



البنك الأردني الكويتي
JORDAN KUWAIT BANK

Sustainability Report **2022**

About This Report

This is Jordan Kuwait Bank's (JKB) third annual sustainability report, covering January 1st to December 31st, 2022. JKB is committed to annually communicating its activities, initiatives, and performance.



This is Jordan Kuwait Bank's (JKB) third annual sustainability report, covering a period of January 1st to December 31st, 2022.

This report describes our Environmental, Social, Economic, and Governance strategy framework and highlights our performance.

We have prepared this report in accordance with the GRI Standards by the Global Reporting Initiative, a universally acknowledged sustainability reporting framework and in line with Amman Stock Exchange sustainability disclosure requirements

The report covers all operations in the Kingdom of Jordan. Data on external contractors, suppliers, and customers is excluded unless stated otherwise.

We welcome feedback on this report and our performance via the following channels:



Disclaimer:

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 gone to great lengths to ensure that the report is as precise and complete as possible. Forward-looking statements, on the other hand, are subject to inherent risks and uncertainties relating to future expectations, which might cause actual outcomes to differ considerably from these projected or implied statements. Such statements are subject to risks that are beyond JKB's control, and as such it is not guaranteed that the events referred to in these forward-looking statements will occur.



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Message from our CEO

Dear Stakeholder,

Jordan Kuwait Bank (JKB) continually works to attain the highest standards of sustainability in our activities, operations, and strategic plans, affirming our commitment to being “more than just a bank”. In line with this commitment, I am pleased to present to you our third Sustainability Report for the year 2022, which illustrates how we integrate environmental and social factors into our strategies and operations.

JKB has been dedicated to achieving sustainability both at the local and international levels. The Bank is committed to promoting sustainable growth by integrating responsible strategies into its operations, banking services, and ongoing efforts to involve the community in its sustainability journey. JKB’s sustainability approach aligns with Jordan Vision 2025 and the United Nations’ Sustainable Development Goals, contributing to sustainable growth in social, economic, and environmental aspects.

Conscious of the fast-paced advancements in sustainability, we adopt best practices and execute cutting-edge projects that elevate both Jordan Kuwait Bank - as a prominent financial institution - and the Jordanian local community. We recognize that Jordan’s Vision 2025, the United Nations’ Sustainable Development Goals, and the Paris Agreement collectively offer a well-defined roadmap for realizing a sustainable future. These initiatives establish explicit targets for greenhouse gas emission reduction, resource conservation, fostering social and economic development, and laying the groundwork for collaboration among governments, businesses, and civil society.

Our sustainability framework is put into practice through multiple strategic initiatives that aim to create a tangible and sustainable positive impact. The foundation of this framework is material ESG topics chosen in consultation with our stakeholders to ensure focus on the most important issues for the benefit of all stakeholders.

As we aim to enhance our approach towards environmental sustainability, we have updated our framework in 2022 to place emphasis on improving environmental performance and managing greenhouse gas emissions. This is driven by our awareness of the challenges that confront us today due to climate change.

We are proud to be the first Jordanian bank to receive the LEED Gold certification for green buildings. Additionally, our headquarters in Amman is now the first building in Jordan to receive the LEED V4.1 certification for operation and maintenance. Our headquarters also features the largest green wall in the country, extending over an area of 400 square meters, covering the building’s southern facade. In terms of renewable energy, we have successfully generated 70% of our total electricity consumption using renewable sources. Since the establishment of our solar power plant in 2018, we have produced 18 million kilowatt-hours of electricity.

Through our sustainability framework, we also focus on implementing responsible business practices and responsible banking, empowering our human capital, and ensuring that we are connected to our communities through robust community engagement.

Our approach towards responsible business practices focuses on enhancing operational efficiency and compliance. As such, there have been no data security breaches during the past year, which underscores our commitment to maintaining the privacy and protection of our customers’ information. To enhance and automate our compliance processes, we have collaborated with IBM to implement Artificial Intelligence (AI) solutions to prevent fraud, corruption, and bribery, and have also used Robotic Process Automation (RPA) technology to automate 28 operations within the bank to increase their efficiency.

Through our approach to responsible banking, we are committed to promoting sustainable financing, encouraging responsible investments, and improving the digital banking customer experience. Our green loan portfolio has expanded to JOD 135 million since its inception in 2015, and we have witnessed a 15% increase in online transactions. In addition, we take environmental, social, and corporate governance strategies into account when proposing any Initial Public Offering (IPO), which confirms our continuous endeavor to keep abreast of developments in digital banking operations.

As we consistently work towards further developments and achieving a brighter future, we place substantial emphasis on human resources, championing diversity, inclusion, and gender equality within a stimulating work environment. Last year our female employment rate accounted for 45% of all new hires, and recorded a total of 34,000 hours of training; accelerated by technological solutions developed by the bank.

Community engagement is a fundamental part of JKB’s philosophy. We spent JOD 1 million during the year 2022 on social responsibility projects and implemented more than 190 community related initiatives that contributed to strengthening our connection with the Jordanian



local community. Our focus is on projects related to the environment and women empowerment.

In conclusion, I take this opportunity to extend my gratitude to the esteemed Bank’s Board of Directors, customers, and shareholders for their continuous support, and to the Bank’s management and staff for their dedicated work, sincerity, and contribution to the Bank’s success and growth. I also extend my appreciation to His Excellency the Governor of the Central Bank of Jordan, for their ongoing support and encouragement to inspire us to further enhance our sustainability efforts.

