



البنك الأردني الكويتي
JORDAN KUWAIT BANK



More than just a vision

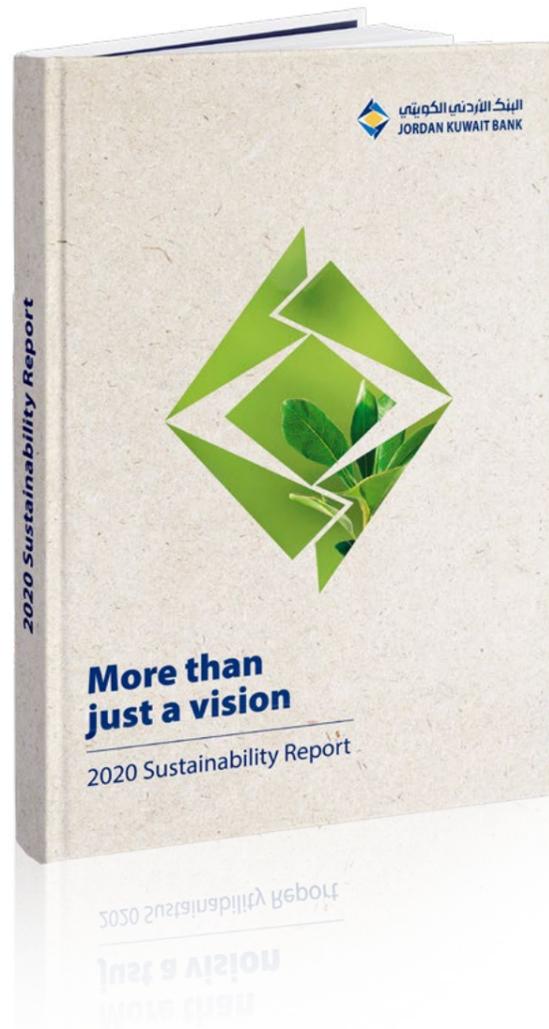
2020 Sustainability Report



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About this report



This 2020 report is Jordan Kuwait Bank's (JKB's) first Sustainability Report. It sheds light on JKB's activities and its environment, social, and governance (ESG) performance throughout the year.

REPORTING PERIOD

The report covers the period from 1 January 2020 to 31 December 2020, unless stated otherwise.

REPORTING FRAMEWORK

This report has been prepared in accordance with the GRI Sustainability Reporting Standards: Core option. It focuses on the material sustainability issues of both JKB and its stakeholders.

REPORT BOUNDARY

The report covers all JKB operating facilities located in Jordan. Data of external contractors, suppliers and clients are not included in this report unless stated otherwise.

MORE INFORMATION

For more information about JKB, please visit our website and social media channels at:



jkb.com



[JKB_Bank](https://twitter.com/JKB_Bank)



[JKB_Bank](https://www.facebook.com/JKB_Bank)



[/jordankuwaitbank](https://www.linkedin.com/company/jordankuwaitbank)

Cautionary Message

This report contains statements that may be deemed as "forward-looking statements" that express the way in which JKB intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved.

JKB has made every effort to ensure that this report is accurate. Due to the nature of forward-looking statements, inherent risks and uncertainties surrounding future expectations could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond JKB's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

CEO Message

Dear Stakeholders,

Today, we are proud to present to you our first Sustainability Report underlining Jordan Kuwait Bank's accomplishments with respect to being "More than Just a Bank", sustaining environmental resources, performance in the economic and social realms, enhancing internal policies and adopting sustainability guidelines and practices.

Our sustainability strategy is directed by our goal to be the financial provider of choice for clients who wish to assemble capital toward the achievement of the 17 United Nations (UN) Sustainable Development Goals (SDGs) and the achievement of the Jordan Vision 2025. This determines our focus on making JKB a force for driving positive and a long-term change for the environment and humanity.

Our sustainability management methodology integrates a conversant sustainability framework which guides our ESG impact and reporting activities while focusing on our material issues. The framework entails our sustainability strategy by creating a storyline, aim, categorizing and structuring on values that all of Jordan Kuwait Bank and its stakeholders can support and take part in. JKB's Sustainability Framework outlines what sustainability means for the Bank by determining the key areas that need to be addressed to develop JKB's sustainability journey. We strive to regularly detect and respond to existing and evolving global and regional matters, especially those presenting risks and opportunities to our business operations and to our key internal and external stakeholders. Materiality is at the heart of sustainability management and reporting has helped us with the formation of our sustainability strategy. In 2020, we conducted a materiality assessment, as determined by the GRI Sustainability Reporting Standards, to reflect stakeholder views on key topics. Through the Materiality Assessment Process, we acknowledged the issues that matter most to our business (economically, environmentally, and socially), and that substantially influence the assessments and decisions of our key stakeholders.

JKB has extensively associated its sustainability strategy to the broader Jordan Vision 2025 with the object of working towards implementing many of the key objectives of the vision including poverty, high rates of unemployment, low level of women participation in the workforce and financial scarceness. The Jordan Vision 2025 is based on the documentation of a set of goals that the Jordanian Government seeks to attain through the adoption of measures and guidelines at a sectorial level. By working with key stakeholders, we can certify that Jordan and its local communities thrive to their full potential. The Sustainable Development Goals (SDGs) are the world's shared plan to end extreme poverty, reduce discrimination and protect the planet by 2030. Adopted by 193 countries in 2015, the SDGs materialised from the most comprehensive and widespread negotiations in UN history and have motivated people from across sectors, geographies and cultures. Attaining the goals by 2030 will necessitate valiant and inventive efforts and the power to learn how to adapt to new information and shifting trends. JKB recognizes the importance of the SDGs and the key role attaining them will have at local, national and international levels. As a key Middle Eastern financial institution, we can play a substantial role in cultivating the lives of people in our communities and positively impact the wider environment.

As a business, we are dedicated to forming lasting relationships and engaging experiences with our customers. JKB aims to provide the highest level of customer service and experiences, and offer the utmost levels of fulfilment through quality



products and cutting-edge technology. The concept of responsible banking is highlighted for customers through the incorporation of ESG factors into JKB's products and services while making them wide-ranging and reachable to every customer. Furthermore, employing responsible investment and financing can lead to constructing long-term sustainable returns for JKB while assisting borrowers to become more sustainable and aware. With our strong position in Jordan, we are well positioned to assist our customers meet their financial objectives by providing them with banking services based on high levels of financial competence and leading innovative solutions. We believe that working in the future will necessitate an active and connected workforce that responds to ever-changing conditions, along with progressing client behaviour and needs. Building on our experience and competences, we embrace cultural and digital transformation to allow our employees to succeed in new environments and to safeguard our competitive advantage in the market. In response to the COVID-19 pandemic, we further enhanced the execution of new ways of working and instigating innovative new products to our clients. Our industry is playing an active role in addressing global issues such as human rights and the protection of our environment. In response to these emerging risks and opportunities, we are shaping appropriate solutions and commitments through our banking products and services. JKB's success is strongly linked with the quality and proficiency of its people.

When the pandemic first reached Jordan in March 2020, the year witnessed bizarre and tough times due to the Coronavirus Pandemic and its hostile impact on numerous economic sectors; health, education and tourism. Expectations varied in respect of the intensity of the pandemic's effects, and the ambiguity of its evolvement. Hesitations increased vis-à-vis the economy's recovery opportunities and the extent of its fast response competency, at the global and local levels. Notwithstanding the many encounters of the pandemic, JKB voiced a response that put our people first. Our response focussed around three key groups – our employees, our customers and our community. The health of our staff is of greatest importance. We set out clear recommendations on our COVID-19 response and affiliated early in the pandemic with third-party medical services to facilitate quick testing for suspected COVID-19 cases. All staff were entitled to free PCR tests, support and health advice. All health costs were covered by JKB for positive COVID-19 cases and an internal team provided help and support through daily calls regarding staff health.

As for the Bank's customers, the Bank worked throughout the year to support its customers affected by the repercussions of the pandemic, whereby multiple loans were granted – under a Central Bank supported scheme – at very low interest rates to SMEs and Corporate customers, which greatly supported the operational activity of these companies, in addition to the deferment of multiple instalments of loans extended to companies, SMEs and retail customers to be in line with the imbalances in the cash flows due to the pandemic.

With regards to the Community, and despite the difficult circumstances the world faced during 2020, the Bank continued to carry out a number of initiatives and programs aimed at achieving sustainable impact for beneficiaries in the local community and donating to the Ministry of Health and the government fund that was set up to provide financial and temporary humanitarian assistance to citizens and residents suffering from difficult living conditions as a result of the pandemic and to support the public health sector and enable it to provide health services to Jordanian citizens and residents in combatting the pandemic.

To conclude, I am pleased to extend my deep appreciation to JKB's Board of Directors, for their dedication, the Bank's customers and shareholders for their buoyancy and support. We also extend our gratefulness to H.E. the Governor of the Central Bank of Jordan, his two deputies, and staff. I further extend my deep gratefulness to all the management and employees at the Bank for their efforts, genuineness and role in realizing the Bank's objectives, achievements and prosperity. We ask God Almighty that next year shall bear kindness and blessings for all and that normal life shall be returned in our country and around the world soon.

Sincerely,

Haethum Buttikhi

About JKB

The slogan "More than just a bank" summarises the set of policies and strategic goals put in place by Jordan Kuwait Bank's Board of Directors during the launch of the overall change and development plan in mid-1997. The context and definition of the slogan reflects JKB's commitment to achieving a pivotal leap in all areas of business, aimed at expanding the services and products offered to include the latest innovations and technologies.

JKB's services were extended to include the provision of investment advisory, legal services, financial engineering, insurance, brokerage and other services that global financial institutions offer, thus turning the Bank into a one-stop customer service provider of integrated and comprehensive service offerings which meet all the needs of individual and institutional clients.

This concept of "More than just a Bank" has evolved overtime and now extends far beyond simply expanding our service offerings. This term is embedded in our culture as it encompasses our drive and belief in being a bank for people, with purpose. We realise the responsibility required by us, towards the society and the environment, to go above and beyond in simply providing a service to our customers. We have a duty to contribute to humanitarian and social issues; reduce our environmental and ecological impact; care for our employees and customers; and work with our communities and stakeholders for long term sustainable development.



Our Charter

Our Commitment

Since the establishment of Jordan Kuwait Bank on October 25, 1976, it has been conscientious about playing a leading and distinctive role in serving Jordan's national economy; providing distinguished and comprehensive banking services and solutions that meet the needs and interests of the Bank's clients and the general public through a wide network of branches in Jordan and Cyprus.

Our Vision

"To be one of the pioneer Arab banks through offering distinguished comprehensive banking solutions, in line with the latest developments in the banking industry and e-business in the world."

Our Values

- ◆ Integrity
- ◆ Compliance with the laws
- ◆ Transparency
- ◆ Loyalty to the Bank

Our Mission

"We are a Jordanian banking institution that offers global services assured with high quality and professionalism, by taking full advantage of the Bank's advanced technological capabilities and its staffs' efficiency to render qualified services to customers. JKB seeks to diversify its customer base to include various Jordanian & Arab economic sectors, in order to achieve a rewarding yield to shareholders, in addition to enhancing the national economy development, and society welfare."

Jordan Kuwait bank is developing a new vision, mission and values statement that will be announced in 2021.

