-3	Evaluation of management approach	Page 23 & 33
401-1	New employee hires and employee turnover	Page 23 & 33
402-1	Minimum notice periods regarding operational changes	N/A
GRI 404: Training and Education, 2016		
103-1	Explanation of the material topic and its boundary	Page 32
103-2	The management approach and its components	Page 32
103-3	Evaluation of management approach	Page 32
404-1	Average hours of training per year per employee	Page 32
404-2	Programs for upgrading employee skills and transition assistance programs	Page 32
GRI 405: Diversity and Equal Opportunity, 2016		
103-1	Explanation of the material topic and its boundary	Page 24
103-2	The management approach and its components	Page 24
103-3	Evaluation of management approach	Page 24
405-1	Diversity of governance bodies and employees	Page 24 and Annual Report

Kuwait Boursa Index

Sustainability Dimension	Sustainability Topics	Sustainability indicators	Disclosure	Page No.
Economy	<ul style="list-style-type: none"> ▪ Market efficiency ▪ Economic contribution ▪ Local economy ▪ Workforce 	1. Annual report	Yes	Annual Report
		2. Sustainability report	Yes	All
		3. Local procurement spending (%)	No	N/A
		4. Full time employees	Yes	Page 24
		5. Employee wages and benefits (KWD)	Yes	Page 24
Environment	<ul style="list-style-type: none"> ▪ Environmental management ▪ Energy management ▪ Atmospheric emissions ▪ Water management ▪ Waste management 	6. Environmental policy	No	N/A
		7. Energy use	Yes	Page 39
		8. Carbon emission	No	N/A
		9. Water use	No	N/A
		10. Waste generated	Yes	Page 39
		11. Waste recycled (%)	Yes	Page 39
Social	<ul style="list-style-type: none"> ▪ Kuwaitisation ▪ Employment ▪ Health and Safety ▪ Diversity and inclusion ▪ Training and development ▪ Human rights ▪ Business integrity ▪ Community initiatives 	12. Kuwaitization (%)	Yes	Page 24
		13. Youth employment (%)	No	N/A
		14. Injury rate	No	N/A
		15. Women in the workforce (%)	Yes	Page 24
		16. Training hours per employee	Yes	Page 32
		17. Employee turnover (%)	Yes	Page 33
		18. Human rights policy	Yes	Page 25
		19. Code of ethics	Yes	Page 22
		20. Community investment	Yes	Page 40
		Governance	<ul style="list-style-type: none"> ▪ Board of directors ▪ Audit and internal controls ▪ Shareholder rights ▪ Executive remuneration 	21. Board independence (%)
22. Risk management committee at the board level	Yes			Page 21
23. Non-audit fees (%)	Yes			Annual Report
24. Voting results	Yes			Annual Report
25. Links between executive pay and Performance	Yes			Annual Report
26. Compliance with the CMA's Corporate Governance regulatory requirements	Yes			Annual Report



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