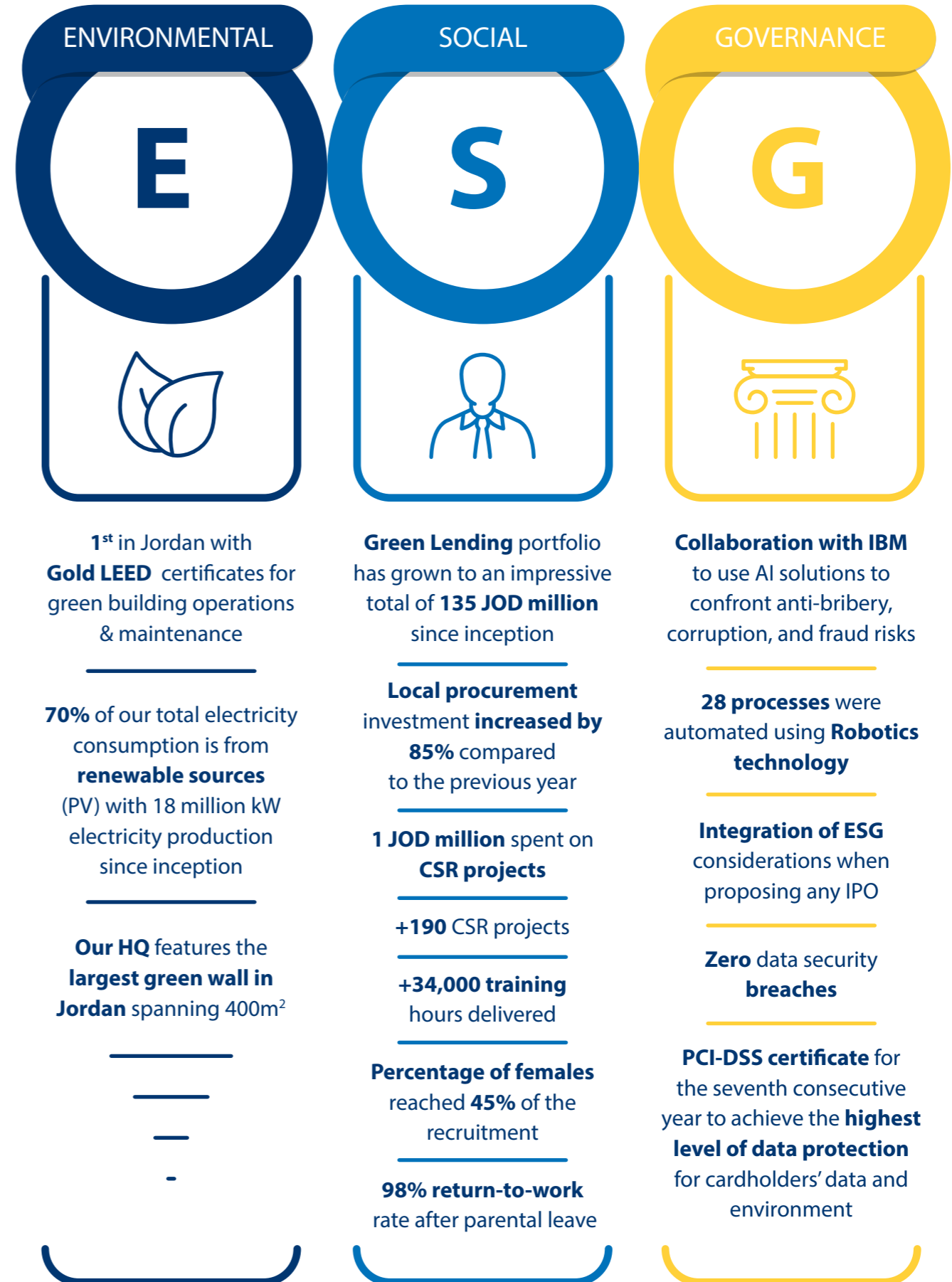
Sincerely,

Haethum Buttikhi



2022 Highlights

As we continue to prioritize sustainability, Jordan Kuwait Bank made significant strides in 2022. We are thrilled to share our key accomplishments, which underscore our efforts to address climate change and reduce greenhouse gas (GHG) emissions. Our achievements demonstrate our commitment to environmental responsibility, social impact, and good governance.



JKB: Towards a Sustainable Future

Founded in 1976, JKB has been a key contributor towards supporting the progress of Kingdom of Jordan's economy. Offering investment advice, legal services, financial engineering, insurance, and brokerage services, our slogan "More than Just a Bank" demonstrates our dedication to innovation and change.



Our vision is reinforced by an updated corporate strategy for 2025-2021.



Our Vision...

"To bring the bright future of banking to our customers today."



Our Mission...

"Providing integrated, tailored, and frictionless banking experience through digitally innovative and agile services."



Our Values...

- We welcome change
- We thrive on empowerment
- We work together
- We treat all stakeholders as family
- We are responsible corporate citizens


Under our corporate strategy, our priorities to Transform, Excel, and Prosper effectively reinforce our duty to operate in a responsible and sustainable manner, whilst simultaneously creating a more profound and far-reaching impact.


<p>1 TRANSFORM</p>  <p>Focusing on enhancing the Bank's internal operations and supporting the existing customer base by utilizing enhanced services and products</p>	<p>2 EXCEL</p>  <p>Enhancing customer acquisition with distinct customer service and increasing acquisition while expanding to new markets and delivering new digital products and services</p>	<p>3 PROSPER</p>  <p>Driving innovation in the ecosystem and delivering innovative products and services to diversify positioning and offer a unique value proposition to stakeholders</p>
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In 2022, the Strategy Department completed the development of departmental strategic plans. Consistent with the bank's overall strategy, the department outlined each department's strategic objectives, initiatives, and key performance indicators.


Our Journey So Far


- 


1976
JKB founded
JKB was established on October 25, 1976 as a public shareholding company.
- 

1977
Commencement of Operations
Two branches in Abdali and Jabal Amman opened.
- 

1983
Bank Automated System implemented
Systems for deposits and shareholder records automated.
- 

1985
Automated Teller Machines (ATM)
Under the brand name "Auto Bank".
- 

1991
Branches connected digitally
Branches were connected to the central digital system.
- 

1995
First branch opens outside Jordan
In the city of Nablus in Palestine.
- 

1997
General Assembly of Shareholders elects the 6th Board of Directors
Chairmanship handed to H.E. Abel Karim Kabariti, reflecting a shift in the Bank's strategy, mission, and image

- 

2000
First Bank in Jordan to launch internet banking
NetBanker was soon followed by the launch of the Mobile Phone service (Mobile Bank).
- 

2001
Cyber Branch and Cyprus Branch open
First Cyber branch in Sweifiyyah in Amman; JKB Cyprus Branch opened in Limassol, Cyprus.
- 

2002
United Financial Investments Company becomes subsidiary
With the Bank holding a controlling share of its capital (more than 50%).
- 


2003
New logo launched
To symbolize new image of strength, vitality and modernity.
- 


2006
Regional Management
New branch and regional management in Ramallah, Palestine.
- 


2008
Ownership restructure
KIPCO transferred the share of the United Gulf Bank (Bahrain) to Burgan Bank, becoming the regional banking arm of KIPCO Group.
- 


2010
First ATMs for visual disabilities
Custom ATMs that cater to those with visual disabilities.
- 


2011
Ejara Leasing Company established
Registered as a private shareholding company with paid-up capital JD 10 million fully paid by the Bank.


- 

2014
New banking system launched
"ICS BANKS" across 56 branches.
- 

2015
First Interactive Teller Machine in Jordan
Using video-based interactive technology managed by a remote teller.
- 

2016
Establishment of Sanad Capital
Founded as a private limited company with a paid-up capital of JD 520 thousand, fully paid by the Bank.
- 

2018
Acquired 10% of Al Quds Bank and merged with Al Quds Bank
Founded as a private limited company with a paid-up capital of JD 520 thousand, fully paid by the Bank.
- 

2021
New Board of Directors & CEO
The election of the Board and handing over the Chairmanship to H.E Mr. Naser A. Lozi. & the appointment of Mr. Haethum S. Buttikhi as Chief Executive Officer.
- 

2022
Approval of two acquisitions by Board of Directors
1. Jordan Kuwait Bank has completed the acquisition deal of 76.97% of the paid-up capital of BHM Capital.
2. Jordan Kuwait Bank has completed the deal of acquiring 51.79% of Bank of Baghdad "BoB" Capital.
*effective in 2023.



Awards & Recognition

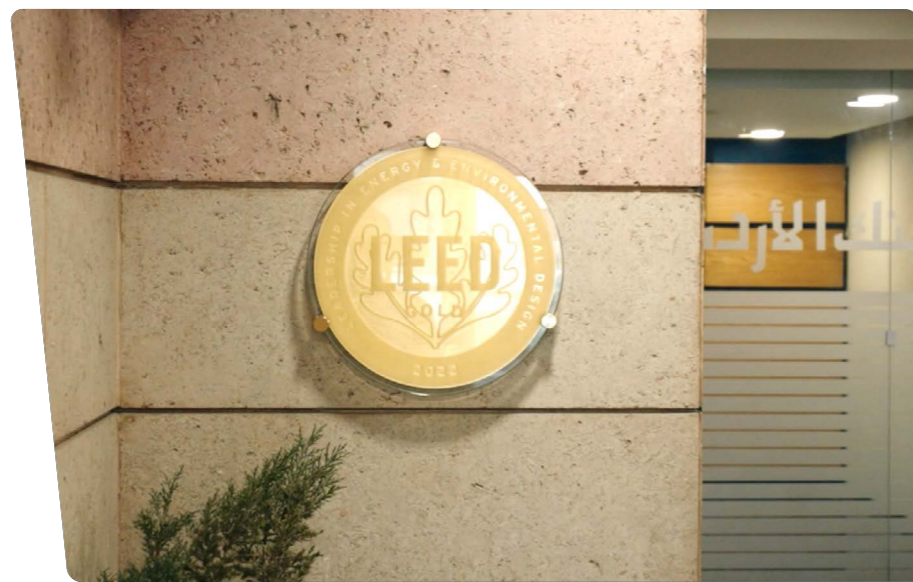
Peacock Best Corporate Banking

In 2022, Jordan Kuwait Bank received the “Peacock Best Corporate Banking” award at the World Fintech Summit. This accolade recognizes the Bank’s dedication to offering innovative, high-quality solutions, and banking products and services that cater to its customers’ diverse needs. Alongside being a trusted partner and advisor, the Bank’s contributes to Jordan’s prosperity through sustainable development, women empowerment, and job creation.



LEED GOLD-Certified

Jordan Kuwait Bank announced that its headquarters have received LEED Gold certification. The LEED (Leadership in Energy and Environmental Design) rating system, developed by the U.S. Green Building Council (USGBC), is the world’s most widely adopted green building rating system and a global symbol of excellence.



Straight-Through-Processing (STP) Award

The Bank’s received the 2021 Straight-Through-Processing (STP) Award from Bank of New York Mellon (BNY Mellon), affirming its exceptional capability to process payments efficiently, securely, and with minimal risk or delays.