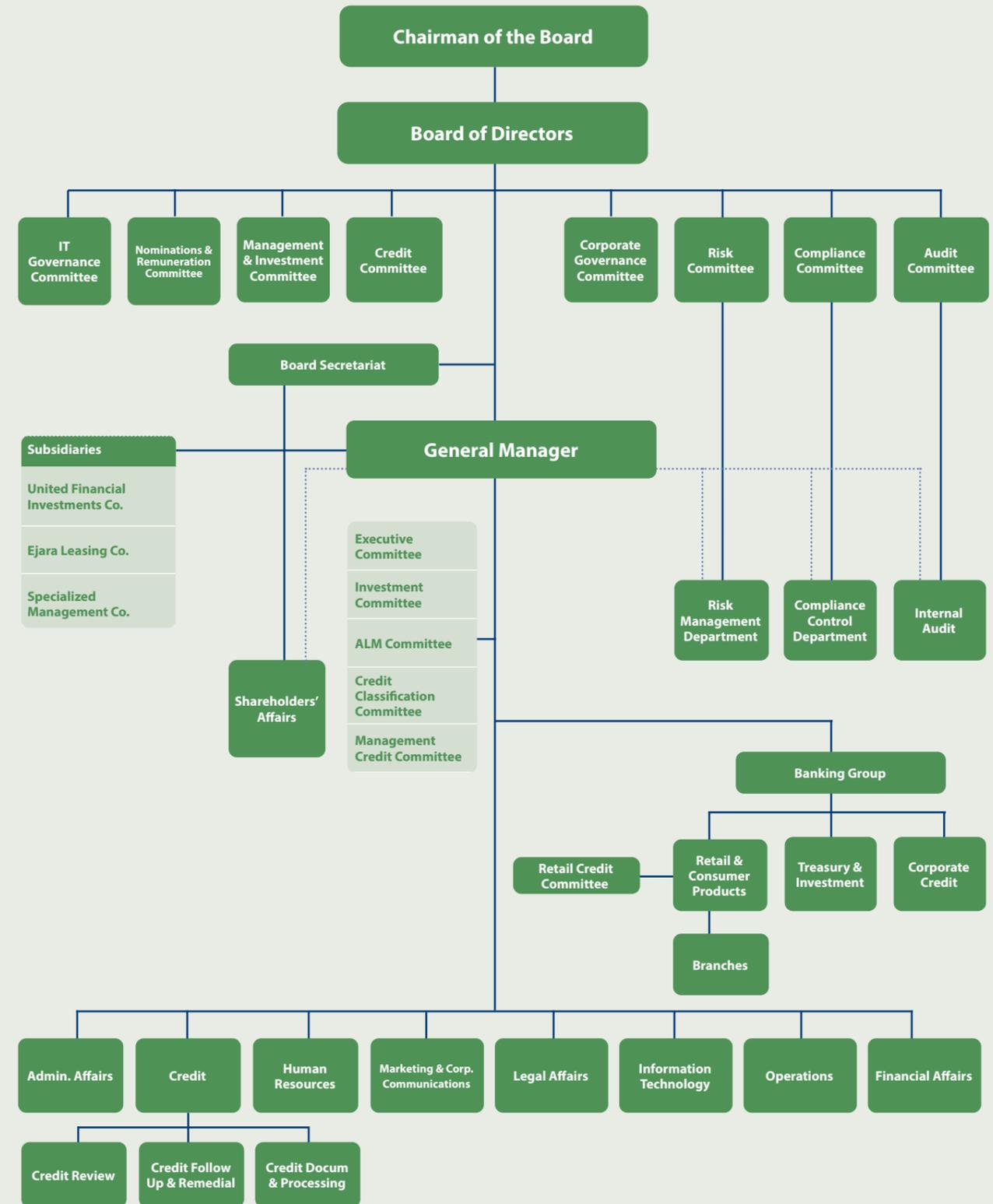
JKB in numbers



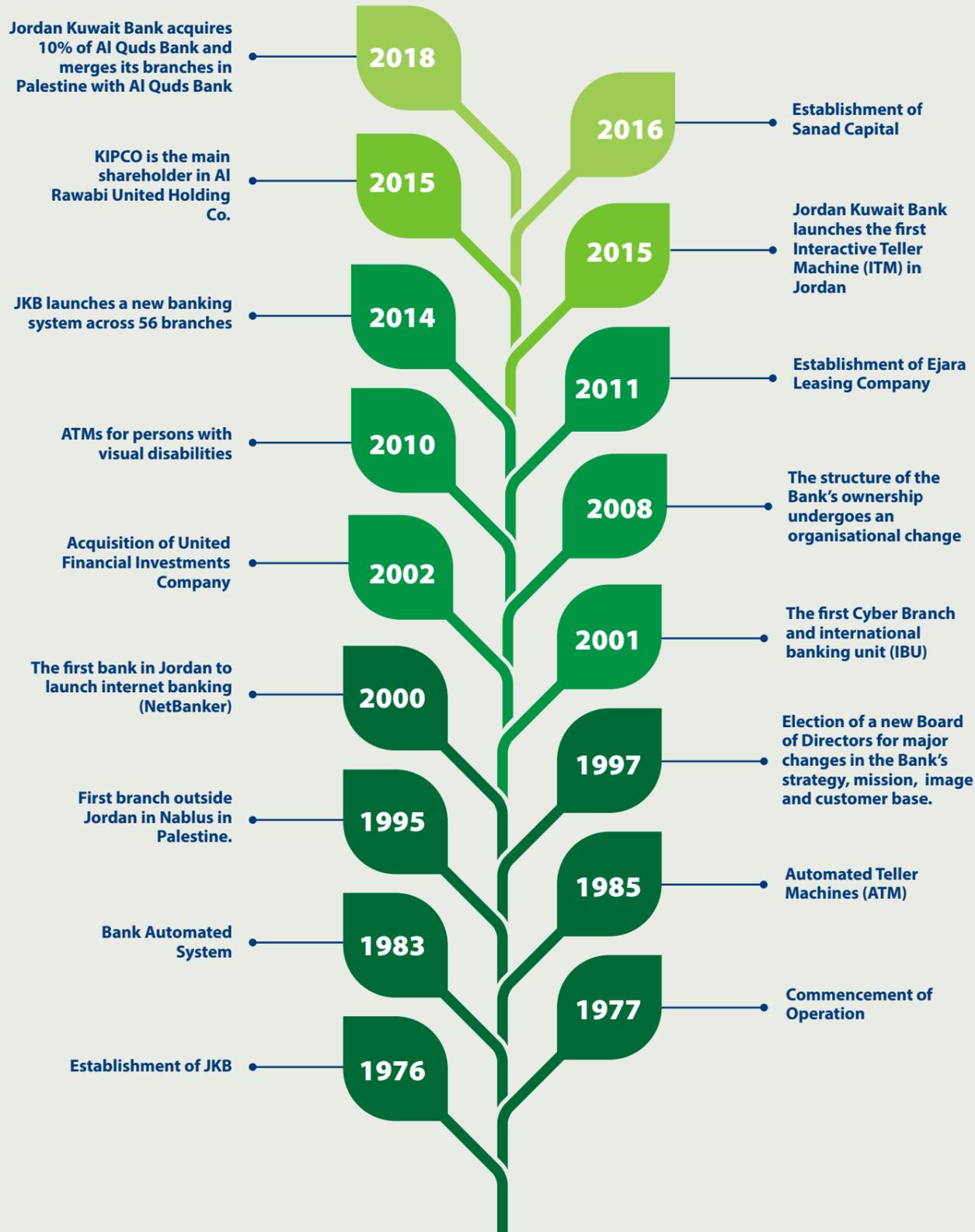
¹Earnings Before Interest, Taxes, Depreciation, and Amortization

Organisation Structure

Jordan Kuwait Bank Organisation Structure 2020



Our Journey



Affiliates and Partners



Kuwait Projects Company Holding (KIPCO)
KIPCO is the main shareholder in Al Rawabi United Holding Co., which in turn owns about 51% of Jordan Kuwait Bank's capital.



Al Rawabi United Holding Co.
Owns about 51% of Jordan Kuwait Bank's capital. A subsidiary of KIPCO (Kuwait Investment Projects Company).



Ejara Leasing Company.
Fully owned by Jordan Kuwait Bank.



Specialised Management Co. For Investment & Financial Advisory (Sanad Capital)
was founded on November 22, 2016 as a private limited company with a paid-up capital of JD530 thousand (USD747 thousand) fully paid by the Bank.



United Financial Investments Company
Subsidiary of Jordan Kuwait Bank with the Bank holding a controlling share (more than 50%) of its capital.



Quds Bank
Jordan Kuwait Bank holds 10% of its capital.



Bank of Baghdad
A sister company. Bank of Baghdad is a subsidiary of Burgan Bank Group.



Tunis International Bank
A sister company. Tunis International Bank is a subsidiary of Burgan Bank Group.



United Gulf Bank
A sister company. United Gulf Bank is a subsidiary of Kuwait Projects Company Holding (KIPCO).



Gulf Bank Algeria
A sister company. Gulf Bank Algeria is a subsidiary of Burgan Bank Group. Jordan Kuwait Bank holds a stake of 10% in its capital.



Burgan Bank - Turkey
A sister company. Burgan Bank - Turkey is a fully owned subsidiary of Burgan Bank Group.



FIMBank
A sister company. United Gulf Bank is a subsidiary of Kuwait Projects Company Holding (KIPCO).

Burgan Bank
A sister company. Burgan Bank - Kuwait is a fully owned subsidiary of Burgan Bank Group.

Associations and Memberships

Stakeholder expectations for the way JKB operates and what it can do better are vital to us. Partnerships with our stakeholders are an essential lever to success, as we recognise that collaboration is needed to meet global and complex challenges. We have partnered with various institutions and have become members of a wider technical community to help us with our business, financial, social and environmental endeavours. Our list of memberships include:



Mabaret Um Al-Hussein, since 2006:

Provides shelter and education for young Jordanians aged 6 to 18 years old.



SOS Children's Villages Jordan, since 2004:

cares for over 30% of orphaned and vulnerable children in Jordan who lack parental care. Comprises of 32 houses, 3 villages and 9 youth houses in the cities of Amman, Irbid and Aqaba. Children are provided with accommodation, education, skills, protection, social inclusion, food security, physical health needs, livelihood, social and emotional well-being.



The Jordan Hashemite Charity Organisation for Relief & Development (JHCO), since 2014:

extends a helping hand to people in need in Jordan and abroad by sending emergency assistance and other forms of relief to victims of both man-made and natural disasters.



Tkiyet Um Ali, since 2006:

provides food and services to the less privileged sectors of Jordanian society, in specific the deprived and famished.



Al-Aman Fund, since 2008:

provides education to the boarding orphans, who have resided in orphan care centres, and to non-boarding orphans who live in poverty with a guardian or an immediate relative, whom are supported by orphan support organisations.



Edama, since 2014:

cultivates an environment where innovative solutions for energy and water independence and environmental conservation emerge.



INJAZ, since 2011:

inspires and prepares the youth to become proactive members of their society and to accelerate the development of the national economy.

Awards



As an outcome of high trust, commitment and friendship with all sectors and in recognition of the Bank's achievements results and distinguished performance, JKB has received a number of global recognitions and awards.

2015

- ◆ **Best Retail Bank in Jordan 2015**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Private Bank in Jordan 2015**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best CSR Bank in Jordan 2015**
Awarding Organisation: Global Banking and Finance Review.

2014

- ◆ **Best Core Banking Implementation in Jordan 2014**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Retail Bank in Jordan 2014**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Private Bank in Jordan 2014**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best CSR Bank in Jordan 2014**
Awarding Organisation: Global Banking and Finance Review.

2013

- ◆ **Best Retail Bank in Jordan 2013**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best CSR Bank in Jordan 2013**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Private Bank in Jordan 2013**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Co-branded credit card in Jordan 2013**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Golden Award: Category of Banks and Financial Institutions in the Arab region.**
Awarding Organisation: Pan Arab Web Award Academy.

2012

- ◆ **Best Bank in Jordan for 2012**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Private Banking in Jordan 2012**
Awarding Organisation: Global Banking and Finance Review.
- ◆ **Best Co-branded credit card in Jordan 2012**
Awarding Organisation: Global Banking and Finance Review.

2010

- ◆ **Bank of the Year 2010 in Jordan**
Awarding Organisation: The Banker.

2007

- ◆ **Bank of the Year 2007 in Jordan**
Awarding Organisation: The Banker.

2006

- ◆ **Bank of the Year 2006 in Jordan**
Awarding Organisation: The Banker.

2005

- ◆ **Best Internet Bank for 2005**
Awarding Organisation: Global Finance.
- ◆ **Best Bank in Jordan for 2005**
Awarding Organisation: Global Finance.



JKB's COVID-19 Response

The outbreak of the global COVID-19 pandemic in 2020 posed an unprecedented challenge for society and the economy. The unexpected year was subjugated by restrictions on many areas of professional, social, cultural, public and private life. The COVID-19 health crisis has developed into an economic crisis for many people. In addition, natural disasters devastated the health and economic wellbeing of many people in our markets. Despite the many challenges of the pandemic, JKB formulated a response that put our people first. Our response centred around three key groups – our employees, our customers and our community.

Our Employees

The global COVID-19 pandemic introduced an unprecedented situation for JKB and its employees. A key priority throughout 2020 was safeguarding the health and well-being of our employees and their families and providing them additional support. We enabled staff to work flexibly and remotely where roles were not required to be on site, this scheme enabled 50% of our staff to work remotely. For staff who were unable to work

remotely, strict health and safety measures were put in place. Staff were provided with personal protective equipment (PPE), including facemasks, gloves and hand sanitisers and buildings were cleaned and sanitised daily. Social distancing was of high importance, and we created additional workspaces to allow extra space. We delivered regular campaigns to our staff, including advice and support to ensure they received clear guidance at all times. All measures were outlined in our business continuity and safety action plans, ensuring that all risks were adequately assessed.

Recognising the additional pressures placed on our employees from the shuttered workplaces and schools, restricted activities and near continuous change, we introduced a variety of measures throughout 2020 to help them adapt. For example, we offered all staff digital means of communication, which reduced and almost eliminated our physical internal mail and its associated waste. We also introduced new digital online training schemes, including our internal training portal 'SALALEM', which allowed staff to continue to learn and develop. Our Human Resources (HR) systems were placed online,

including new staff Onboarding through the 'Elevatus' program, support schemes and communication channels for existing staff.

The health of our staff is of utmost importance. We set out clear guidelines on our COVID-19 response and partnered early in the pandemic with third-party medical facilities to enable quick testing for suspected COVID-19 cases. All staff were entitled to free PCR tests, support and health advice. All health costs were covered by JKB for positive COVID-19 cases and an internal team provided help and support through daily calls regarding staff health.

Our Customers

Our customers were also the focus to our COVID-19 response. When the pandemic started, we implemented various schemes to ensure our business could continue with minimal disruption to our services. Our strategy team worked hard to ensure that our clients had continuity of service and twenty-four hours a day, seven days a week support, accessible through new digital channels. Clients were directed towards the e-banking services which resulted in a significant increase in their use across all areas. To respond to changes in demand, we enabled JoMoPay services on all JKB ATMs. These services allowed clients to withdraw and deposit cash from JKB ATMs. This was in line with the Central Bank of Jordan (CBJ) regulations. JKB was the first bank to launch this service, and in order to support the people and government of Jordan during the pandemic, JKB released this service free of charge. As part of the COVID-19 response, JKB has initiated the Western Union Digital service. This service - being completely operated by JKB as a partner and a settlement bank - allows customers and non-customers to digitally send local and cross-border remittances through the Western Union application or website. This service is the first of its kind in Jordan.

JKB has also automated the process of sending customer's International Bank Account Number (IBANs) to the Social Security Corporation, making it faster and manageable to access financial help and services.

To make our services accessible remotely, we have created an online mobile application to allow our customers access financial services from anywhere, with the capability to postpone their loan instalments automatically without the need to visit a branch. Lastly, we automated the Liquidity Ratio reports to be sent from

JKB to CBJ automatically without manual work, which has sped up our processes and enabled our business to remain nimble. All changes were published via our social media and digital channels to ensure our clients were informed of our service changes and the importance of following public health measures.

Our Community

We are committed to addressing important social issues through our community support programs. During the pandemic, our commitment and responsibility were necessary to our local, regional and national communities were of highest importance. We ran many community initiatives during the pandemic, which changed gradually with community needs and restrictions. Early on in the pandemic, Jordan announced the requirement to stay at home. In order to help raise awareness of this need, we ran the "Baytk Hosnak" initiative, which involved distributing kites that filled the sky of East Amman bearing the slogan "Stay at home". Unemployed youths in eastern Amman assembled the kites and distributed them to children after sterilising them and maintaining the standards of public safety, in an effort to motivate them to adhere to government measures and stay in their homes. As part of the same initiative, the Bank distributed the kites in Zarqa Governorate too. The kites were also manufactured by unemployed Jordanian youth in this governorate and, in accordance to public safety standards, were distributed to children after sterilisation, so that they could fly them from their homes. Through these initiatives, we supported economic development amongst the youth populations in deprived areas whilst raising awareness of important issues.

Himmat Watan Fund

In response to the exceptional and critical circumstances that accompanied the pandemic, and to respond to Defence Order No. 4 to establish "Himat Watan" Fund, and to respond to the call of duty, the Bank and the Executive Management contributed to the Fund. It aims to provide financial and temporary humanitarian assistance to citizens and residents suffering from difficult living conditions as a result of the crisis.

1 Sustainability at JKB

Our sustainability strategy is guided by our goal to be the financial provider of choice to clients who wish to mobilise capital towards the achievement of the 17 United Nations (UN) Sustainable Development Goals (SDGs) and the achievement of the Jordan Vision 2025. This demonstrates our focus on making JKB a force for driving positive and a long-term change for people and the environment.



1.1 Sustainability Management Approach

We are aware that the activities and decisions of our clients can have substantial impacts on society. For that reason, we strive to incorporate environmental, social and governance (ESG) impacts into the products and services we provide to clients and also partner with them. We believe that by considering sustainability factors, JKB and its clients can enhance wider sustainability-related benefits for people and the environment. We also share our insights to help clients navigate some of the sustainability-related risks and opportunities ahead and to help mobilise capital toward achieving both the SDGs and the Jordan Vision 2025.