“Best Private Bank Jordan 2022” and “Best Corporate Bank Jordan 2022”

JKB was awarded the “Best Corporate Bank Jordan 2022” in recognition of its commitment to the local economy, its proven banking and advisory experience in the market, whereby recording 11% growth in direct corporate facilities portfolio in 2021, compared to the average 5% growth recorded by Jordanian financial sector. Additionally, JKB has led and supported various mega-projects in different sectors of the country. JKB has also invested in several top tier technology solutions that enabled the Bank to launch a rich suite of transactional banking products and services across several areas.



The “Best Private Bank Jordan 2022” was awarded to Jordan Kuwait Bank in recognition of the exceptional performance the Private Banking have achieved in terms of Wealth Planning, Asset Management, Discretionary Portfolio Management, and Nondiscretionary/Advisory Portfolio Management. JKB’s Private Banking embraces the latest developments in the finance industry, and evolving cutting-edge technologies, allowing clients to benefit from the innovative digital banking services. JKB Private Bank’s expert team work tirelessly to develop products and services customized for clients’ special needs and requirements and create long term and valuable relationships.

Affiliates and Partners



كيبكو
KIPCO
شركة مشاريع الكويت (القابضة)
Kuwait Projects Company (Holding)



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.**

Al Rawabi United Holding Co.

owns about 51% of Jordan Kuwait Bank's capital. A subsidiary of KIPCO (Kuwait Investment Projects Company).

صندوق استثمار
أموال الضمان الإجتماعي
Social Security Investment Fund
...نستثمر بمسؤولية



Social Security Investment fund

owns about 21% of Jordan Kuwait Bank's capital.

ODYSSEYRE®

Odyssey Reinsurance Company

owns about 5.85% of Jordan Kuwait Bank's capital.



EJARA Leasing Company

Fully owned by Jordan Kuwait Bank.



United Financial Investments

Subsidiary of Jordan Kuwait Bank with the Bank holding a controlling share 78.3% of its capital.



Quds Bank

Jordan Kuwait Bank holds 10% of its capital.



Burgan Bank

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



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 10% stake of its capital.



FIMBANK

A sister company. FIMBANK is a subsidiary of Kuwait Projects Company Holding (KIPCO).



MEPS

Jordan Kuwait bank holds 19.77% of MEPS capital.



Professional Real Estate Investment Company

Jordan Kuwait bank holds 19.98% of Professional Real Estate Investment Company capital.



Our Approach to Embed Sustainability

JKB remains committed to achieving meaningful ESG objectives, fortifying our business endeavors, and providing enduring value to shareholders.



As global sustainability efforts accelerate, we continue to make progress on incorporating ESG factors into our business operations and in our culture.

Our sustainability approach fosters a socially responsible culture, aligned with Jordan National Vision and the 17 United Nations Sustainable Development Goals (SDGs). We are in full support of Jordan's endorsement of the UNFCCC and ratification of the Paris Agreement in 2016, and thus JKB's sustainability strategy supports the nation's commitment to a 31% reduction in GHG emissions from a business-as-usual scenario by 2030.



JKB's Sustainability Framework

Our Sustainability Framework (SF) is implemented through a series of strategic initiatives aimed at creating a lasting and significant positive impact.



This framework is grounded in material ESG topics, identified in consultation with our stakeholders, ensuring our focus is on the most pressing issues for the benefit of all parties involved.

In our ongoing efforts to enhance our approach towards environmental sustainability, we updated our framework in 2022 to place greater emphasis on improving environmental performance and managing greenhouse gas emissions. This is driven by our recognition of the challenges posed by changing climate and weather patterns.

With this update, we reaffirm our unwavering commitment to addressing urgent environmental concerns and adapting to the ever-evolving global landscape, safeguarding the sustainable well-being of both present and future generations.



The five prime focal pillars we are aligning our sustainability approach to are: Managing GHG Emissions and Environmental Impact, Driving People Development, Empowering Our Communities, Engaging Customer Experience, and Embedding Responsible Business Practices.

Based on these areas, we have identified our material topics, **In January 2023, Jordan Kuwait Bank took a significant step towards strengthening our sustainability efforts by developing an Environmental and Social Management System (ESMS).** The ESMS will allow us to better assess environmental and social factors for our lending and investing portfolio, enabling us to better manage our risks and identify opportunities to promote sustainability.

Engaging Our Stakeholders

A core value at JKB is fostering meaningful, strong, and enduring relationships with stakeholders across our operations. Engaging with stakeholders regularly is crucial in creating our sustainability roadmap, as it helps us better understand their aspirations, needs, and perspectives, ultimately shaping our overall strategy and business approach.

We value the diverse perspectives our stakeholders bring to the table, and we are committed to maintaining open lines of communication, transparency, and trust.

Our key stakeholder groups



We utilize various engagement methods and channels tailored to the needs and preferences of our stakeholders. **Some of these include:**



- 1. Employees:** Internal meetings, training sessions, and feedback surveys
- 2. Customers:** Satisfaction surveys, social media engagement, and customer support
- 3. Shareholders and Investors:** Annual general meetings, investor presentations, Annual reports
- 4. Government and Regulatory Bodies:** Compliance reporting, policy consultations, and industry roundtables
- 5. NGOs:** Joint projects, partnerships
- 6. Local Communities:** public consultations, and support for local events and initiatives
- 7. Media and Opinion Leaders:** Press releases, media interviews, and participation in industry conferences

JKB conducts due diligence and oversight of the organization's activities, engaging with stakeholders to support these processes by adhering to company law and holding annual General Assembly of Shareholders meetings with the entire Board present.

Enhancing financial performance and investment appeal through stakeholder communication are among the Bank's primary objectives. We believe in assessing the social and environmental impact of decisions influenced by these interactions. In addressing stakeholders, the Bank maintains an open and constructive dialogue based on best practices and high standards of corporate conduct and governance. Driven by shareholder targets, we pride ourselves on strictly complying with applicable legislation and following local regulatory recommendations in our CSR activities.



Focusing on Our Material Topics

Recognizing the dynamic nature of the sustainability landscape, we conducted a comprehensive review of our previous materiality assessment to identify the most pressing environmental, social, and governance (ESG) issues affecting our business and stakeholders.

To ensure that our materiality assessment remains relevant and reflects the current environmental, social, and governance (ESG) landscape, we carried out a thorough review of our material topics through engaging our internal stakeholders across various departments and benchmarking our performance against leading banks in the industry. By considering the insights and best practices from these industry leaders, we were able to refine our material topics reflecting the most pressing issues facing our business and stakeholders. Below are our updated material topics:

- | | |
|--|--|
|  1 Emission Management and Environmental Impact |  9 Human Capital Development |
|  2 Responsible Investing and Financing |  10 Community Support and Development |
|  3 Financial Inclusion and Literacy |  11 Sustainable Procurement |
|  4 Customer Satisfaction |  12 Governance, Accountability, and Transparency |
|  5 Digital Innovation |  13 Risk Management |
|  6 Diversity, Inclusion, and Equal Opportunity |  14 Ethical Conduct |
|  7 Employee Wellbeing |  15 Compliance |
|  8 Talent Attraction and Retention |  16 Data Security and Privacy |
|  17 Economic Performance | |

These material topics encompass our core priorities at JKB and are actionable levers to the value we intend to create for our clients.

Strategic Alignment with National and International Goals



We have aligned our sustainability strategy with Jordan Vision 2025 and aim to continuously improve against existing metrics. A key priority is connecting the 17 UN SDGs to our commitments and efforts, striving to create long-term value. We work closely with stakeholders to achieve key goals from Jordan Vision 2025, including promoting economic growth, fiscal stability, reducing financial waste, and lowering public debt to safe levels.

In support of our broader goals and Vision, we continue partnering with leading organizations, including the International Finance Corporation (IFC), to promote educational workshops and support national strategies like the **Central Bank of Jordan's Green Finance Strategy**. This strategy aims to create a more "climate-responsive and efficient economy," in line with Jordan Vision 2025.

Over the years, our efforts to support the UN SDGs have been recognized, and we will persist in making our mark in support of national priorities at JKB.



Economic Performance

We are aware that long-term success requires prosperity and the generation of value. We have a significant impact on our stakeholders' and Jordan's economic system's productivity, resilience, and stability.