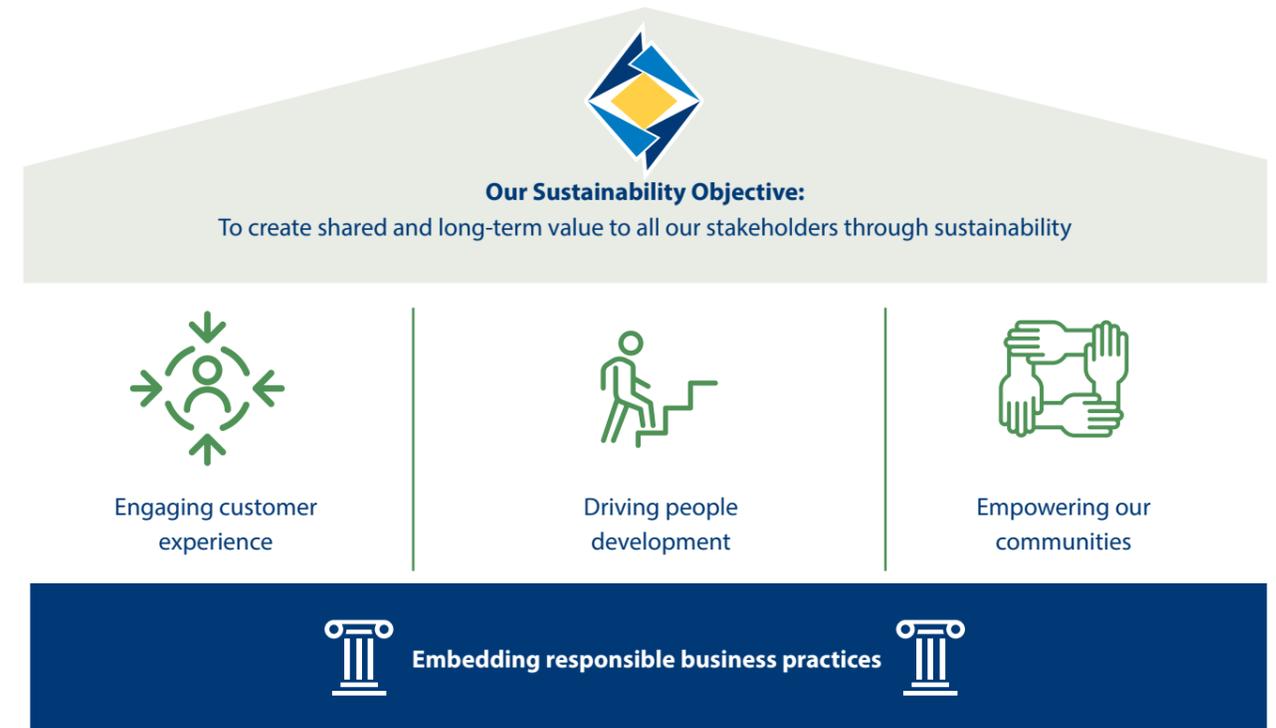
Our sustainability management approach incorporates an informed sustainability framework which guides our ESG impact and reporting activities, whilst focusing on our material issues. The framework enables our sustainability strategy to create narrative, intention and identifying

and building on values that JKB and our stakeholders can support and engage with. JKB's Sustainability Framework summarises what sustainability means for the Bank through identifying the key areas that need to be addressed and balanced to advance JKB's sustainability journey. The framework revolves around four pillars that align with JKB's mission, values and material topics. The key pillars are:

1. Embedding responsible business practices.
2. Engaging customer experience.
3. Driving people development.
4. Empowering our communities.

The framework is anchored by responsible business practices that serves as a basis to the other sustainability pillars.

Sustainability Framework at JKB



1.2 Engaging our Stakeholders

The key levers for an effective and efficient execution of our sustainability strategy are our governance framework, our reporting efforts and our engagement with stakeholders.

We place great emphasis on learning the views and values of our stakeholders with regard to the business activities of JKB and its role in society. Our sustainability strategy cuts across the entire business, subsequently it is essential to have clear roles and responsibilities to enable efficient execution. This is of particular importance for the sustainable finance area that has matured and grown in significance to steadily involve more employees across the organisation.

We regularly engage our internal and external stakeholders on a range of issues, in order to understand the importance of certain topics to guide our sustainability strategy. Their views, opinions and expertise can help guide our issues of focus, key performance indicators and the overall strategy. Progress can only be achieved by an integrated and inclusive approach; it is thus important that all stakeholders have a clear voice to express their opinions and help drive change.

In 2020, we worked to identify our key stakeholder groups by establishing representatives and points of contact for each. These key groups are shown in the info-graphic below:

Key Stakeholder Groups



1.3 Materiality: The Issues that Matter

We seek to continuously identify and respond to existing and emerging global and regional matters, especially those presenting risks and opportunities to our business operations and to our key internal and external stakeholder groups. To effectively identify and respond to such matters, we engage with our business and stakeholders to understand what the material matters are. Materiality is at the heart of sustainability management and reporting which has helped us with the creation of our sustainability strategy.

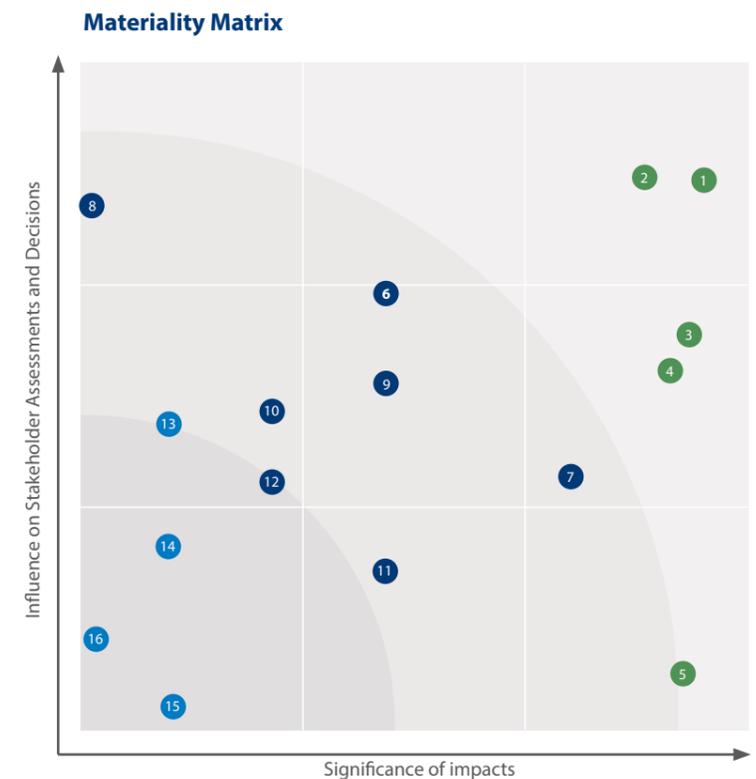
In 2020, we conducted a materiality assessment, as defined by the GRI Sustainability Reporting Standards, to consider stakeholder views on key topics. Through the Materiality Assessment Process, we identified the issues that matter most to our business (economically, environmentally, and socially), and that substantially influence the assessments and decisions of our key stakeholders.

Our materiality assessment incorporated formal and informal monitoring, dialog with stakeholders and relevant external studies and reports. To identify material issues, we followed the following three main steps:

- ◆ **Identify:** Initially, a list of potential material issues identified through desktop research that included; reviewing industry peers, internal stakeholder interviews and international standards such as the GRI Sustainability Reporting Standards, Sustainability Accounting Standards Board (SASB), United Nations Principles for Responsible Banking (UN PRB), Jordan Vision 2025 and Amman Stock Exchange Guidance on Sustainability Reporting.
- ◆ **Prioritise:** Potential material issues were subsequently prioritised in terms of their perceived importance to both internal and external stakeholders.
- ◆ **Validate:** The results were revised by JKB's management to make sure the material topics' list was complete and inclusive of all stakeholders' perspectives.

The results of our materiality assessment, presented below, clearly outlines the material topics, from highest to lowest importance of materiality, as defined by our key stakeholders:

Most Important	
1	Ethical Conduct
2	Compliance
3	Customer Satisfaction
4	Data Security & Privacy
5	Governance, Accountability and Transparency
Very Important	
6	Risk Management
7	Talent Attraction and Retention
8	Responsible Investment and Financing
9	Employee Well-being
10	Diversity and Inclusion
11	Human capital Development
12	Digital Innovation
Important	
13	Financial Inclusion
14	Direct Environmental Impact
15	Sustainable Procurement
16	Community Support and Development



1.4 Our Contribution to the SDGs and Jordan Vision

Jordan Vision 2025

The Jordan Vision 2025 is based on the identification of a set of goals that the Jordanian Government aspires to achieve through the adoption of procedures and policies at the sectorial level. The objectives include:

- ◆ Economic growth, fiscal stability and reduction of financial waste and public debt to safe levels.
- ◆ Foreign investment by enhancing and increasing business and investment competitiveness.
- ◆ Development of economic sectors through market creativity and honing the tools and means of high-value-added export-oriented sectors.
- ◆ Encouragement of small and medium-sized businesses.
- ◆ Enhancement of the policies governing the labour market.
- ◆ An increment of women's participation in the labour market.
- ◆ Giving necessary attention to people with special needs.



Sustainable Development Goals

The Sustainable Development Goals (SDGs) are the world's shared plan to end extreme poverty, reduce inequality and protect the planet by 2030. Adopted by 193 countries in 2015, the SDGs emerged from the most inclusive and comprehensive negotiations in UN history and have inspired people from across sectors, geographies and cultures. Achieving the goals by 2030 will require heroic and imaginative effort, determination to learn about what works and agility to adapt to new information and changing trends.

JKB acknowledges the importance of the SDGs and the key role it can play in achieving SDG goals at a local, national and international level. As a key Middle Eastern financial institution, we can play a significant role in improving the lives of people in our communities and enhance the wider environment. Our sustainability strategy seeks to align to SDG goals, and we will look to deepen our commitment and alignment as our sustainability journey progresses.

Objectives of Jordan Vision 2025



1.5 2020 Sustainability Performance Highlights

 <p>99% customer satisfaction</p>	 <p>JOD 60 million total value of 'green' assets</p>	 <p>JOD 2.56 million of donations</p>
 <p>13% increase in total retail banking customers</p>	 <p>10% reduction in total electricity consumption</p>	 <p>Completed 14 health related projects for the community</p>
 <p>134% increase in number of online/mobile transactions</p>	 <p>Eliminated diesel consumption for HVAC</p>	 <p>Zero grievances and code of conduct breaches</p>
 <p>Zero data security breaches</p>	 <p>100% retention rate after parental leave</p>	 <p>30% of middle management are females</p>

2 Our business practices

Sound and resilient business practices are paramount to achieving JKB's objectives and maintaining its leading position within the local and regional banking sectors. JKB is aligned with the Central Bank of Jordan's (CBJ) requirements and international standards for promoting good governance, ethical conduct, human rights and data security through its corporate governance policy, which mitigates against and addresses any form of financial crime such as bribery, corruption and money laundering. Moreover, its Enterprise Risk Management (ERM) enables JKB to identify the associated risks and manage them effectively.

Our sustainability strategy incorporates our role as a responsible banker, which is reflected in our products, services and processes. This begins with sustainable corporate governance and includes financial security, protection of customer data, corresponding risk processes and responsible lending, to name just a few examples. We have a responsibility to use sustainable financial products and services in a way that positively impacts the environment and society, whilst simultaneously support our customers to a sustainable future.

Numerous policies have been implemented to ensure that our corporate governance aligns to our overall vision, mission and aims and forms an integral part of our sustainability strategy. Key policies include anti-fraud, anti-bribery and corruption (including a guide) and policy regarding gift acceptance and hospitality. All of which contributes towards JKB's commitment to attaining the highest levels of ethical standards and employee behaviour.

Board of Directors	2018	2019	2020
Percentage of Board seats occupied by independent ² directors	38.5%	38.5%	38.5%
Executive members of the Board of Directors	0	0	0
Independent members of the Board of Directors	5	5	5
Non-independent members of the Board of Directors	8	8	8

Anti Fraud

As a bank, we recognise the risk of fraud faced by our products and services. To combat this threat, we have put in place various measures to prevent fraud. We have an anti-fraud solution related to bank cards called Decision Intelligence and another solution for the Western Union Digital App Transfers called Sift Science. These solutions act as a preventative and mitigation measure within these services. Currently, we have special reports provided by Smart Vista which display systems relating to Card security codes. This system is due to

be further enhanced by a comprehensive anti-fraud solution in 2021.

To help our clients with fraud awareness, we regularly promote content through our social media channels, flyers and periodicals. Amongst our staff and stakeholders, we have held training sessions using our internal Salalem system which incorporates videos and tests for trainees. We are also working with our subsidiaries to implement the same measures.

² An independent director is one who, apart from receiving director's remuneration, does not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, which in the opinion of the board would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In other words, an independent director has no material relationship with the company, either directly (as an employee) or as a partner, shareholder or officer of an organization that has a relationship with the company.

Code of Conduct

Our Employees Code of Conduct and Standards of Professional Conduct is the overarching governance document reflecting the purpose and values of JKB and our expectations regarding employees' conduct. It identifies the principles we seek to uphold and the associated areas that underpin wider rules and standards across policies, processes and risk management. The Code ensures that an ethical, moral and professional work environment is maintained in our Bank. Every employee

contributes to the development of an ethical culture by conducting themselves in alignment with the Code and remain compliant with best international standards of financial institutions. The Code is also presented to all newly joined employees and is published on our Human Resources Portal for continuous access.

Conduct and Compliance	2018	2019	2020
Number of breaches reported against code of conduct	0	0	0
Number or percentage of employees attending the code of ethics training	0	0	0

Audits

The Internal Audit Department is independent from the executive management, as it reports directly to the Board's Audit Committee. It contributes towards the achievement of the Bank's goals by acting as a third-line of defence, after management and other departments, regarding the effectiveness of risk management, control and governance processes.

The Internal Audit Department adopts a risk-based approach, so that all auditable entities and activities are subject to audit according to their risk assessment results in order to ensure full compliance with the requirements of the relevant regulatory authorities and internal standards as well as follow up on agreed corrective action plans until resolution. Internal audit methodology is approved in accordance with international internal auditing standards and is also assessed via an external quality assurance program as Generally Conformed within the level of "Assurance Service Provider", which is conducted by PricewaterhouseCoopers (PwC).

At the beginning of 2020, Internal Audit activity processes were automated using a new audit management system and new data mining system.

In 2020, we faced many challenges, particularly the completion of the annual Audit Plan. Due to social

distancing and remote working conditions, Audit Plan completion was a significant challenge that was exacerbated by the closure of Banks in Phase One of the Government's response and the partial closure during Phase Two. During these phases, staff mobility was limited, and few staff were allowed on site. Therefore, Internal Audit moved towards a continuous audit approach; particularly over sundry and suspense accounts beside reversal entries; updated audit work procedures and some of the audit work programs. Despite these challenges, the Bank prevailed, and maintained as many operations as it could.

Lines of Defence at JKB



2.1 Risk Management

JKB has well-established internal control systems, which entails documented controls and requirements in the relevant governance documents. Our internal control systems enabled us to be transparent regarding roles and responsibilities, periodically validate the adequacy and efficiency of the controls concerning the management of risks, and periodically assess the controls by means of various forms of tests to measure their effectiveness.

Our established internal control systems ensured effective risk management against the risks facing our business. Our internal controls are defined and documented throughout numerous governance documents and are implemented as appropriate. They apply the principle of segregation of duties for sustainable risk management within the framework of governance, in order to increase the effectiveness of supervision and improve the operational risk management. JKB complies with CBJ regulations in terms of Control Objectives for Information Technologies (COBIT) and Cybersecurity resilience frameworks. In 2020, we recertified to the Payment Card Industry Data Security Standard (PCI DSS) as per CBJ regulations.

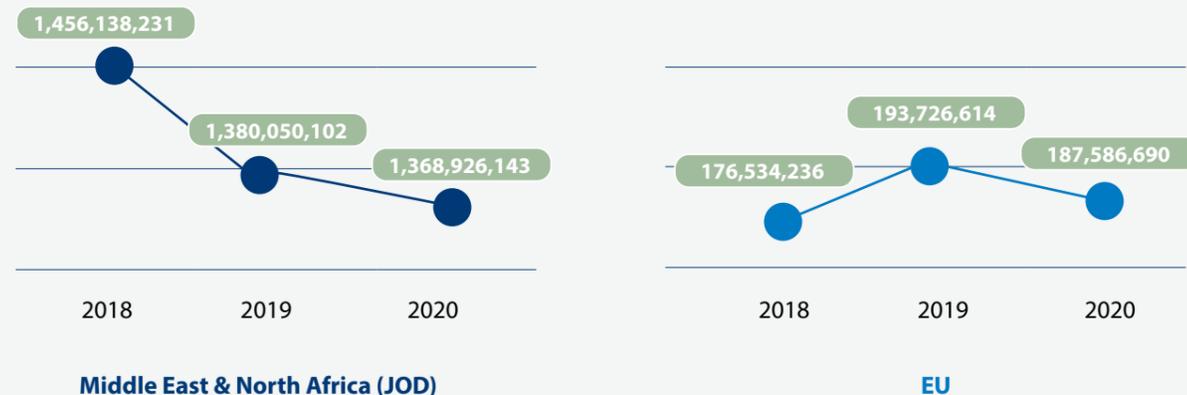
Our Risk Management Team continuously evaluates the risks that our business may be exposed to, and implements adequate mitigation measures that enhance growth opportunities, achieve strategic goals, and improve the operational efficiency and effectiveness. The team has worked to implement the necessary methodologies to manage and monitor all kinds of risks to comply with the

latest international practices. This has led us to implement the necessary procedures and strategies to be followed, in order to manage different types of risks within the Bank risk's profile.

Currently, the Risk Management Team are working to obtain ISO certifications for Information Security Management System, which are expected to be obtained by the end of 2021. In addition, the team is working to implement an automated tool for Business Continuity Management Program and looking at establishing or outsourcing a Security Operations Centre for functions monitoring.

Our Risk Management framework also identifies the risks faced by employees to ensure maintaining the general safety and the appropriate work environment. Our teams are continuously pursuing high satisfaction levels for employees, by monitoring operational risk indicators, and analysing the employee turnover rate. JKB has established concentrated awareness and phishing simulation campaigns for all employees along with security tips, to follow during remote work and online meetings. To help in digital protection, Risk Management have established a tech-refresh project to establish three new data centres covering Main, High-availability, and Disaster Recovery functions.

Value of loan portfolio by region (JOD):



Total loans given in the following CBJ economic sectors (JOD):	2018	2019	2020
Financial	55,140,046	62,778,442	61,592,440
Manufacturing	382,276,907	348,263,982	347,149,023
Commercial	279,872,537	222,663,207	236,628,918
Properties	189,609,815	180,650,466	173,901,107
Agricultural	29,455,811	37,380,893	30,624,965
Shares	7,986,992	7,786,209	2,476,157
Individuals	208,599,689	227,670,648	220,921,045
Services	333,367,493	358,547,947	370,887,734
Government and Public Sector	146,795,699	128,438,162	112,438,870

2.2 Business Integrity

A strong compliance culture empowers all employees to take positive steps to ensure that JKB adheres to applicable laws, rules and regulations. This is achieved by setting a clear tone from the top; reinforcing individual accountability and risk-awareness through appropriate policies and training; and supporting open communication through accessible tools, behavioural standards and reward structures. As regulatory requirements continue to evolve, we will also continue to invest in developing our risk management framework and capabilities to ensure that any new expectations remain firmly embedded in our daily activities.

2.2.1 Ethical Conduct and Compliance

JKB recognises that it is subject to perform its operations in compliance to established laws and regulations. We are aware that should there be any negligence from our behalf, we are putting the Bank at risk for reputational damage, financial losses, and incurring any associated liabilities and responsibilities. We understand transparency to be: clarity, performing our duties as intended, not withholding any information, and disclosing all information as required by the established laws, regulations and ethical standards.

Our Regulatory Compliance Unit works hard to establish and publish clear work procedures and instruction manuals to all employees. This comprises general policies for all working centres throughout the Bank and are in accordance with the instructions issued by the regulatory authorities. Our published work procedures and instruction manuals include:

- ◆ Anti-money laundering and Counter Terrorist financing (AML/CTF) Policy.
- ◆ AML/CTF Handbook (Procedures Manual).
- ◆ Customer Acceptance Policy.
- ◆ Sanction Policy.
- ◆ Sanction Handbook (Procedures Manual).
- ◆ AML/CTF in Correspondent Banking Policy.
- ◆ Military Matrix.
- ◆ ML/TF Risk Self-Assessment Methodology.
- ◆ Risk Appetite Document.
- ◆ Country Risk Classification Methodology.

The Regulatory Compliance Unit has implemented various systems which ensure that policies are adhered to, along with all financial laws and regulations. These systems reduce our overall risk and ensure that our financial systems are safe and secure. As we progress, we

are working on upgrading and automating our solutions to include an automated solution for fraud detection and prevention, as well as upgrading sanction systems to cover payments. In addition, we are producing new fraud modules and business rules to keep up with the fast-evolving world of fraud and new technologies, as well as creating procedures and updating them periodically. Some of our systems include:

- ◆ SironAML (Transaction Monitoring System).
- ◆ SironKYC (Screening & Risk Classification System).
- ◆ SironEmbargo (SWIFT Message Screening System)
- ◆ GoAML (AMLU System).
- ◆ Fusion (Screening System).
- ◆ World Compliance (List Provider).
- ◆ Word Check (List Provider).
- ◆ Bankers Almanac (Correspondent Banking).



As regulatory requirements continue to evolve, we will also continue to invest in developing our risk management framework and capabilities to ensure that any new expectations remain firmly embedded in our daily activities.

Whistleblowing Scheme

We strive to promote a healthy and safe culture in which employees feel they can share their concerns with their colleagues, managers or HR. If needed, employees can report their concerns about irregularities or wrongdoings anonymously through our Whistleblowing scheme. All reports are investigated and treated in the strictest confidence. Our Whistleblowing Policy provides assurance

that employees can raise concerns without fear of reprisals or inappropriate reactions, including if they turn out to be mistaken, and also provides the hotline number and email address to report any suspicious activities. All calls and emails are confidential for the purpose of evidence and investigation.

Indicator	2018	2019	2020
Legal actions taken against JKB	35	36	31
Number of incidents of corruption	0	0	0
Number of complaints regarding human rights violations	0	0	0
Number of ethical incidents	0	0	0
Number of legal incidents	0	0	0
Number of incidents of non-compliance	0	0	0
Number of non-monetary penalties for non-compliance	0	0	0
The monetary value of large fines for non-compliance	0	0	0
Number of business units analysed for corruption	0	0	0
Percentage of business units analysed for corruption	0	0	0



2.2.2 Data Security and Privacy

JKB has implemented an Information Security Management System to enable effective Cyber Risk management. The Bank has documented and implemented all technical and operational policies and procedures to detect and respond to cyber threats and to enhance privacy protection.

The Bank utilises Threat Intelligence Services and Computer Emergency Response Teams (CERTs) feeds to keep updated on emerging threats world-wide, and also has a vulnerability scanning and penetration testing process for internal and external infrastructure components to discover any potential technical or operational threats.

The Information Security Management team has implemented a world-class Security Incident and Event Management system (Splunk) with an Enterprise Security Module that enables security events collection, analysis, collaboration and alerting. This system facilitates structural security monitoring, data protection and incident response capabilities.

The Bank has implemented appropriate controls to ensure the protection and security of Personally Identifiable Information is in compliance with General Data Protection Regulation (GDPR) requirements. Advanced cybersecurity tools have been implemented in the Bank to enhance security layers and this includes Zero-Day attacks prevention, Endpoint Detection and Response (EDR) and Data Leak Prevention. Data at rest is being protected using robust user access management and advanced encryption mechanisms.

We have robust mechanisms in place to ensure that security breaches are minimised and reduced to zero, however, we realise that there is constantly a risk. We perform a Risk Assessment to identify threats and vulnerabilities. We also identify and implement risk mitigation controls test, validate and report on actions and controls implemented. In the case of any breach, we conduct a Business Impact Analysis (BIA) to identify the affected business processes and to assess and rank them based on criticality.

As a result of our mechanisms, we have recorded zero data breaches in 2018, 2019 and 2020.



JKB has implemented appropriate controls to ensure the protection and security of Personally Identifiable Information is in compliance with General Data Protection Regulation (GDPR) requirements.

Data Security Breaches	2018	2019	2020
Number of data security breaches	0	0	0
Number of data security breaches involving customers' personally identifiable information	0	0	0
Percentage of data security breaches involving customers' personally identifiable information	0	0	0
Percentage of business units analysed for corruption	0	0	0



2.3 Finance

An economically successful business is a prerequisite for ensuring the long-term survival and success of a company. Economic value creation is generally the primary goal of productive activities. Through the economic value creation of its business activities, JKB generates additional benefits for the Bank and its owners, employees, customers and the economy in general. In this way, it makes an important contribution to the stability, resilience and productivity of the Jordan's economic system and the prosperity of society. We are fully aware of the associated responsibilities.

The year 2020 bore many challenges for the Bank and our financial management services. The emerging crisis of the COVID-19 pandemic required rapid adaptation to various changes to minimise our risk and ensure continuity of

service. The Bank underwent significant changes to improve our service offerings in line with government guidance by using specialised systems for remote work and digital meetings. As a result of the decisions and events resulting from the pandemic, during the year a comprehensive review of the estimated budget for the year 2020 was conducted. The review concluded that a re-evaluation process was required and conducted to reflect the changes that affected the Bank's results.

During 2020, focus was placed on improving the control and procedural aspects of the Financial Affairs Department. The department worked to implement new automated systems; review and update procedures; conduct a comprehensive review of the general ledger and intermediate accounts; update management of fixed

assets; addressed issues raised by supervisory reports; and led widespread systems upgrades. As we progress into 2021, we hope to use many of these learnings to continue driving change. Our planned work includes conducting an actuarial study in line with International Accounting Standards; creating a position related to financial control; ending the process of automating financial statements through an internally built system in Jordan and Cyprus; and automating the estimated budget, the fixed asset inventory and leased assets and liabilities processes.

In addition, we are evaluating the feasibility of replacing the systems for calculating expected credit losses and disclosures about financial assets and other related items in accordance with the requirements of International

Financial Reporting Standard No.9. Finally, we are looking to update our payroll through a new Human Resources System which should benefit the staff.

The year 2021 should provide us with an opportunity to learn from the difficulties of the pandemic and return to a new normal of business focused on automation, digitalisation and faster and more efficient services to our clients. Despite the challenges during the year of 2020, JKB continued to perform well and is expected to grow in the upcoming years.

Economic Performance (JOD '000s)	2018	2019	2020
Direct economic value generated			
Revenues	124,688	122,071.3	108,216.2
Economic value distributed			
Operating costs	32,940	29,336.9	27,656.3
Employee compensation	26,710	27,602.3	28,868
Payments to providers of capital	-	-	-
Payments to government (taxes and penalties)	777	945	1,076.5
Dividends paid to shareholders	20,000 (cash)	20,000 (cash)	50,000,000 (shares)
Donations and sponsorships	886	844.7	2,563.4
Donations and sponsorships as % of pre-tax profit	1.6%	2%	-46%
Economic value retained			
Global net profits	42,144	29,937.6	-4,511.3
Total operating income (revenue JOD '000s)	124,668	122,071.3	108,216.2
Shareholders' Equity	445,562	459,532.4	456,431.9
Return on (average) equity (%)	9.22%	6.62%	-0.99%
Tier-1 Capital notes	16.8%	18.91%	18.52%
Subordinated Debt	-	-	-

3 Our Customers

JKB is committed to creating lasting relationships and engaging experiences with its customers. It aims to maximise its customer experiences and maintain the highest levels of satisfaction through quality products and cutting-edge technology. The concept of responsible banking is emphasised to customers through the integration of ESG factors into JKB's products and services while making them inclusive and accessible for every customer. Moreover, implementing responsible investment and financing can lead to generating long-term sustainable returns for JKB while help in building long lasting relationship with the borrowers.



3.1 Customer Experience and Satisfaction

With our strong foothold in local and regional markets, we are well positioned to help our customers meet their financial objectives, by providing them with banking services based on high levels of financial competence and leading innovative solutions. Providing our customers with a quality service is of the highest priority and we take their satisfaction earnestly. We have embarked on numerous initiatives to enhance customer experience, particularly in making services faster and more accessible through automation and digitalisation. Our upgraded mobile and online banking systems have allowed our customers to access financial services throughout the pandemic without having to visit a branch.

We provide a comprehensive suite of services to our clients, many of which have been upgraded recently. In 2020, we worked to upgrade the cash management system, our online banking system and the JKB mobile app. We continued digitalisation with next generation banking cards; Western Union application Digital On boarding; a JKB Chabot on WhatsApp to ease communications; contactless payment solutions and electronic credit card services. To further enhance customer experiences, we worked at establishing strong partnerships with companies like Aramex to provide preferential rates and discounts on shipments, and increased our rewards accounts and discounts programs.

2020 marked a significant shift towards mobile and digital banking. As technology develops, new opportunities present themselves to the Bank, including the use of Wearable technology which is particularly popular with youth markets. We introduced prepaid Wearable technology to allow access to young people to pay quickly on the go. This technology seeks to empower individuals and communities to make faster and easier

payments and digitise payment culture to the youth segment. So far, the technology has been popular and we will continue to upgrade it into the future.

Recognising the importance of accessing a variety of useful services, we also expanded our debit and prepaid bank card instant issuance programs for customers, integrated JoMoPay wallets through JKB's ATM's, created new kiosks in JKB Wadi Saqra Branch and implemented a CliQ service to allow instant local transfers. Our system integration with eFAWATEERcom services have been growing with the ability of donations and services for corporates and bulk services for retail.

To ensure security to our customers while banking with us, we have spent a large amount of time building our digital infrastructure and using technology to protect and enhance their assets. In 2020, we implemented the Fawri (Blockchain) service with Al Quds Bank; instant international transfers and a new service "3-D Secure" for further protection and security for online purchases through JKB prepaid cards. We have also acquired the MIC (MasterCard Intelligence Centre), a software platform that provides financial institutions with insights on portfolio health.

All of these changes have ensured that we maintain a customer satisfaction rating of 99% and keep complaints to a minimum. In 2021, new Retail & SME projects are going to be launched to expand the reach of digital channels, reduce back-office operations costs and improve customer experience and satisfaction levels by launching new, innovative and segment-based products and competitive services.

Customer Complaints	2018	2019	2020
Overall customer satisfaction (%) based on the number of complaints received from JKB customers.	99%	99%	99%
Number of complaints	175	303	176



3.2 Digital Innovation

We believe that working in the future will require an agile and connected workforce to respond to ever-changing circumstances, along with evolving client behaviour and requirements. Building on our experience and capabilities, we embrace cultural and digital transformation to enable our employees to succeed in new environments and to ensure that we are competitive in the market. In response to the COVID-19 pandemic, we further accelerated the implementation of new ways of working and implemented innovative new products to our clients.

In 2020, we upgraded many of our systems and shifted to automated and digital workflow systems to ensure that our staff could work productively, flexibly and effectively. One of the most notable internal projects was upgrading the Information Technology (IT) infrastructure to implement a state-of-the-art system that is highly accessible and efficient. In line with our environmental commitments,

we sought to reduce our impact by switching our systems from paper to digital and improving old infrastructure allowed us to be more efficient. These changes have greatly reduced our waste, energy and emissions whilst also lowering costs and time commitments. Staff now have access to digital tools for meetings, collaboration and working which allows them to be more productive and make use of new automated systems such as the ePMO system 'Carrotcut', which enhances the efficiency of projects through an easily accessible mobile and desktop app. By using new systems, such as Robotic Process Automation (RPA) technology, many of the time consuming and challenging tasks can be completed automatically, allowing staff to focus on more interesting tasks while boosting their wellbeing.