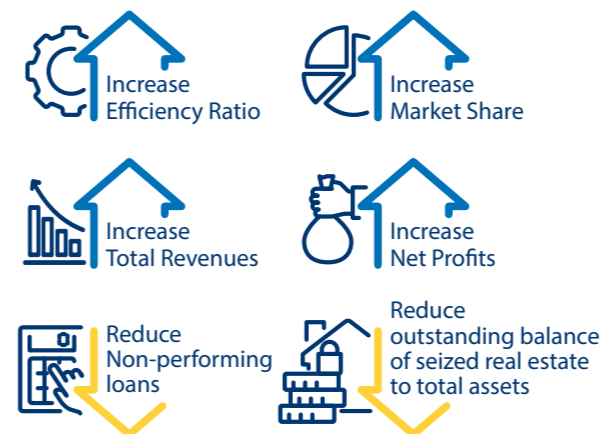


In 2022, we have revised and revamped the Bank's financial plan and initiated a project to revisit the Bank's cost allocation methodology to be in line with the Bank's wide strategy, we also conducted a holistic cost optimization program.

JKB's commitments on economic performance are to increase the Bank's net profit in comparison to previous years, as well as increasing the Bank's market share and explore new markets, enabling a fintech sandbox and providing open banking services.

From a financial perspective, JKB focuses its efforts on initiatives that creates positive impact on economy, increase the welfare of its shareholders and investors, by seizing business prospects that creates value to the Bank.

JKB's financial performance drivers:



In alignment with our commitment to enhancing JKB's economic performance, we hereby pledge to undertake the following initiatives in the near future:

- Implementation of a budget system to optimize resource allocation in accordance with our objectives.
- Completion of the cost allocation methodology for our profitability system.

We believe that these initiatives will help us achieve our goals and improve JKB's economic performance in the long run.

Revenues by Geography (JOD)

	2019	2020	2021	2022
Jordan	122,071	99,867	102,733	128,541
Cyprus	8,712	8,349	9,156	11,002



Economic Performance

	2019	2020	2021	2022
Direct economic value generated (revenues) ('000 JOD)	122,071	108,216	111,889	139,544
Total economic value distributed (including the below) ('000 JOD):	73,765	55,457	70,790	84,837
Operating costs ('000 JOD)	29,337	27,656	36,530	42,907
Employee wages and benefits ('000 JOD)	27,602	28,868	29,892	33,320
Payments to government (taxes and penalties) ('000 JOD)	16,826	1,067	4,368	8,610
Dividends paid to shareholders (JOD)	20,000,000 (Cash)	50,000,000 (Shares)	10,500,000 (Cash)	12,000,000 (Cash Proposed)
Donations and sponsorships (JOD)	844,696	2,563,441	545,770	1,047,839
Donations and sponsorships as % of pre-tax profit (%)	2%	-46%	4.50%	3.80%
Economic value retained (direct economic value generated' less 'economic value distributed') ('000 JOD)	48,306	52,759	41,098	54,707
Global net profits ('000 JOD)	29,937.62	4,511.28	7,704.84	18,734.38
Total operating income (revenue) ('000 JOD)	122,071	108,216	111,889	139,544
Shareholders' Equity ('000 JOD)	459,532	456,432	467,674	477,555
Return on (average) equity (%)	9.2%	6.6%	-1.0%	4.0%
Tier-1 Capital notes (%)	18.91%	18.52%	17.71%	15.97%

Distribution of JKB Net Profit by Business Segment

	2019	2020	2021	2022
Personal banking ('000 JOD)	13,160	655	12,625	20,541
Corporate ('000 JOD)	60,447	27,380	32,984	43,715
Treasury ('000 JOD)	29,398	22,717	30,767	31,158
Other ('000 JOD)	73,067	55,263	68,670	76,680

Revenues by Business Segment

	2019	2020	2021	2022
Personal banking ('000 JOD)	17,405.892	13,454.069	17,780.856	30,961.254
Corporate ('000 JOD)	69,921.611	52,168.647	55,178.429	66,167.440
Treasury ('000 JOD)	29,398.270	34,466.272	32,855.834	30,574.778
Other ('000 JOD)	5,345.526	8,127.195	6,073.638	11,840.343



RESPONSIBLE BUSINESS PRACTICES

JKB places responsible business practices as the core driver of operations, processes, and policies. As a leading local and regional financial institution, we believe that maintaining the highest standards of responsible business practices are crucial to sustain our leading position within the regional banking sector. Our conduct is strictly aligned with the requirements of the Central Bank of Jordan (CBJ) as well as international industry standards with respect to good governance, risk management, ethical conduct, information technology, as well as data security & privacy.



1.1 Sustainability Governance

Jordan Kuwait Bank (JKB) is committed to environmental responsibility in all its business activities. We are actively investing in our people, technology, infrastructure, and innovative solutions to create a culture of sustainability.



In 2023, JKB plans to introduce new governance policies and protocols to manage business risks while integrating environmental and social factors into our risk management process. As these factors can impact our reputation, clients' operations, and long-term economic viability, we are collaborating with the International Finance Corporation (IFC) to develop an Environmental and Social Management System (ESMS) for green financing. Our objective is to expand lending to large green infrastructure projects, SMEs, and other initiatives with positive environmental and social impacts while generating financial returns.

To manage potential environmental and social risks, we will establish an Environmental and Social Risk Policy outlining the risk governance requirements for consistent identification, escalation, and management of transactions and activities that may represent increased risks. These integrations require changes to our

governance and organizational structure. We are developing the Sustainable Development Committee and the Sustainability Department to define the roles and responsibilities of each and their relationships with other JKB departments.

Our main objective is to manage business risks in a way that serves the interests of clients, customers, and investors while safeguarding the Bank's safety and soundness. By integrating environmental and social factors into our risk management process, we can better protect our reputation and support the long-term economic viability of JKB and the communities where we and our clients operate.