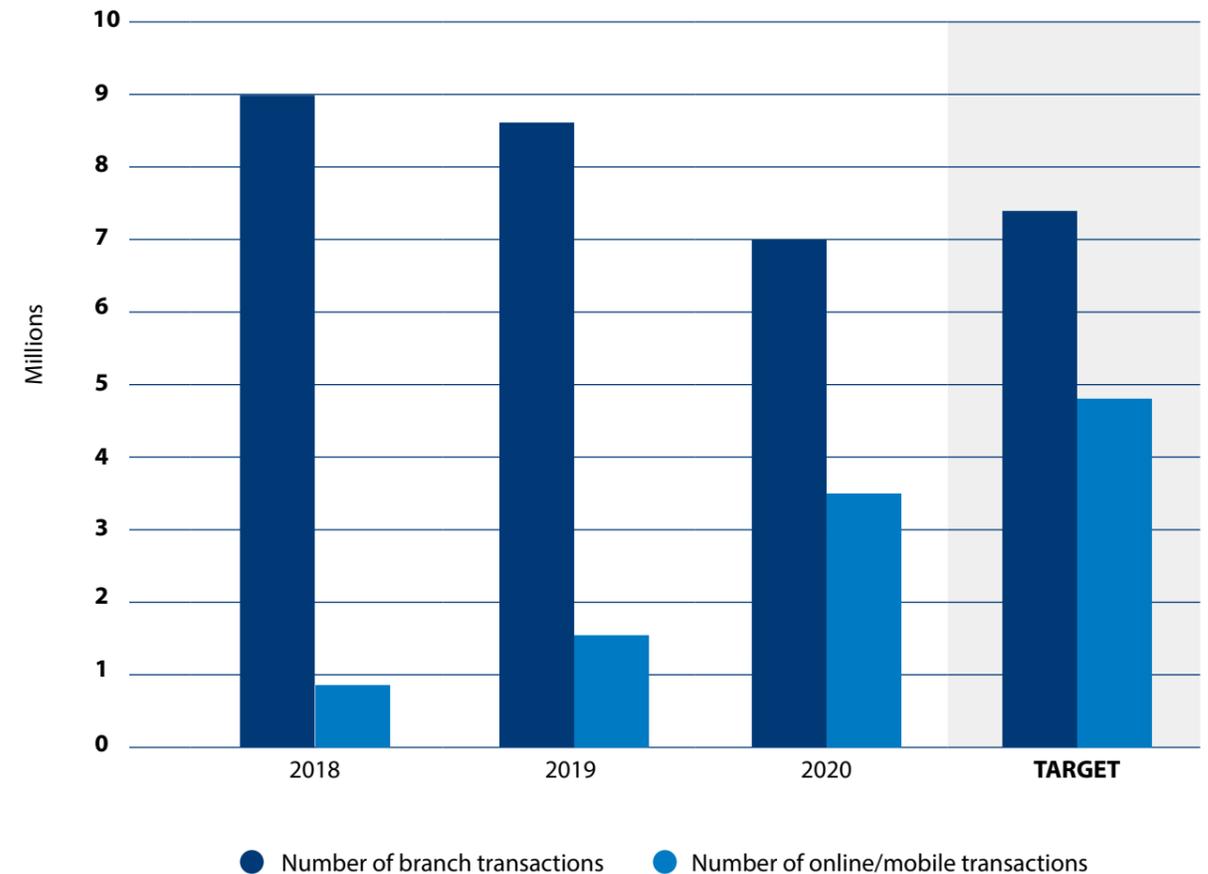
Many of these upgraded benefits have also been applied to our client facing teams. Our Onboarding system has been digitalised to cut back on branch visits. Clients can

meet representatives through digital collaboration tools, with access to services. This has been improved through the development of JKB mobile app and online services websites, to include new features such as; digital Western Union payments.. These changes have environmental benefits as well, as they greatly reduce the costs of travel and their associated emissions.

To improve the safety and security of client services, we introduced various new security updates to our apps and digital platforms. One of the largest areas of change has been through the introduction of Blockchain technology into our systems. This system has been developed via a partnership with Al-Quds Bank, allowing customers to send and receive transfers instantly. The ultimate aim of this innovation is to expand our customer base by making our services faster and more accessible.

The technological innovations employed by JKB are expected to increase the number of clients and transactions. Mobile transactions increased by over 2 million in just one year due to the roll out of new cashless initiatives such as JoMoPay. Whilst the figures are estimates, it does highlight the ongoing trend of digitalisation and the COVID-19 Pandemic, which indicates a serious growth in both online and mobile transactions. Due to the ongoing pandemic and forced closures of all branches, there was a noticeable dip in the number of transactions for 2020. However, by the end of the mandated lockdowns, it is predicted that the number of branch transactions will be on the rise again by the end of 2021.

Transactions at JKB



3.3 Responsible Banking

Our industry is playing an active role in addressing global issues, such as human rights, and the protection of our environment. Climate change impacts ecosystems, societies and economies worldwide, and we support clients in achieving their goals amid the transition to a low-carbon economy. Growing environmental and human rights concerns have resulted in a fast-changing regulatory and competitive landscape, which is affecting our firm, our suppliers and our clients. In response to these emerging risks and opportunities, we are shaping appropriate solutions and commitments through our banking products and services.

3.3.1 Responsible Investment and Financing

The Principles for Responsible Banking (PRB) provide a framework for a sustainable banking system with the aim of aligning the industry with the SDGs and the Paris Agreement. The PRB will embed sustainability at the strategic, portfolio and transactional levels, across all business areas. JKB is committed to banking responsibly and acknowledges the importance of the principles of responsible banking. We are seeking to implement responsibilities into our financial products and services.

We have worked hard to provide our clients with a variety of services that consider ESG issues. Currently, our ESG focus applies on a project-by-project basis to ensure that we can have the maximum oversight and impact. Due to our unique Middle Eastern location, we have placed a large focus of our responsible banking efforts into the energy sector. In 2017, JKB's board approved to support the renewable energy sector with unique financing terms that are unavailable within the local market, such as long tenor (17+ years), debt up to 70% of project cost and competitive pricing. Since then, we increased our renewable energy portfolio by more than USD 80 million. In addition to increasing our reputation among international developers and Direct Foreign Investments (DFIs) in relation to financing this sector.

Total 'green' lending (JOD)	2018	2019	2020
Total value of 'green' assets*	56,829,321	62,778,442	61,592,440

* Green' assets include renewable energy, energy efficiency, green real estate / efficient buildings, sustainable waste management, clean transportation, sustainable water management, climate change adaptation, decarbonising technologies

Furthermore, we continue to offer charities favourable rates and have improved our responsible loan offerings to clients. All loans through the Central Bank of Jordan and Jordan Loan Guarantee Corporation (JLGC) consider social issues. The JKB portfolio for these loans increased with the Central Bank (includes Arab Fund for Economic and Social Development, IFAD, World Bank) from JOD 25.5 million (2019) to JOD 51.8 million (2020) and JLGC from JOD 660 thousand (2019) to JOD 23.3 million (2020).

The financial sector as a whole suffered negative consequences due to the COVID-19 pandemic, but we wanted to ensure that our responsible banking commitments were not impacted and enhanced. In 2020, the corporate banking made progress on several initiatives including: connecting with international financial institutions such as EIB and Proparco; beginning the implementation of an upgraded cash management system and increasing lending and waived fees to help local businesses affected by the pandemic. These initiatives ensured that our clients continued to receive high quality services in a responsible manner.

3.3.2 Financial Inclusion

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – and are delivered in a responsible and sustainable way. Financial access facilitates day-to-day living and helps families and businesses plan for everything from long-term goals to unexpected emergencies. As accountholders, people are more likely to use other financial services, such as credit and insurance, to start and expand businesses, invest in education or health, manage risk, and weather financial shocks, which can improve the overall quality of their lives.

JKB is committed to opening access to financial inclusion to underrepresented individuals and markets. We tailor our services to ensure that all individuals can access a variety of services to suit their needs so that they can feel empowered to make their own decisions. Our key inclusion offering is by lending through the Jordan Loan Guarantee Corporation and Central Bank initiatives, which provides cheaper loans to specific economic sectors and projects deemed to have economic and social benefits. This enables groups to access finance to help stimulate socio-economic development. We are also in the process

of partnering with the European Investment Bank and Proparco to provide cheaper financing to SMEs and to provide technical assistance to JKB borrowers who will benefit from the package.

Up to the present time, our financial inclusion initiatives have been largely successful. We are proud to have 7 branches and 14 ATMs in low populated and economically disadvantaged areas, creating access for new markets and empowering local communities. Our target is 9 branches and 18 ATM's respectively, and plans are being put in place to achieve these goals. We are also working hard to attract new first-time account holders, with 25,708 new holders in 2020.

In line with CBJ's instructions to increase Financial Inclusion for disadvantaged customers, JKB also offers the Basic Bank Account. Opening a Basic Bank Account requires meeting specific conditions, where it offers specific services with preferential commissions. This helps meet the needs of individuals who are legally qualified to deal with banks and do not hold a bank account at any other bank operating in the Kingdom.

3.4 Financial Inclusion	2018	2019	2020	Target
Percentage of new accounts held by first-time account holders	15,986	20,604	17,876	31,533
Percentage of new accounts held by first-time credit card holders	1,281	1,894	819	5,623
Loan-to-deposit ratio for overall domestic lending	20%	20%	23%	-
Loan default rates for overall domestic lending	12.6%	11.9%	10.7%	-
Number of branches in low populated and economically disadvantaged areas ⁴	7	7	7	9
Number of ATMs in low populated and economically disadvantaged areas	13	13	14	18

⁴Jarash, Mafraq, Balqa, Madaba & Karak are considered as low populated and economically disadvantaged areas, unlike Amman, Aqaba, Zarqa & Irbid

4 Our People

JKB's success is strongly correlated with the quality and competency of its people; it strives to invest in its workforce to develop their skills and increase their knowledge. JKB also focuses on creating an inclusive, family-based workplace that develops its employees and protects their well-being, while continuously attracting and nurturing new talents to build a strong team that will help the Bank record further achievements.

4.1 Employee Development and Wellbeing

Identifying, encouraging and retaining talented individuals is one of the key objectives and prerequisites for a long-term partnership between employees and the Company. We work actively to create clear and individual development opportunities. Satisfied, committed and empowered employees achieve more, both quantitatively and qualitatively, and are likely to remain loyal to the Company.

In contrast to many global companies, we pursue an approach that puts our employees first. Within a company-wide framework that sets the standards and methods for performance management, talent management, succession planning and development of management staff, the branches have developed practices tailored to their specific local requirements in order to attract, develop and retain talented employees.

Our employee Onboarding program sets our new joiners up for success in their roles by providing them with essential information and skills and integrating them quickly into the Bank's culture, while showing the value of the work they complete. The Bank seeks highly talented graduate staff and we communicate frequently with the Jordanian Universities to recruit prominent students and look internationally to attract graduates with strong qualifications. For our graduate recruits, JKB applies various professional development programs to ensure that they can kick start their careers successfully. The programs include Branch and Head Office programs that are individual and tailor-made to suit each graduate's skill and degree qualifications. More recently, we have expanded our recruitment to include graduates of Industrial Engineering, IT, Data Science and Business Intelligence. As part of the giving back to community initiatives, JKB further offers a well-designed paid Internship Program that includes Jordanian students studying abroad, a Student Filed Training Programme,

and tailor-made postgraduate on the job training programmes.

To retain our talented staff, we employ various measures and initiatives to ensure that our staff are pleased and content with their careers. Our Social Committee oversees many of these initiatives and are tasked with creating a friendly work environment that feels like a family in the workplace. JKB has a comprehensive training and development program that employs modern channels such as training via digital gamification programs. We work hard to develop employee skills and equip them for complex specialised jobs and give them a wide range of opportunities for career development.

We believe financial wellbeing contributes to a person's overall contentment, therefore we provide comprehensive benefits and compensation packages that promote financial security to our employees and their families. All staff are provided with competitive compensation packages through a very well-structured approach to promote a culture of motivation and equal pay. Our spot rewarding system is utilised to reward outperforming and innovative employees, to ensure that they remain motivated to perform, in which we have a dedicated annual budget for salary adjustments and promotions of prominent employees. In addition, all staff can access a variety of benefits including pensions, health insurance, maternity coverage, life insurance, accident insurance, car loans, mortgage loans and personal loans with preferential interest rates. Our employees are also entitled to various benefits, including a variety of leave types such as annual leave, sick leave, bereavement leave, Hajj leave, maternity and paternity leave.

Workforce Overview	2018	2019	2020
Total workforce (excluding trainees, students and outsourced staff)	1,202	1,239	1,253
Full time employee equivalents (FTEs)	1,202	1,239	1,253
Workforce by job category:			
Senior management employees	22	26	24
Middle management employees	276	302	336
Non-management employees	904	911	893
Workforce by age:			
Employees age 18-30	554	569	595
Employees age 31-50	589	612	610
Employees age 51+	59	58	48
Workforce by gender:			
Male	788	800	808
Female	414	439	445
Number of employees with disabilities	2	2	6
Number of trainees and sponsored students	60	35	16



4.1.1 Training at JKB

JKB has been a key enabler of Human Capital Development. Guiding our people, building proficiencies, and increasing productivity are key results from increasing the level of investment in digital learning initiatives that are becoming the “New Normal”.

The events of 2020 accelerated the need to change the way we are working and operating. Rethinking the approach to guiding, building robust digital learning programs, partnering with international and well accredited learning institutions and transforming workspaces, were essential in shaping the design of the Bank in an increasingly digital world. They also help boost scale and efficiencies in order to develop the workforce and customer experience of the future. During 2020, 97% of the Bank’s training opportunities were provided in various fields of the business using digital learning solutions.

Through JKB’s Learning and Development (L&D) Department, it is committed to further streamline and digitise employees’ learning journeys and investing in digital learning tools such as e-learning platforms and Gamification. By using these digital solutions, the Bank maximised the learner engagement rate through offering 12,254 digital learning opportunities to its employees in

2020 alone, which resulted in a 40.7% growth rate when comparing to the average of the last five years.

As we continue our growth journey, the Bank will continue to lead by example in embracing the spirit of continuous learning and development that is crucial for its people and work environment. In return, this shall create new energy and excitement to reimagine the possible while staying relevant and making ourselves fit for the future of work. Satisfying the Bank’s customers and fulfilling their needs by providing the expected level of products and services is our ultimate goal.

In 2020, we continued to provide our employees with a series of games designed internally or in collaboration with our partner (1Huddle). A Gamification Mobile App, managed by our L&D Department, provides all employees at all levels with numerous topics covering banking and non-banking topics, as well as behavioural and soft skills topics including; emotional intelligence, stress management, effective home working, communication, self-care, self-development, wellbeing, difficult conversations and many more trainings.

Training	2018	2019	2020
Total training delivered (hours)	26,495	24,251	10,570
Total training hours delivered by job category:			
Senior management employees	167	327	142
Middle management employees	3,496	3,943	3,428
Staff	22,832	19,981	7,000
Total training hours delivered by gender:			
Male employees	15,980	13,782	5,829
Female employees	10,515	10,469	4,741
Average training per employee (hours) by job category:			
Senior management employees	7.6	12.6	5.9
Middle management employees	12.7	13.1	10.2
Staff	25.3	21.9	7.8
Average training per employee (hours) by gender:			
Male employees	20.3	17.2	7.2
Female employees	25.4	23.8	10.7
Average training per employee (hours)	22.04	19.57	8.44

4.1.2 Performance Reviews

Fair and effective people management processes are key to our long-term success. Our global performance management process evaluates both performance and behaviour. This dual emphasis helps us progress our culture by assessing how well integrity, collaboration and challenge (the firm's expected behaviours) are demonstrated in daily business activities. We are aiming to further enhance our performance reviews at all levels, including comprehensive career development reviews and discussions. By doing this we can help our employees improve in their roles and set targets for the future.