1.2 Corporate Governance and Business Ethics

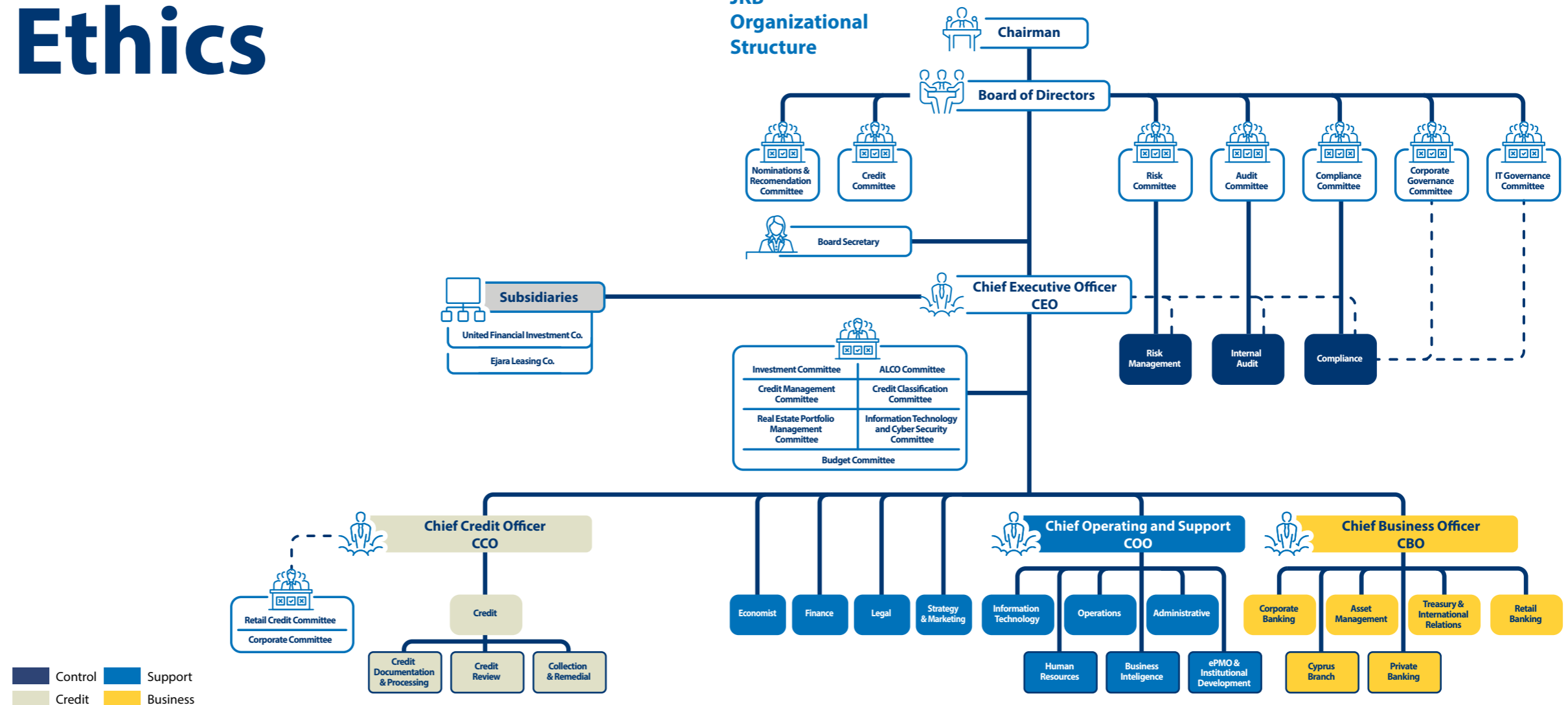
1.2.1 Corporate Governance Model

Good governance is critical to the success of any financial institution, and at JKB, we are committed to maintaining the highest standards. Our robust policies and procedures, overseen by a Board of Directors with practical and professional experience, ensure effective decision-making, risk management, and compliance with laws and regulations. One-third of our board members are independent to promote transparency and accountability.

The Board sets guidelines for corporate governance and related policies to ensure that the Bank's operations align with the interests of management, shareholders, and stakeholders. This enhances investor confidence while separating the powers of the board and executive management and ensuring independent oversight departments.

At JKB, we believe that good governance is essential to building trust and delivering value to our stakeholders.

JKB Organizational Structure



■ Control ■ Support
■ Credit ■ Business





For the Board to carry out its work efficiently and effectively, the following committees are formed:

- Corporate Governance Committee:** The committee is responsible for supervising the development and updating of the Corporate Governance Manual, as well as monitoring its implementation. Its primary objective is to ensure that the Bank's organizational structure adheres to corporate governance standards. The committee also establishes and proposes general policies, which are then presented to the Board of Directors for approval. It supervises the implementation of these policies and ensures that the Bank is committed to following the JKB Code of Ethics at all administrative levels, including the Board of Directors.
- Nominations and Remuneration Committee:** The Board Nominations and Remuneration Committee evaluates the effectiveness of senior governance bodies through self-evaluations and unbiased assessments. The Board has a variety of experiences including experiences in management, banking, finance, insurance, economics, and the legal profession.
- Audit Committee:** The committee is responsible for reviewing and approving the internal audit plan, which includes the scope and frequency of audits. It also reviews internal audit reports, as well as reports and observations from regulatory bodies and external auditors and ensures that the executive management takes appropriate corrective actions. In addition, the committee reviews the Bank's financial statements before they are submitted to the Board of Directors and verifies that the Bank has properly adhered to international accounting and audit standards.
- Risk Committee:** The committee is responsible for reviewing the framework and strategy of Risk Management and ensuring that a suitable work environment is created to identify and manage risks with significant impact. The committee stays up to date with developments that affect the Bank's operations. It reviews reports submitted by the Risk Management Department and submits relevant recommendations to the Board of Directors to demonstrate the Bank's commitment to maintaining an acceptable level of risk appetite.
- Compliance Committee:** The committee is responsible for adopting the organizational structure of the Compliance Control Department and ensuring its independence. It also ensures that an annual non-compliance risk management plan is established and assesses the effectiveness of the Bank's non-compliance risk management at least once a year, reviewing it if any amendments have been made.
- Credit Committee:** The committee is responsible for granting, modifying, renewing, and restructuring credit facilities that exceed the authorities of the Management Credit Committee, which is headed by the General Manager, within the limits established by the Board of Directors. If a matter exceeds the Committee's authorities, the Board of Directors will make the decisions.

- Information Technology Governance Committee:** The committee is responsible for approving the strategic objectives and organizational structures related to Information Technology, including the establishment of Steering Committees at the Executive Management Level, to ensure that the Bank's strategic objectives are achieved and that the best value is obtained from IT projects and investment resources. The committee also uses monitoring tools and standards to ensure that the extent of achievement is ascertained.

During 2022, we reviewed the **Governance Manual and related policies**, subsequently proposing amendments and optimizations for the Board's review. This process involved the periodic review of the guide and policies, as well as addressing observations that emerged during implementation. Key activities included preparing work procedures for the Institutional Governance Unit, coordinating with the Operations Development and Engineering Department to establish work procedures and necessary roles, ensuring corporate governance policy implementation, correcting internal audit observations related to corporate governance, and assisting subsidiaries in preparing policies in accordance with corporate governance instructions.

For 2023, we have set goals such as preparing the 2022 governance report, monitoring corporate governance instructions for listed companies, preparing a gap analysis between the Bank's governance guide and amended instructions, reviewing charters of committees originating from the Board for compliance with applicable instructions, and developing procedures to monitor and follow up on governance policy implementation.

Board of Directors

	2018	2019	2020	2021	2022
Percentage of Board seats occupied by women	0%	0%	0%	7.7%	7.7%
Percentage of Board seats occupied by independent directors	38.5%	38.5%	38.5%	46.1%	46.1%
Number of executive members of the Board of Directors	0	0	0	0	0
Number of non-executive members of the Board of Directors	13	13	13	13	13
Number of female members of the Board of Directors	0	0	0	1	1
Number of male members of the Board of Directors	13	13	13	12	12
Number of independent members of the Board of Directors	5	5	5	6	6
Number of non-independent members of the Board of Directors	8	8	8	7	7



1.2.2 Code of Conduct & Ethical Requirements

Ethical Conduct

Jordan Kuwait Bank's Ethical Code of Conduct is implemented to reflect our work principles, values, and controls and serves as the foundation for managing our operations and ensuring that our workers engage in business processes appropriately. Its goal is to match the Bank's operations with what our stakeholders are looking for. The Code addresses issues such as anti-corruption, information privacy, dishonest behavior that can result in a conflict of interest, and a set of protocols that govern relationships with stakeholders.

Our approach is to establish a clear tone from the top, reinforcing individual accountability and risk awareness. Enablers such as policies, training, and support for open communication are in place to empower our employees and establishing excellent behavioral standards and incentive systems. All employees are expected to act in accordance with the Code and Standards of Professional Conduct. We think it's our duty as a society to uphold an environment where unethical conduct is not tolerated.

Number of breaches reported against Code of Ethics

	2019	2020	2021	2022
Number of breaches reported against code of ethics	0	0	0	1

Anti-Bribery, Corruption, & Fraud

At JKB, we are committed to preventing bribery, corruption, and fraud, recognizing their significant impact on our reputation, financial stability, and regulatory compliance. Our comprehensive Anti-Bribery, Corruption, and Fraud policy covers employees, customers, and stakeholders. JKB was a leader in combating financial crimes through a dedicated unit before local regulations were established by the Central Bank of Jordan.

Joining the global effort against financial crimes such as fraud, bribery, corruption, embezzlement, account takeover, and forgery, we report these trends to the Central Bank of Jordan and specialized law enforcement units. Our robust controls ensure crime detection while safeguarding the bank and clients, fostering trust.

To efficiently detect fraud, we utilized an automated solution to counteract the evolving tactics of fraudsters who exploit emerging technologies. In response, we partnered with IBM to implement a solution that harnesses Artificial Intelligence, Machine Learning, and Data Science to confront these risks effectively. Other challenges were that there were no local regulations or instructions issued by the Central Bank of Jordan. We overcame this by certifying our employees and implementing best practices & international regulations.

The objective of this activity is to accomplish several goals. Firstly, the aim is to detect, deter, investigate, and report cases related to fraud, bribery, and corruption. This is crucial in maintaining the integrity of the organization and upholding ethical practices. Secondly, the activity seeks to build a culture within the organization that is focused on security, where everyone is vigilant and takes responsibility for preventing fraudulent and corrupt practices. Finally, the activity also aims to protect the bank from both internal and external risks that are related to fraud, bribery, and corruption. This proactive approach to risk management helps to ensure that the organization can operate in a safe and secure manner, while also safeguarding the interests of its stakeholders.