Performance Reviews	2018	2019	2020
Percentage of employees who received a performance and career development review	97.1%	99.0%	99.0%
Percentage of employees who received a performance and career development review by job category:			
Senior management employees	0.6%	0.7%	0.6%
Middle management employees	22.8%	24.2%	26.2%
Non-management employees	73.7%	74.0%	69.4%
Percentage of employees who received a performance and career development review by gender:			
Male employees	63.1%	63.0%	61.2%
Female employees	34.0%	36.0%	35.0%

4.1.3 Parental Leave

At JKB, all new parents can take paid leave after the birth or adoption of a child. Our parental leave policies meet the legal standards in all locations and exceeds them in most. During pregnancy, we encourage a culture of openness that invites female employees to discuss their leave, work handover and smooth reintegration after they return. The pandemic has opened up opportunities for flexible and remote working which has helped new parents deal with the challenges of managing a family with an option of working flexibly and remotely. This is managed on an individual basis and is particularly standard for female employees. Through our parental leave program, female employees are entitled to a fully paid maternity leave for 10 weeks before and after delivery. Male employees are eligible for three working days of paternity leave at full pay. Providing these opportunities allows new parents to have the time they deserve to manage their family time without the worries of work. We have found that through these policies we have had a return-to-work rate of 100% and a retention rate of 100% after a year.

Parental Leave	2018	2019	2020
Number of female employees that took parental leave	40	41	26
Number of female employees who returned to work after parental leave ended (return to work)	40	40	26
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	35	38	26
Return to work rate (%)	100%	98%	100%
Retention rate (%)	88%	93%	100%

4.2 Talent Attraction and Retention

During 2020, HR Management continued its digital transformation drive by launching new HR digital solutions and have successfully implemented the first phase, which includes recruiting management, recruiting marketing, performance and goals management and employee self-services. These digital services will contribute to improving talent acquisition efficiency, promoting employee development, enhancing employee experience, advancing productivity and performance levels, which will consequently lead to higher customer satisfaction levels and business sustainability. Our HR Digital Employee Central solution is a powerful self-service that provides fast, intuitive access to key tasks across all devices with automated workflows, as well as enabling employees to easily record attendance and get real-time insight into their balances, overtime and learn about their compensation and benefits at all times.

To improve the recruitment service, the Bank adopted the Artificial Intelligence (AI) using a modern technology program. One of the most prominent features of the program is the use of remote initial interview technology, whereby job applicants answer pre-determined questions set by the Bank through video, using their mobile phone or computer. The program analyses the applicants' answers according to International Standards, which raises the level of objectivity in the initial selection of candidates. The program also saves effort for applicants, especially those residing in other governorates, from visiting the Bank for initial interviews in addition to having

future employees access the modern computerised work environment before they are hired.

Our recognition program has been extremely important during the pandemic to show our employees our appreciation through three levels of awards; Certificate of Proficiency, Certificate of Excellence and Certificate of Creativity. The program was designed to motivate our employees to 'go beyond expectations' and be recognised as the best. The program creates a culture of recognition that boosts employee engagement and productivity. The goal of this program is to create and sustain a motivational work environment, inspire employees and teams to outperform and reinforce the organisation's values in the behaviour of our people.

To recognise the value and contribution of our employees that have been with us for a long time, we accolade Milestone Awards. The loyalty, commitment and contributions brought by these individuals is a big part of our success. To reward them, we have introduced Milestone Awards to ensure the satisfaction of our staff. These awards are part of a wider movement towards enhancing benefits and overall wellbeing. In 2021, we plan on updating our employees' well-being programs and policies, introducing new rewards systems and continue with our digital transformation.

New Hires and Turnover	2018	2019	2020
Total New employee hires:	116	104	52
Total new employees by age:			
Age 18-30	102	96	42
Age 31-50	13	8	10
Age 51+	1	0	0
Total new employees by gender:	904	911	893
Male	69	57	33
Female	47	47	19

New Hires and Turnover	2018	2019	2020
Employee turnover (voluntary and involuntary) (#)	114	65	38
Employee turnover by age:			
Age 18-30	69	40	17
Age 31-50	25	18	11
Age 51+	20	7	10
Employee turnover rate by gender:			
Male	82	44	25
Female	32	21	13
Employee turnover by job category:			
Senior management	1	2	5
Middle management	22	11	8
Staff	91	52	25
Employee turnover (voluntary and involuntary) (%)	9.5%	5.2%	3.0%
Employee turnover rate (voluntary):			
By age:			
Age 18-30	68	40	17
Age 31-50	22	18	10
Age 51+	1	5	1
By gender:			
Male	62	43	18
Female	29	20	10
By job category:			
Senior management	0	2	1
Middle management	10	11	3
Staff	81	50	24
Employee turnover (voluntary) (%)	7.6%	5.1%	2.20%



Employee Engagement

At JKB, we understand and value the importance of employees' engagement for the success and sustainability of our business. We engage our employees through different communication channels, including our annual and mid-year performance reviews, internal monthly newsletters and encourage applying an open-door policy. We have a dedicated Employees' Relations Department where employees' feedback, grievances and complaints are solicited and processed in a fair and professional manner.

We have newly developed channels including a digital social platform SAP Jam and the internal communication portal SharePoint being the main communication and social platforms for the Bank's information, news, circulars, employee profiles, phone directories, employee Onboarding, surveys and the Policy Centre. The homepage in each platform features special banners that present unique employee engagement tools used in

campaigns and internal communications, which increases the visibility of such campaigns.

In 2020, we developed a social committee that aims to create a social, collaborative, and engaged workplace. We have created a private page on Facebook for all JKB staff members, where everyone can share ideas, videos, awareness topics, activities, games, offers, news and learning activities. Through these social measures we aim to increase employee engagement to help ensure retaining our staff.

Moreover, by the end of 2020, employees absentee rate decreased by half. The positive trend in this rate was due to decrease in unpaid leaves as JKB allowed their employees to use their annual leaves in advance.

Absentee Rates	2018	2019	2020
Employee absentee rate	11.0	5.5	2.8

4.3 Diversity and Inclusion

Continually increasing the diversity of our workforce, and building an inclusive workplace, is vital to our business success. Our strategy is to continue to shape a diverse and inclusive organisation that is innovative and provides outstanding services to our clients with equitable offers and is a great place to work at. Awareness-raising, training and improved accountability for inclusive leadership have been clear focus areas for the past several years.

4.3.1 Gender Equality

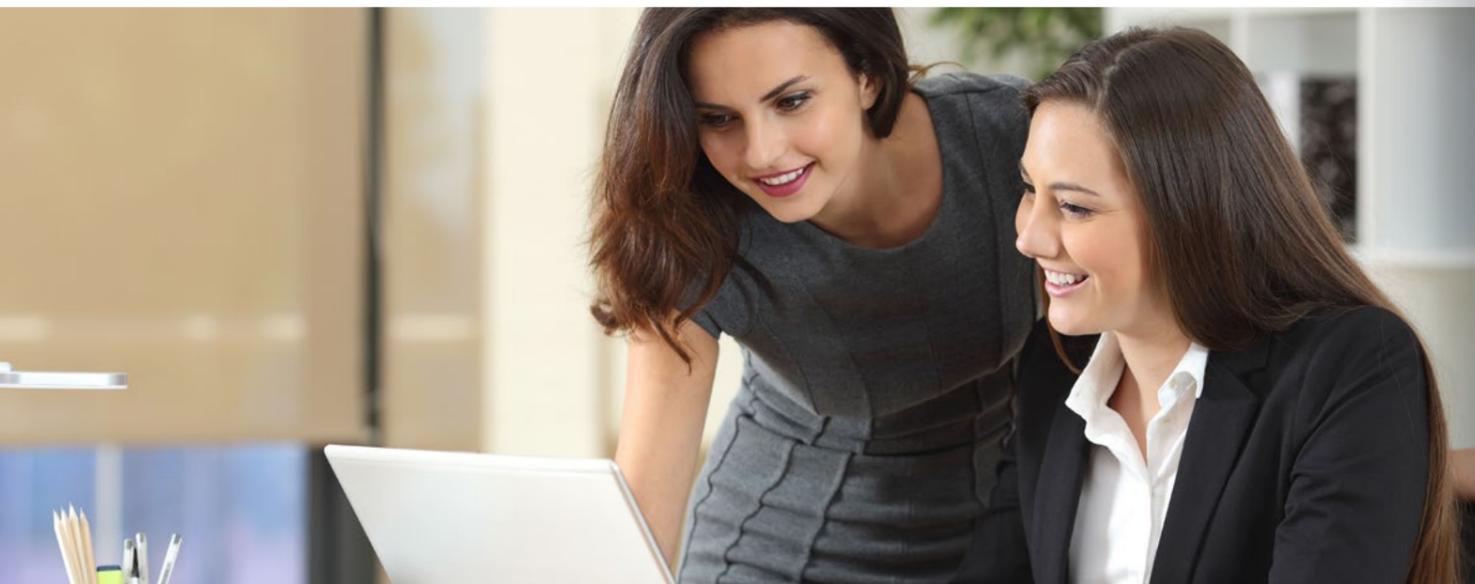
Gender Diversity has long been a strategic diversity, equity and inclusion priority to us. We want to enable women to build long and satisfying careers in JKB and increase the representation of women at all levels. Through these efforts, we take a multi-pronged approach by analysing and refining the various elements that support hiring through developing and retaining women at all levels across the Bank. For example, our interview slates for open roles are expected to include qualified diverse candidates, along with questions to gauge inclusive leadership competencies for executive roles.

We also hold ourselves accountable for progress. In early 2020, for example, we outlined our aim to continue working to drive greater gender equality across all

business levels, including our Leadership and Executive Teams. Our commitment includes equal pay for equal work by attracting, developing and retaining female talents, and actively promoting more women to management roles. By the end of 2020, 15 of our female talents were promoted to higher managerial roles, and our target was reached for female employees in middle management.

We know that there is a lot more that needs to be achieved in order to create a truly gender-balanced society and we are focused on creating policies and programs to help women reach their full potential, both personally and professionally.

Female Employment:	2018	2019	2020	Target
Female employees in middle management	82	91	100	100
Female employees in senior management	2	3	2	4



4.3.2 Non-discrimination

Fair and effective people management processes are key to our long-term success. We are committed to eliminating any incidences of discrimination or harassment amongst our workforce to ensure that everyone feels content and included. JKB's internal regulations abide by the Jordanian Labour Laws where the Bank operates under a set of internal policies that ensure a respectful work environment that does not tolerate any form of discrimination, bullying or harassment. Measures that have been implemented to ensure this includes; Employee

Investigation, Whistleblowing and Sexual Harassment Policies. Our Employee Relations Department listens to every complaint from employees on work-related issues. We resolve each issue as per our relevant policies and procedures. A separated formal Grievance Policy is under development with a clear mechanism. During 2020, there were no incidents or complaints recorded to the Employee Relations Department related to human rights violations, discrimination or harassment.

Grievances	2018	2019	2020
Number of grievances filed in the reporting period	0	1	0
Number of these grievance addressed or resolved	0	1	0

5

Our Communities and Environment

JKB understands the importance of applying sustainability throughout its business and operations. It understands its responsibility to preserve and protect the environment while maintaining its economic performance. Climate change, energy efficiency and sustainable supply chain are all areas of focus that JKB considers in its processes. JKB also recognises the needs of local communities and continues to invest in various projects that ensures the development of their knowledge and future opportunities.

5.1 Community Investments

At JKB, we are committed to supporting the communities in which we operate. Our employees, clients and shareholders expect us to play our part in addressing social issues. Corporate Social Responsibility (CSR) is a key element in JKB's corporate mission and behaviour, which consequently strengthens our position, shares, and values, and reduces strategic, reputational and operational risks. We deliver to our community commitments through our Community Investment Program, which follows our comprehensive CSR Policy that is driven by the Bank's corporate, culture and core values of professionalism, teamwork and innovation.

JKB's Sustainable Development and Corporate Responsibility activities contribute to the social and economic development of the communities in which the Bank operates to. We aim to build a better and sustainable way of life for underprivileged areas of society and raise the Kingdom's human development index. Our CSR policy states that all activities should be linked to the SDGs and all our programs are to follow the guidance of International Standards and Organisations.

5.1.1 Marketing and Corporate Communications Department

During the year, the Department continued to work and implement its marketing plan to promote the products and services of the Bank, using various effective channels, in order to focus a distinct mental image on various different groups in society. In addition to the development and strengthening of the Bank's role in the area of Social Responsibility.

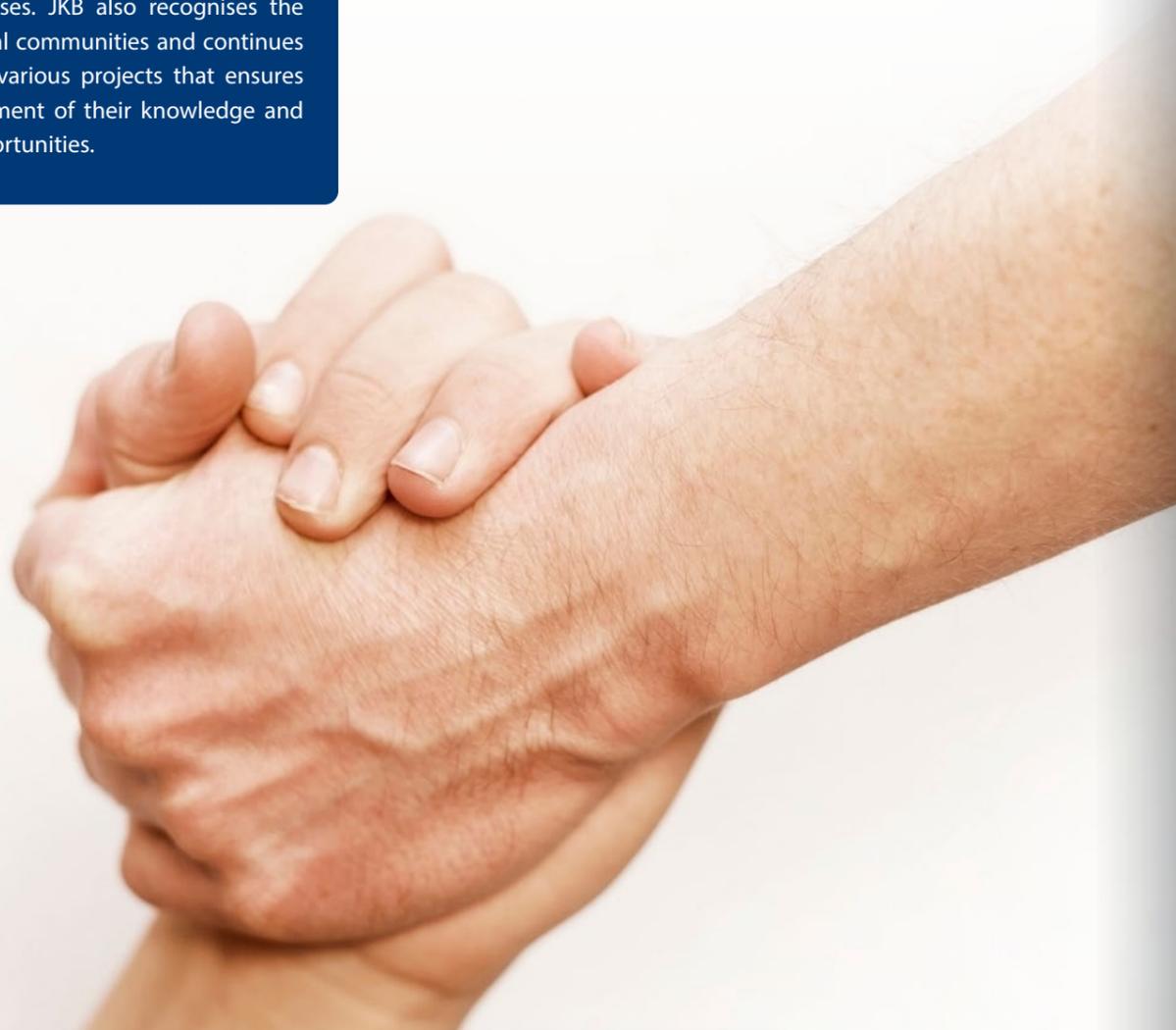
needed exposure to the designated demographics.