As part of our commitment to ethical practices and transparency, we have established four main policies: anti-fraud, anti-bribery and corruption, accepting gifts and hospitality, and whistleblowing. These policies provide guidelines for all employees to follow and help to ensure that our organization operates with the highest level of integrity. Additionally, we have developed an Anti-Bribery and Corruption Guide and an Anti-Bribery and Corruption Risk Assessment Methodology. These resources provide additional support for our employees and help to identify potential risks and vulnerabilities within our organization. By implementing these policies and resources, we demonstrate our commitment to ethical and responsible business practices, and we aim to build a culture of trust and accountability within our organization.

We have an Anti-Fraud Solution for the following:



1. Cards (DI)
2. Wire Transfers (Sift Science)

We also have the following procedures:



1. Answering Specialized Law Enforcements Units Queries
2. Reporting suspicious cases to CBJ & Specialized Law Enforcement Units
3. Dealing with suspicious cases
4. Add, Edit, Delete Scenarios for the DI solution
5. Dealing with DI alerts
6. Bypass transactions through DI.



Finally, we have mandatory training for the employees on subjects related to (fraud, bribery, and corruption). We also create periodical awareness campaigns on similar subjects and their patterns.

As part of our ongoing efforts to maintain a culture of integrity and responsibility, we have made several commitments and plans for the future. Firstly, we are committed to obtaining the ISO37001 certification, which is an internationally recognized standard for anti-bribery management systems.

In addition to the certification, we have also planned to implement Phase 1, 2, and 3 of the Fraud Risk Management Solution from IBM "Safer Payments." This solution is designed to provide a comprehensive approach to fraud risk management and is tailored to our specific needs as an organization. By implementing this solution, we will be better equipped to detect and prevent fraudulent activities, while also protecting our organization and stakeholders from potential risks.

Whistleblowing

We prioritize the creation of an open and trusting work environment that encourages employees to report any concerns or irregularities they encounter. Our Whistleblower Policy outlines the procedures designed to safeguard whistleblowers, maintain confidentiality, and ensure the availability of secure reporting channels.

To foster this culture of transparency, we provide regular training for our employees on the Whistleblower Policy and the reporting channels at their disposal. This approach empowers our team members to confidently address any concerns or potential misconduct they may come across in their day-to-day work.

Our reporting channels have been designed to facilitate the direct communication of issues to the Chairman, CEO, and Head of Compliance. This can be done either via phone or email, or anonymously through the Regulatory Compliance Management (RCM) system, offering employees flexibility in their choice of reporting methods. In the event of receiving a report, the Compliance Department conducts thorough and discreet investigations to ascertain the validity of the concerns raised. By doing so, we can ensure that appropriate measures are taken to address any potential issues.

1.3 Risk Management and Compliance

1.3.1 Compliance

We strive to ensure a robust and secure financial environment for our stakeholders by continually enhancing our procedures, systems, and capabilities. In 2022 we reviewed and updated policies and procedures for both Jordan and Cyprus operations, implemented a new Know Your Customer (KYC) form in line with Central Bank of Jordan (CBJ) regulations, and reviewed and updated our Risk-Based Approach (RBA) methodology.

We also launched a new system, Fusion, for screening all Prepaid Cards for non-JKB customers and the beneficiaries of Manager Cheques. To enhance our screening capabilities, we subscribed to a new vessel tracker service called Purple Trac. Additionally, we fully utilized Decision Intelligence and Sift Science solutions, created 150% of our targeted awareness campaigns, and certified the targeted percentage of our staff.

For 2023, we are committed to implementing an account opening workflow system, a new name screening solution for international sanctions, and a project for FATCA & CRS implementation.

Our future plans include decreasing the response time to CBJ requirements, ensuring no incidents of non-compliance occur, fine-tuning false positive detection, implementing a new transaction screening system, and providing awareness and training for the first line of defense while certifying our compliance team. Also, we developed an authority matrix that identifies employees responsible for communicating with the Central Bank of Jordan.

By acting in accordance with the code and adhering to the highest international standards of financial institutions, every employee helps to establish an ethical culture. To preserve a moral and professional workplace, the code strives to establish best practice standards for employees to adhere to.

“Anti-Financial Crime”

At JKB, we recognize the critical importance of compliance with anti-financial crime regulations and laws. Compliance with Anti-Financial Crime regulations helps us to protect our customers, prevent money laundering, combat terrorism financing, and support a healthy economy.

We maintain comprehensive compliance guidelines, policies and procedures for due diligence and documentation. These measures enable us to prevent financial crimes such as money laundering and the funding of terrorism, ensuring the security and integrity of our financial ecosystem.

To support our employees in adhering to these high standards, our Regulatory Compliance Unit publishes clear work procedures and instruction manuals, which provide uniform policies that align with all current rules and regulations throughout the Bank. By equipping our workforce with these resources, we ensure that our anti-financial crime efforts are consistently implemented across all levels and departments. Through our robust anti-financial crime framework, we not only protect our organization and stakeholders from potential risks but also contribute to the broader efforts in maintaining a transparent and secure financial landscape.

Some of the key work procedures and instruction manuals published by our Regulatory Compliance Unit include:



1. AML/CTF Policy
2. AML/CTF Handbook (Procedures Manual)
3. Customer Acceptance Policy
4. Sanctions Policy
5. Sanctions Handbook (Procedures Manual)
6. AML/CTF in Correspondent Banking Policy
7. Military Matrix
8. ML/TF Risk Self-Assessment Methodology
9. Risk Appetite Document
10. Country Risk Classification Methodology
11. Risk Based Approach Methodology (RBA)
12. Anti-Bribery & Corruption (ABC) policy
13. Anti-Bribery & Corruption Risk Assessment Methodology
14. Anti-Bribery & Corruption Guide
15. Accepting Gifts & hospitality Policy



1.3.2 Risk Management

We recognize that risk management is a fundamental component of our business operations. We value risk management because it enables us to identify, assess, and mitigate risks that could adversely affect our customers, shareholders, employees, and the wider community. We believe that effective risk management is critical for ensuring the long-term success of our Bank. By proactively managing risks, we can minimize the impact of potential threats and capitalize on opportunities that arise. This helps us to safeguard our reputation as a reliable and trustworthy financial institution and ensure the sustainability of our business operations.

Jordan Kuwait Bank is dedicated to upgrading its policies and procedures to reflect all regulatory guidance and to adhere to the standards set by supervisory authorities. Risk management has implemented an early warning indicators report, which serves as a benchmark for assessing current and impending credit facilities threats. In the same token, we have moved numerous regulatory reports toward automation, which will improve the precision and quality of reports provided.

JKB is committed to protecting its brand and maintaining the highest level of security for its customers. As part of our ongoing efforts, we have implemented Brand Protection and Web Monitoring systems to detect and prevent fraudulent activities that may harm our organization or our customers.

The Risk Management department addresses climate change-related topics in studies and assessments and transfers the risks to third parties. In addition, it provides the executive management and Board of Directors with the necessary recommendations. Recently, the Credit Risk division established a study that includes a risk assessment of our loan portfolio's exposure to climate change, which addresses the main implications of climate change on the Bank's credit portfolio, all types of risks that the Bank could face, and its challenges and recommendations on how the bank should mitigate and transform these types of risks.

We have implemented several measures in 2022 to strengthen our risk management framework. Meanwhile, in Credit Risk mitigation, we have established a new concentration limits study as a tool for managing credit portfolios more effectively and efficiently to avoid any potential risks that may arise from concentrated exposure to a particular sector or borrower, which leads to maintaining and controlling the potential loss in value of a credit portfolio when an individual or group of exposures move together in an unfavorable direction. In addition, we have also introduced new work procedures for IFRS9, which will enable us to measure, manage, and report on credit risk in a more transparent and consistent manner, in line with international accounting standards. Furthermore, we have established new studies related to any potential credit risk that reflects our customers' cash flows and their behavior in the market. Along with evaluating and monitoring our credit portfolio, changes to the internal risk rating and credit limits for economic sectors (ECO).

Additionally, we have assessed the Bank's investments that have been presented to the Risk Management department from a Market risk and Basel implementation perspective. We have analyzed the potential risks that may arise from these investments and provided the necessary recommendations. Also, in the aim of developing our current processes, the risk management department has updated and developed various sets of processes:

- **Updated** the internal **Credit rating policy**
- **Updated various work procedures**, which reflect best practices in this regard
- **Developed the Bank's Key Risk Indicators** at the level of various banking activities as an early warning system
- **Updated risk management policies** reflecting the instructions issued by regulatory authorities

Whereas our aim to enhance the ability to identify and mitigate any future risks, we are in an ongoing process to upgrade the Moody's Credit Lens system, which is an internal credit rating system in cooperation with the IT department and business departments. As well as aiming to acquire and implement an automated system regarding Basel implementation to comply with regulatory instructions and improve efficiency in issuing reports, including Capital Adequacy Ratio (CAR), Stress testing, and Internal Capital Adequacy Assessment (ICAAP).

Raising employee understanding of the initial risks to which we may be exposed is part of our strategic goal for risk management. For instance, defining roles and duties clearly, we strive to provide a clear and explicit explanation of our principles and standards, which enables us to monitor these risks and lessen their likelihood and/or impact. One of our main goals is to integrate these risks into our bank's strategic planning procedure as well as to introduce management methodology, strategies, and tools to help detect, assess, and deal with these risks.

Our risk management system is designed to help create a safe working environment for our employees by identifying and ranking the risks they face in terms of importance. All risks related to the health and safety of employees and others, as well as the workplace environment, are regularly monitored by risk management, which also flags any inconsistencies with instructions. Moreover, risk management considers workplace diversity and does not permit any discrimination.

We examine our staff satisfaction scores and turnover rate, as well as operational risk indicators, which we check constantly. We also continuously assess the safety risks to our employees, clients, and vendors. This helps us better understand the lending process and highlights any associated risks. All of our employees have access to phishing simulation campaigns and security advice that they can use when working remotely and participating in online meetings.

Data Security and Privacy

In recent years, the financial sector has seen a significant increase in the use of cutting-edge digital technology and investments in digitization. However, this surge in digitalization has also led to growing security threats that could compromise the confidentiality, integrity, and availability of sensitive data, such as customers' personal and financial information. At JKB, we prioritize the safety of our customer data.

To enhance the security of the Bank and its customers, we have implemented several cybersecurity measures. These include acquiring a system for automating business continuity management, launching Office 365 services on the cloud while adhering to information security standards and business continuity requirements, updating all information security policies and procedures based on regulatory authorities' instructions and international best practices, and updating all business impact analysis and continuity plans for all departments, as well as evacuation plans for all JKB sites. We also perform periodic penetration and security tests.

We have taken additional initiatives by obtaining certificates and implementing programs. These include securing the PCI-DSS certificate for the seventh consecutive year to achieve the highest level of data protection

for cardholders' data and environment, maintaining Swift CSP compliance by implementing all information security requirements for SWIFT systems and receiving a compliance report from the external auditor, participating in the project of establishing new data centers while providing information security and business continuity requirements, and issuing more than 50 risk assessment reports for new or existing projects.

As we think ahead, we have set a plan of anticipated commitments we would make to make our cybersecurity and the safety of our customers' data stronger in the coming years. Our future plans include:



- Obtaining the ISO 27001 information security management certification
- Preparing an alternative business site for public departments according to the Business Continuity Plan
- Acquiring a Threat Intelligence Platform
- Establishing a Security Operations Center (SOC)
- Acquiring a Content Disarm and Reconstruction Solution (CDR)

	2019	2020	2021	2022
Number of data breaches	0	0	0	0
Percentage involving personally identifiable information (PII)	0%	0%	0%	0%
Number of account holders affected	0	0	0	0

We have experienced zero data breaches in 2022. We place a great emphasis on ensuring the security and privacy of our customers' data, and this achievement reflects the effectiveness of our robust security measures and the diligence of our staff. We understand the serious implications of a data breach and are committed to maintaining our high standards of security to protect our customers and their sensitive information. We will continue to invest in and enhance our security measures to stay ahead of emerging threats and safeguard the trust our customers place in us.



Legal

Our Legal Department is a vital component of our Bank's operations. Its role goes beyond simply providing legal advice; it plays a crucial part in ensuring that the Bank is compliant with regulatory requirements, protecting the Bank's interests, and managing risk. The Legal Department is responsible for providing legal guidance on a wide range of issues, including contracts, transactions, disputes, and regulatory matters. It also helps to identify and mitigate legal risks and ensures that the Bank's policies and practices are in line with legal requirements.

The Legal Department offers guidance on our operations and relationships with stakeholders, including the controller department of the businesses, shareholders, stakeholders, clients, partners, and employees.

JKB has seen a significant reduction in legal actions taken over the past years. This is a testament to our commitment to providing high-quality products and services that meet our stakeholders' needs and expectations. We believe that our focus on transparency, fairness, and customer satisfaction has played a key role in this. By ensuring that our stakeholders are fully informed and understand the terms of their agreements with us, we have been able to minimize misunderstandings and disputes. We have also worked hard to resolve any issues or complaints that arise in a fair and timely manner. We will continue to prioritize our customers' satisfaction and maintain our high standards, ensuring that our bank remains a trusted and reliable partner for all financial needs.

	2019	2020	2021	2022
Legal actions taken against the bank	31	27	30	11
Number of incidents of corruption	0	0	0	0
Number of complaints regarding human rights violations	0	0	0	0
Number of ethical incidents	0	0	0	0
Number of legal incidents	0	0	0	0
Number of incidents of non-compliance	0	0	0	0
Number of non-monetary penalties for non-compliance	0	0	0	0
The monetary value of large fines for non-compliance (JOD)	0.0	0.0	0.0	0.0
Number of business units analyzed for corruption	0	0	0	0

Audit

Audit is essential for maintaining the integrity of our operations, ensuring effective risk management, and complying with regulatory requirements and industry best practices. We are committed to maintaining a robust audit function that is independent, objective, and aligned with our business objectives.

The Board's Audit Committee receives direct reports from the Internal Audit Department. It protects the efficacy of our governance, control, and risk management procedures. The Internal Audit Department uses a risk-based approach to ensure that all auditable entities fully adhere to Jordan Kuwait Bank internal standards in addition to the requirements of the relevant regulatory authorities.

It also ensures that agreed-upon corrective action plans are followed through on until problems are satisfactorily resolved. In accordance with international internal auditing standards, the internal audit methodology has been approved. It is also evaluated through an outside Quality Assurance program that is in line with the "Assurance Service Provider" level and conducted by PricewaterhouseCoopers.

The Internal Audit Department seeks to enable the continuous audit unit during 2023.



1.3.3 Monitoring and Reporting

Monitoring and reporting are crucial components of our Bank's risk management framework. They enable us to identify, assess, and manage risks effectively and ensure that we comply with regulatory requirements.

At JKB, we recognize that the financial services industry is constantly evolving, and risks are continually emerging. As such, we have established robust monitoring and reporting systems that enable us to identify emerging risks promptly and take appropriate action to mitigate them.

We make sure that all employees have access to published, actionable work processes and instruction manuals. All working centers must adhere to general policies that are in line with the directives given by the regulatory authorities. All banking and financial laws and regulations are adopted by the Regulatory Compliance Unit, which also supports whistleblowing. The process for assessing the risk of non-compliance is in line with alerts for non-compliance. We provide the Compliance Committee and Board of Directors with quantitative information on business units that have been examined for AML threats.

	2019	2020	2021	2022
Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system	303	505	533	558
Percentage of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system that were substantiated	NA	34%	24.39%	31%



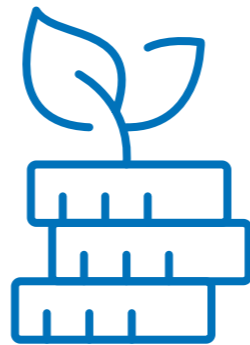
OUR APPROACH TO RESPONSIBLE BANKING

At JKB, we are dedicated to fostering enduring relationships and fidelity with our clients, with the aim of enhancing their experience during every interaction with our organization. We are convinced that by advocating for responsible investment and financing practices that prioritize environmental, social, and governance (ESG) considerations, we can generate enduring and sustainable advantages for both the Bank and our clientele, promoting the development of stable and long-lasting relationships.



2.1 Responsible Finance

Responsible Finance is at the core of our commitment to sustainability and long-term value creation for all stakeholders. By aligning our investments with ethical principles and global standards, we strive to foster a positive impact on society and the environment while driving sustainable growth and financial performance.



We have adopted a sustainable banking framework aligned with the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement. We also acknowledge the global guidance for responsible banking from platforms and frameworks such as the UN Principles of Responsible Banking (UN PRB). We are committed to responsible banking and integrate sustainability into our strategic, portfolio, and transactional decisions across all business areas.