Corporate Social Responsibility (CSR) is a key element in JKB's corporate mission and behaviour, which consequently strengthens our position, shares, and values, and reduces strategic, reputational and operational risks.

The most significant achievement of the Marketing and Institutional Communications Department for 2020, was the launch of several campaigns, including a MasterCard Fly & Plus credit card campaign through the granting of extra miles to purchasing movements. Two campaigns were launched on MasterCard credit cards to promote the 0% interest credit program in the 1st and 4th quarter. The Department also launched a promotional campaign for Western Union Digital Service for the Bank's customers and the public, to participate/enter weekly cash awards upon/when sending a transfer using the service via the website or the Western Union Application. A growth of 891% in the number of transfers made compared with the same period of last year.

The Department continued its pace with the technological growths through continuously engaging and gaining the



5.1.2 Social Responsibility

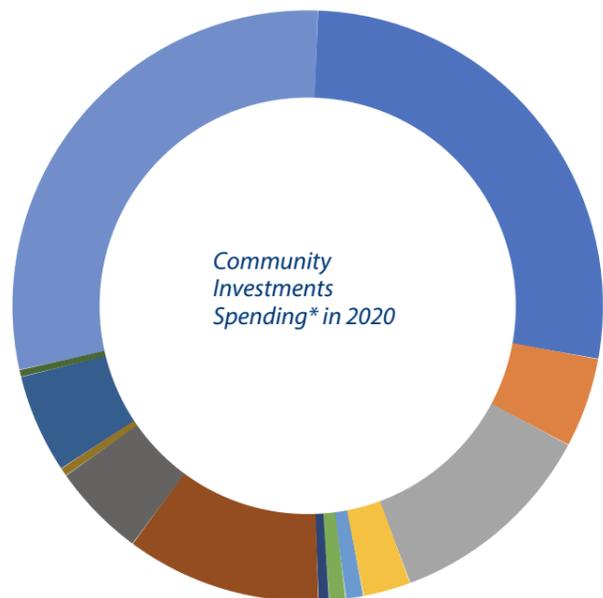
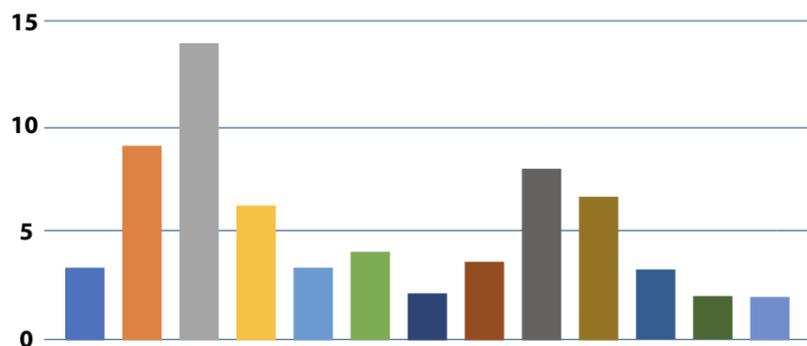
Despite the challenging conditions in 2020, the Bank has implemented numerous initiatives and programs aimed at achieving sustainable impact for beneficiaries and the local communities.

Continuing its leading role, the Bank pursues to identify and focus on various areas to achieve its impact on the level of national economy; covering all aspects of the Sustainable Development Goals. Consequently, the Bank is well aware of its economic role in local communities. Therefore, we are committed to being a responsible

corporate entity, open to the public opinion, and we also realise that our wellbeing is directly derived from the wellbeing of the local communities. Hence, we are actively involved in addressing the most pressing social challenges that people are facing, where we offer support to certain groups. In 2020, we continued to support various projects throughout the Kingdom, benefitting local communities with almost 2.56 million JOD across 67 CSR projects. A full breakdown of this can be seen below with particular focus placed on our priority areas.

Types of Community Investment Projects in 2020

Number of Projects in 2020



*Excluding donations to "Himmat Watan" Fund



Driven by the relative strategy and resources available, as well as local business demands and specifics, the Bank has identified the following priorities in supporting local communities:

Community Service

In response to the exceptional and critical circumstances that accompanied the Coronavirus pandemic and the of the Bank's national responsibility to contribute to the Government's burden. In response to Defence Order No. 4 to establish "Himmat Watan" Fund, and to respond to the call of duty, the Bank and the Executive Management contributed to the Fund, which aims to provide financial and temporary humanitarian assistance to citizens and residents suffering from difficult living conditions as a result of the crisis. As a result, JKB donated a total amount of 2 million JOD to support the community through COVID-19 pandemic. During 2020, JKB continued to support numerous charities concerned with humanitarian work and the projects of the development and rehabilitation of less privileged communities, continuing to support the

Jordanian Hashemite Fund. "The Charity Campaign", the Jordan Hashemite Charity Organisation, as well as Mabarar Um Al Hussein for Orphans, which benefits the children of Al Mabarar. The Bank also continued its annual sponsorship for the home belonging to the Children's Villages (SOS) of Jordan in the city of Irbid, during the year.

The Bank continued to organise various activities and programs for its employees, aimed at promoting the values of cooperation and solidarity among them. The Bank followed up on its annual financial support to Takiyet Um Ali to distribute donations of packages to families in need. It also provided support in cooperation with the Students' Friends Society, to the students of Um Ammar School in Marka.

Financial Literacy

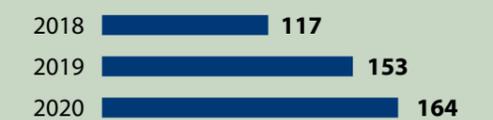
JKB recognises of balancing its role as an exemplary for its financial resources and as an important partner to the community it serves. To help guide in that effort, our CSR policy offers guidelines and factors to aid in responding to the requests for charitable donations, event sponsorships and in-kind requests received by the Marketing Department and Administration. JKB ran various financial literacy programs in 2020. Some of which:

- ◆ **Conducted the JKB - LOYAC internship program** aimed at the development and rehabilitation of young men and women sponsored by the Lothan Youth achievement Centre (LOYAC - Jordan). The program aims at offering theoretical and practical components by training participants and recruiting them at the Bank.
- ◆ **Granting donations and benefits** through the Bank's initiatives of extending financial assistance to a number of underprivileged

students, and offering scholarships and covering university fees to talented students to attend Jordanian Universities such as Al-Aman Fund for the Future of Orphans. The Bank provides in-cash support as a contribution towards the cost of holding conferences and workshops organised by Jordanian Universities throughout the year.

- ◆ **Intensive training programs** organised by the Bank to develop, rehabilitate and recruit a group of university students to work with JKB Sales Team, to help them enter the job market.

Number of participants in financial literacy initiative



Education and Qualification

Every year, JKB pays special attention to education and training, as it continues to provide annual support for the University Education program which is managed by "Al Aman Fund for the Future of Orphans", in addition to providing direct financial assistance to a number of outstanding students by settling the tuition costs of their studies. As part of its social responsibility, the Bank supported the Princess Taghreed Institute for Development and Training to support the "Promise for Better Future" campaign. It also supported the "Sonbola" Initiative, which covered 15 public schools

from across the Kingdom, with maintenance work for classrooms and desks.

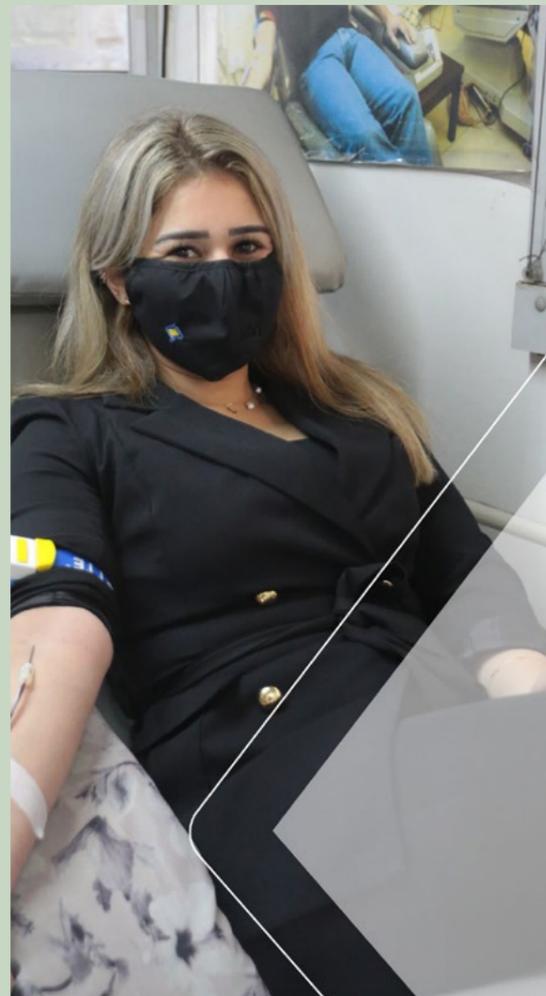
With a view of providing support to students with cancer to enable them to continue with their educational career, the Bank supported patient's Special Education program during 2020, with support covering part of the tuition costs of 45 students at the Centre during the treatment period.

Health Area

During the year, the Bank contributed to numerous activities to support and foster/care for health sector and to support institutions and commissions concerned with medical and health care. In response to the campaign to address the Coronavirus and its contribution to its social responsibility, the Bank has contributed to the Ministry of Health. In relation to the call of duty, Bank's employees also donated to the Ministry of Health to support the health sector and enable it to provide health services to Jordanian citizens and residents of the Kingdom in response to the pandemic.

It also supported the "Jordanian Healing and Health Bank", a non-profit charity that provides free health services, and continued its annual support to "Jordan Medical Aid for Palestinians" (MAP) and "White Beds Society".

During 2020, the Bank's employees participated in two blood donation campaigns, organised by the National Blood Bank, to provide support to patients and those who need blood within the Jordanian community. Moreover, a large number of the Bank's employees participate every year in Al Hussein Cancer Centre Friends Program, each of which makes a monthly contribution from their salary/income to the Centre.



The Environment

As part of its efforts to raise awareness about environmental issues and conservation, the Bank signed a memorandum of understanding with the Ministry of the Environment for the establishment of an environmental park in Zboud Forest / Hasban Area, with full funding from the Bank, for cooperation and coordination to reflect the public-private partnership for the safeguard and conservation of forested areas

In the same context, the Bank settles the costs of printing and distributing the book "Shepherd's Bag", which documents with images and explanations/commentaries a wide range of plants (trees and flowers) in Jordan, which exceeds 100 and states their names and presence in the kingdom to make them known and call for their preservation/safeguard.

In order to strengthen the Bank's leadership role and its belief in its social and environmental responsibilities, the Bank participated in supporting the annual national clean-up campaign organised by the Jordan Environment Society in Shafa Badran, and sponsored the Environment Society initiative to raise awareness of the coronavirus by printing environmental educational colouring books for children. On the occasion of World Recycling Day, which took place on 15th November, the Bank co-sponsored in the "My city, My Environment, toward a green Jordan" initiative organised by the Jordan Environment Society and renewed its annual membership in the Edama Energy and Water Society.



Support for People with Special Needs

In support of people with special needs, the Bank continued to provide financial support and donations to many special needs associations. It has supported the Jordanian Special Olympics to support persons with disabilities, as well as a number of associations to help them achieve their goals, such as the Mental Health Society, Badwa Centre for Special Education and other relevant societies and centres. During 2020, the Bank continued its support to West Irbid Society for Special Challenges, with the support of several marathons during the year, in which a number of the Society's champions participated and were able to achieve the top positions. This is in addition to supporting or the Paralympic Committee's sports/athletic activities in several special needs weightlifting tournaments that have also been able to achieve advanced positions.

The Bank also signed a memorandum of understanding with the "Green Wheels" Initiative, which includes the collection of plastic caps and aluminium cans and sent to the assembly points of the initiative's organisers. They are sorted out and recycled, where their revenue is allocated to assist/

help children with special needs, in particular/ specifically those with cerebral palsy, to improve their educational and therapeutic quality of life in order to buy/purchase wheelchairs.

In line with Central Bank's instructions to deal with persons with disabilities, JKB ensures:

- ◆ At least 10% of its branches in each governorate is required to provide accessibility ramps and special needs parking spaces.
- ◆ The Bank's website included accessibility tools for persons with visual impairment.
- ◆ Contracts with third-parties are made to provide tablets at selected branches to provide sign language interpreters to serve customers.
- ◆ Contracts with third-parties are made to provide a tool for converting Voice Over and Booklets containing specific marketing material and forms/contracts carrying braille tags, were distributed to all the Bank's branches.



Support for the Cultural and Technical Movement

The Bank began in 2020 by continuing its support for a number of artistic, literary and scientific research activities by sponsoring a number of festivals, forums, art, heritage theatre groups, where it sponsored a play for Al Manhal International School and supported the 15th Free Theatre Nights Festival and the Jordan National Museum of Fine Arts.

The Bank continued to support the Arabic-language Olympics competition organised by Al Ahliyya Amman University, as well as the sponsorship of the United Nations Model (MUN) of the Modern American School. It also supported the Jordan Society for Science and Culture for Al Karama Festival.



Sports

During the year, the Bank continued to provide support and initiatives for sports and youth, providing support to the Jordan Table Tennis Federation to organise the Tokyo Olympics, which should have been held during 2020. It also continued to provide financial support to many of the club's sporting activities.

which was organised in collaboration between the Jordan Football Association and the Management Committee of the "Goodwill Account", by organised a friendly football/soccer match/competition to include the most affected and least supported athletes.



Support for Economic Activities and Civil Society Organisations

During the year, the Bank participated in a number of events involving civil society organisations, economic activities and conferences. It continued its annual presence at the celebrations of the Kuwait Embassy in the Kingdom on the occasion of the National and Liberation Day.

It also co-sponsored and joined the annual "Jordanian Economic Forum" and continued its support for Jordan Forum for Business Professional Women.

The Bank also provided support for the Hashemite Commission for Disabled Soldiers, which is based on support and fundraising military casualties. On the other hand, the Bank is working to benefit from the services of the military retirees in the security and protection work of the Bank's facilities and properties, in cooperation with the Economic and Social Establishment for Retired Military and Veterans.

Supporting the Unbanked and Unserved

In 2020, JKB supported 12 projects that benefitted 164 people. The key projects JKB supported regarding the unbanked and unserved include:

- ◆ Providing food aid and educational assistance to the people of the Latin Monastery in Anjara, Ajloun, benefitting 30 beneficiaries.
- ◆ Providing support and assistance to underprivileged families and orphans, with 10 beneficiaries whom are part of the Sons of Aqaba Charitable Society
- ◆ Supporting the Work of Craft Projects for the residents of Al Mafraq Governorate - Al-Mafraq Charitable Association, benefitting 12 young men and women.
- ◆ Supporting 5 children whom are part of the SOS Children's Villages in Irbid with an annual home sponsorship.
- ◆ Providing sports, cultural and social activities via the Aqaba Youth Club, with 20 beneficiaries and the Shihan Al-Karak Club supporting 15-20 young men.
- ◆ Providing support to underprivileged families as part of the Al Fardakh Charitable Society in Ma'an, with 10 beneficiaries.
- ◆ Providing support to those with special needs including His Highness Prince Ali Club for the Deaf in Zarqa, supporting 20 young people; Ali Al-Sawalmeh in Irbid and Abdul Karim Khat-tab, Zarqa, supporting 2 individuals.



5.2 Environmental Management

Protecting the environment and promoting sustainable development have always been cornerstones of our sustainability strategy. We work internally with our staff to reduce the impacts of climate change and with our stakeholders to protect the natural environment. We are increasingly looking to support international efforts to tackle climate change and organisations that make a positive impact on the environment.

One of the main ways we can reduce our impact, is through comprehensive Environmental Management Systems. Although JKB does not have an ISO 14001 certified Environmental Management System, we are in the process of being the first Bank in Jordan to get the LEED certificate (Leadership in Energy and Environmental Design) for Green Buildings from United States Green Building Council (USGBC). This is expected to be achieved in November, 2021. It will ensure that our buildings account for sustainability issues including water, energy, recycling, waste management, eco products and transport. These areas will also form a basis to our environmental efforts going forward. As a result of this system, we do not use diesel nor petrol products to power our Head Office or any independent branches, as part of our commitment to reducing the impact on climate change.

Through trainings and awareness, we want to empower our staff to consider the environment in their daily practices. JKB's entire Engineering Department staff are in the process of being Certified Energy Managers, which should help reduce our energy and emissions impacts beyond our current achievements. Project Managers are

also trained to account for the environmental impacts. All projects require an environmental and social assessment study that includes a report by an external advisor. The reports usually comprise of an environmental assessment, a traffic impact study, or completing appropriate governmental permits based on the type of project and geography. Environmental and Social Risks are mainly considered for energy projects as well as projects in densely populated areas. If significant environmental and social risks are found, mitigation measures must be put in place or the project will be rejected. Even successful projects will undergo later stage monitoring to ensure that all recommendations are set during the due diligence stage are adhered to and followed.

Protecting the environment is of high importance to JKB, were we implement it through various local initiatives. Perhaps the most successful of these initiatives is the creation of an Environmental Park in Na'or Jordan. The Park aims to boost biodiversity and enhance local ecosystems whilst also supporting the local environment, and including the community in outreach and education. The project is taking place between 2020 and 2022 with the collaboration of the Ministry of Environment. Heretofore, the project has been a success as we move through stages of selecting areas to transform, setting requirements and tendering. We hope this project serves as a platform for JKB to continue serving local communities and the wider environment.

5.2.1 Energy

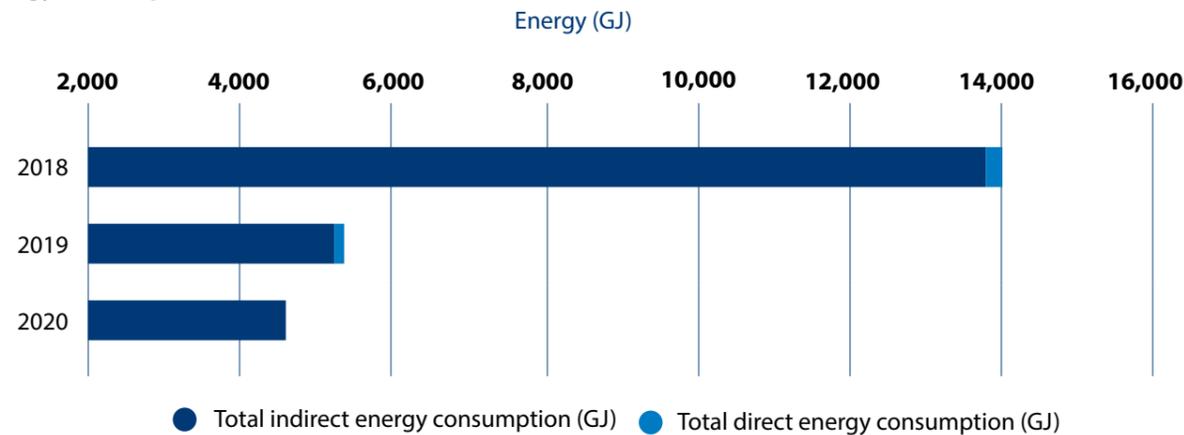
The energy consumption in our building portfolio accounts for a large percentage of JKB's total CO2 emissions. In 2020, our initiatives to increase energy efficiency focused on the further establishment of our Solar Power Plant. The station began production in mid-2018, to cover the Bank's need of Electric Energy for our Head Office buildings and 46 of JKB's branches, saving almost 90% of the total electricity consumption of JKB overall. The station has a total area of 43,500 m2 consisting of 8,712 solar panels with a capacity of 1,980 kW. Electricity production from the beginning of the Plant's operation to date has reached more than 10 million kilowatts, with savings in the Bank's electricity bills exceeding 2.85 million Jordanian Dinars.

Alongside producing renewable energy to power our operations, we are also committed to reducing our energy use. By 2020, JKB changed its Heating, Ventilation, and Air Conditioning (HVAC) system in our Head Office, which is depended on chillers and boilers, to a Variable Refrigerant

Flow (VRF) System which resulted in a reduction in energy consumption. This sparked an ongoing change of culture that has led us to switch to power saving equipment, reducing our climate change impact and our business costs. Throughout the past 5 years, JKB changed almost 98% of lighting fixtures to LED-type lights, saving significant costs and further reducing our impact.

As a result of these changes and an increased focus on digitalisation, our diesel consumption has dropped to zero from 2019 to 2020. Moreover, we have reduced our overall electricity consumption by 10% over the same period. This has resulted in our energy intensity dropping from 4.23GJ to 3.8GJ per employee. We are working to continue these savings into 2021 and beyond.

Energy Consumption at JKB



Energy Consumption*	2018	2019	2020
Total diesel consumption (litres)	7000	4500	0
Total electricity consumption (kWh)**	3,830,000	1,470,000	1,320,000
Total Direct energy consumption (GJ)	252.65	162.42	0.00
Total indirect energy consumption (GJ)	13,788	162.42	4,752
Energy intensity (GJ/employee)	11.03	4.23	3.80

* Calculated for Head Office building.

**Approximate number after subtracting energy produced by solar energy project

5.2.2 Emissions

Our goal is to minimise our environmental footprint with a focus to further reduce our own emissions of Greenhouse Gases (GHG). Key initiatives towards our target includes more digital meetings, energy-efficient buildings, solar power production and a reduction in travel. We have worked to significantly reduce our emissions caused by energy consumption and continue to manage other key areas. In terms of direct emissions, the replacement of the HVAC system in our Head Office significantly reduced

GHG emissions from diesel consumption.

Our Solar Plant contributed, through its production, in reducing the use of electrical energy from the grid, leading to a reduction of Carbon Dioxide in the atmosphere by about 7 million Kilograms. This is equivalent to the amount of Carbon Dioxide produced by driving 1,530 cars for one year.

GHG Emissions*	2018	2019	2020
Direct GHG emissions - Scope 1 (tonnes of CO ₂ eq)	18,880	12,137	0
Indirect GHG emissions - Scope 2 (tonnes of CO ₂ eq)	2,714	1,042	935
Total GHG emissions (tonnes of CO ₂ eq)	21,594	13,179	935
GHG emissions intensity (tonnes of CO ₂ eq /employee)	17.23	10.52	0.75

* Calculated for Head Office building.

5.2.3 Materials and Waste Management

With many employees across various branches and locations, JKB produces a significant amount of waste every day. We are working hard to achieve LEED building certifications across our locations, which includes significantly reducing our overall waste and increasing recycling rates. One of the most significant areas is in our use of paper, which has typically been heavily involved in many of the services provided by the Bank. To decrease our overall waste, we have worked to introduce a Paperless Initiative across all our locations. Digitalisation has allowed for the paperless transition to be fast tracked through technology adoption, automation and digital

services for our internal operations and client services, such as our credit card e-statement for replacing paper statements. We will continue to improve our digital services to reduce our impact.

We are also working to reduce the waste impact of our services. Many of our projects are switching to more sustainable materials such as recyclable or biodegradable materials. 20% of our projects now use biodegradable materials and we are looking to increase this overtime.

Materials Consumption and Waste	2018	2019	2020
Total paper consumption (kg)	Not available	99,455	80,520
Total paper recycled (kg)	Not available	29,490	48,025



5.3 Local Procurement Practices

Our Centralised Supply Chain Department is responsible for procurement, contracts and warehouse management through clear and defined policies and workflows that are aligned to best practices

Where possible, JKB uses local suppliers to reduce our environmental impact and improve economic

development in communities close to our operations. To streamline the procurement process and make it easier for suppliers, we are working to automate the procurement process using an ERP system which has passed the proof-of-concept stage and is moving towards completion.

Focus area	KPI	2018	2019	2020
Local Procurement	Total number of suppliers engaged	270	270	295
	Total number of local suppliers engaged	260	260	282
	Total number of SME start-up suppliers engaged	0	0	0
	Total number of women-owned suppliers engaged	6	6	6
	Total procurement spending (JOD)*	6,278,867	2,953,671	4,776,788
	Procurement spending on local suppliers (JOD)*	826,740	1,122,355	4,760,000
	Percentage of spending on local suppliers (%)	100%	100%	99.50%
	Number of suppliers assessed against sourcing code of conduct	0	0	0
Supplier Audits	Number of suppliers that are subject to audit	0	0	0
	Number of suppliers identified as having significant actual and potential negative impacts	0	0	0
	Suppliers with which improvements were agreed upon as a result of audit	3	2	2
	Suppliers with which relationships were terminated as a result of audit	0	0	0

* Numbers are approximate

Appendix A Acronyms

Abbreviation	Full form
AFS	Alternative Financial Services
AML/CTF	Anti-Money Laundering And Counter Terrorist Financing
ATM	Automated Teller Machine
BIA	Business Impact Analysis
CBJ	Central Bank Of Jordan
CEO	Chief Executive Officer
COBIT	Control Objectives For Information Technologies
CSR	Corporate Social Responsibility
DFI	Direct Foreign Investments
EBITDA	Earnings Before Interest, Taxes, Depreciation, And Amortization
EDR	Endpoint Detection And Response
ERM	Enterprise Risk Management
ESG	Environment, Social, And Governance
GDPR	General Data Protection Regulation
GHG	Greenhouse Gases
GJ	Giga Joules
GRI	Global Reporting Initiative
HR	Human Resources
HVAC	Heating, Ventilation, And Air Conditioning
ISO	International Organisation For Standardisation
JKB	Jordan Kuwait Bank
JLGC	Jordan Loan Guarantee Corporation
LEED	Leadership In Energy And Environmental Design
LOYAC	Lothan Youth Achievement Centre
MIC	Master Card Intelligence Centre
PCI DSS	Payment Cards Data Security Standard
PPE	Personal Protective Equipment
PRB	Principles For Responsible Banking
RPA	Robotic Process Automation
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SME	Small And Medium-Sized Enterprises
UN	United Nations
USGBC	United States Green Building Council
VRF	Variable Refrigerant Flow

Appendix B GRI Content Index



This report was prepared according to the GRI Sustainability Reporting Standards: core option. The table below serves as the GRI content index. For the Materiality Disclosure Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the English version of the report.

GRI Standard	Disclosure	Page number(s) and/or direct answer
GRI 101: Foundation 2016		
General Disclosures		
Organizational profile		
	102-1 Name of the organization	8
	102-2 Activities, brands, products, and services	8
	102-3 Location of headquarters	8
	102-4 Location of operations	8
	102-5 Ownership and legal form	8
	102-6 Markets served	8
	102-7 Scale of the organization	8
	102-8 Information on employees and other workers	8
	102-9 Supply chain	8
	102-10 Significant changes to the organization and its supply chain	No significant changes in the reporting period.
	102-11 Precautionary Principle or approach	25
	102-12 External initiatives	13
	102-13 Membership of associations	12
Strategy		
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	5,6
Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	8
Governance		
	102-18 Governance structure	9
Stakeholder engagement		
	102-40 List of stakeholder groups	11
	102-41 Collective bargaining agreements	The Bank complies with the laws and regulations applied in Jordan, in relation to collective bargaining agreements.
	102-42 Identifying and selecting stakeholders	17
	102-43 Approach to stakeholder engagement	19,20
	102-44 Key topics and concerns raised	19
Reporting practice		
	102-45 Entities included in the consolidated financial statements	8
	102-46 Defining report content and topic Boundaries	4
	102-47 List of material topics	19

GRI Standard	Disclosure	Page number(s) and/or direct answer
GRI 102: General Disclosures 2016	102-48 Restatements of information	There was no restatement of information during the reporting period.
	102-49 Changes in reporting	There were no changes during the reporting period.
	102-50 Reporting period	4
	102-51 Date of most recent report	This is the first Sustainability Report for Jordan Kuwait Bank.
GRI 102: General Disclosures 2016	102-52 Reporting cycle	4
	102-53 Contact point for questions regarding the report	4
	102-54 Claims of reporting in accordance with the GRI Standards	4
	102-55 GRI content index	62
	102-56 External assurance	Jordan Kuwait Bank does not require external assurance for its sustainability reports.
Material Topics		
GRI 200 Economic Standard Series		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30,31
	103-2 The management approach and its components	30,31
	103-3 Evaluation of the management approach	30,31
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	31
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	60
	103-2 The management approach and its components	60
	103-3 Evaluation of the management approach	60
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	60
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23
	103-2 The management approach and its components	23
	103-3 Evaluation of the management approach	23
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	28
GRI 300 Environmental Standards Series		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58
	103-2 The management approach and its components	58
	103-3 Evaluation of the management approach	58
GRI 302: Energy 2016	302-1 Energy consumption within the organization	58
	302-2 Energy consumption outside of the organization	58
	302-3 Energy intensity	58
	302-4 Reduction of energy consumption	58
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	59
	103-2 The management approach and its components	59
	103-3 Evaluation of the management approach	59

GRI Standard	Disclosure	Page number(s) and/or direct answer
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	59
	305-2 Energy indirect (Scope 2) GHG emissions	59
	305-4 GHG emissions intensity	59
	305-5 Reduction of GHG emissions	59
Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	59
	103-2 The management approach and its components	59
	103-3 Evaluation of the management approach	59
GRI 306: Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	59
	306-2 Management of significant waste-related impacts	59
	306-4 Waste diverted from disposal	59
GRI 400 Social Standards Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39,41,42,43
	103-2 The management approach and its components	39,41,42,43
	103-3 Evaluation of the management approach	39,41,42,43
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	43
	401-3 Parental leave	42
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15,39
	103-2 The management approach and its components	15,39
	103-3 Evaluation of the management approach	15,39
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	39
	403-3 Occupational health services	39
	403-5 Worker training on occupational health and safety	41
	403-6 Promotion of worker health	39
	403-8 Workers covered by an occupational health and safety management system	39
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41
	103-2 The management approach and its components	41
	103-3 Evaluation of the management approach	41
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	41
	404-2 Programs for upgrading employee skills and transition assistance programs	41
	404-3 Percentage of employees receiving regular performance and career development reviews	41
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46
	103-2 The management approach and its components	46
	103-3 Evaluation of the management approach	46

GRI Standard	Disclosure	Page number(s) and/or direct answer
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	46
	Non-discrimination	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47
	103-2 The management approach and its components	47
	103-3 Evaluation of the management approach	47
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	49
	103-2 The management approach and its components	49,50
	103-3 Evaluation of the management approach	49,50
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	50-56



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