We consistently strive to provide our customers with a range of services that address environmental, social, and governance (ESG) issues. These services are managed at the project level to ensure maximum monitoring and influence over the outcomes. We understand the importance of ESG considerations, and our investment analysis favors green investments over regular ones when the two options have the same risk, outlook, and ratios. **In 2022, our Investment business department dedicated a section of its research to Environmental, Social, and Governance (ESG) considerations when proposing any initial public offering (IPO) issued that year.**

Looking forward to 2023, we are committed to further integrating ESG considerations into our investment strategies. We will be adding more ESG bonds to our clients' proposals and analyzing mutual funds with high social or environmental impact. Additionally, we will create a watchlist of attractive financial instruments with ESG considerations and specify ESG bonds such as Green, Blue, Climate bonds, and Sustainability bonds.

Our commitment to ESG investing does not stop at the investment department. We understand the importance of educating our relationship managers on the significance of ESG Investing and encouraging them to market ESG Investments to our clients.

As we continue to prioritize ESG considerations, we will increase ESG investments in our portfolio, assuming the investment criteria are met. We will also monitor ESG investment opportunities in the market and attempt to add at least one ESG investment opportunity to our clients' proposals if it meets the specific criteria set by the client.

2.1.1 ESG Risk Management

Risk management is crucial for Jordan Kuwait Bank in ensuring that potential risks to the Bank's financial stability and reputation are identified, assessed, and managed effectively. Incorporating ESG factors into risk management can enhance an organization's ability to identify and manage a wider range of risks, improve decision-making, and increase resilience in the face of environmental and social challenges.

Jordan Kuwait Bank has a robust risk management approach that identifies, measures, monitors, and mitigates various risks. The Bank has integrated ESG risk management into its overall risk management strategy and developed a comprehensive approach to assess and manage ESG risks associated with its business activities. (For more details on our risk management approach, please refer to section 1.3.2).

At JKB, we consider environmental, social, and governance (ESG) factors when assessing credit risk and making lending decisions. We require a detailed environmental assessment report and traffic impact study for certain projects, while for others, we rely on government licenses and permits that take these factors into account. We also factor in macroeconomic assessments for all lending decisions.

We are mindful of the credit risks posed by climate change, natural resource constraints, human rights concerns, and other sustainability trends. We rely on external advisors to assess environmental risks for projects that require an environmental assessment study. We also consider environmental and social risks for energy projects and projects in densely populated areas. The type of project and its location determine whether an environmental assessment study, traffic impact study, or appropriate governmental permits are required.

In January 2023, Jordan Kuwait Bank took a significant step towards strengthening our sustainability efforts by developing an Environmental and Social Management System (ESMS). The ESMS will allow us to better assess environmental and social factors for our lending and investing portfolio, enabling us to better manage our risks and identify opportunities to promote sustainability.

As part of our ESMS, we have defined risk categorization and impact reporting, which will provide a more comprehensive and consistent approach to assessing environmental and social risks across our portfolio.

While we are excited about the potential of our new ESMS, we recognize that implementation is key to its success. We plan to implement the ESMS throughout 2023 and look forward to reporting on its impact in our next sustainability report.



INITIATIVE

Jordan Kuwait Bank progress towards sustainable development

Jordan Kuwait Bank (JKB) is committed to playing a leading role in promoting sustainable development and contributing to the global effort to transition to a net-zero economy. Recognizing the potential to provide financial products and services that address societal and environmental issues, the Bank has assessed the environmental and social aspects of its operations.



In collaboration with the International Finance Corporation (IFC) through its Green Financing program, JKB is developing an Environmental and Social Management System (ESMS) to control green financing. The primary objective is to lend to large green infrastructure projects, small and medium enterprises (SMEs), and other initiatives that have positive environmental and social impacts while generating a financial return.

The Bank believes that creating an enabling environment for green financing and investment is a joint effort. It aims to achieve this through a combination of industry collaboration, government policy, and financial support. Additionally, JKB intends to offer green and sustainable financing to support these initiatives and reduce its own environmental footprint while observing internal controls, good governance, and a robust risk management approach.

JKB recognizes that the transition to a net-zero economy requires a joint effort. By reducing the environmental footprint of its operations and the greenhouse gas (GHG) emissions of its lending portfolio, the Bank will contribute to the overall effort to transition to a net-zero economy. Moreover, by offering green products and services to its customers, JKB can help increase awareness of environmental issues and promote sustainable practices.

Overall, JKB's Environmental and Social Management System (ESMS) for Green Financing with IFC is a strategic move towards promoting sustainable development. Through its collaboration with IFC and its commitment to reducing its environmental footprint, JKB is well-positioned to lead the financial industry in Jordan towards sustainability and green finance.

2.1.2 ESG Lending

ESG lending is an important aspect of JKB’s responsible banking efforts, and we prioritize social issues in our lending practices. Our loans through the Central Bank of Jordan (CBJ) and Jordan Loan Guarantee Corporation (JLGC) are specifically designed to enhance social and economic development by promoting employment and sector development.

We also recognize the impact of the COVID-19 pandemic on our community and have taken steps to support those affected by the pandemic. Our Corporate Banking department has supported several initiatives, including partnering with the European Investment Bank (EIB) to provide cheaper financing to small and medium enterprises (SMEs). We signed a loan agreement for USD 63 million with the EIB, which will go a long way in supporting SMEs and promoting economic growth.

We have also increased lending through CBJ and JLGC to help local businesses affected by the pandemic and waived certain due payments on loans in compliance with CBJ directives. The loans through CBJ totaled JOD 52.5m in 2022, and loans through JLGC were JOD 22.2m.

As a highly responsible financial institution operating in Jordan, JKB takes great care to consider the social, economic, and environmental impact of our lending activities. Since 2015, our Green Lending portfolio has grown to an impressive total of \$190 million, reflecting our commitment to supporting sustainable projects that benefit both our customers and the wider community.

We are proud of the success of our Green Lending portfolio and see it as a testament to our commitment to responsible finance. Going forward, we will continue to seek out new opportunities to support sustainable development and make a positive impact on the world around us.

Customers and Loan Portfolio

	2019	2020	2021	2022
Microprojects* (JOD million)	1.9 (164 customers)	4.2 (220 customers)	3.28 (204 customers)	3.67 (102 customers)
Customers of SMEs (JOD million)	56 (262 customers)	73.9 (289 customers)	80.01 (266 customers)	122.4 (422 customers)

2.1.3 Green Financing

At JKB, we are committed to promoting sustainable practices and encouraging our customers to invest in ESG opportunities.

“In addition, we have collaborated with the International Finance Corporation (IFC) to issue the first Green Bond in Jordan.” This Green Bond will help us fund environmental projects and promote sustainable practices in our operations. We are proud to be a pioneer in this initiative and hope to inspire other companies to follow suit.

“To further promote sustainability, we plan to launch new green credit cards targeting individuals who are looking for green products.” These credit cards will be built with proper pricing and behavior to reach that audience. We believe that this will encourage more individuals to adopt sustainable behavior.

We are also redesigning and launching a new loyalty and rewards program that incentivizes customers to engage in less risky and green behavior. We believe that this program will be an effective way to encourage our customers to adopt sustainable practices.

Total “green” lending

	2018	2019	2020	2021	2022
Customers of SMEs (JOD)	56,829,321	57,170,660	57,997,695	57,997,695	66,780,000



INITIATIVE

Jordan Kuwait Bank and IFC Host a ‘Green and Resilient Buildings Finance’ Workshop

Jordan Kuwait Bank (JKB) and the International Finance Corporation (IFC) hosted a ‘Green and Resilient Buildings Finance’ workshop that was attended by Ejara Leasing Company, Jordan Housing Developers Association, and a number of JKB’s corporate clients.

The workshop aimed at defining and clarifying the investment opportunity for green and resilient buildings in Jordan and presenting new ways to assess, construct, and certify green buildings through an international certification system which follows a standardized certification process.

Mr. Haethum Buttikhi – JKB’s Chief Executive Officer – commenced the workshop by welcoming the IFC and participants, stating: “In line with Central Bank of Jordan’s Green Finance Strategy, and in acknowledging our role in contributing to Jordan Vision 2025 on a local level and the Sustainable Development Goals on a global level, we at JKB have and shall continue to be a strong supporter and advocate for the adoption of the best global practices in the green financing field and raising awareness over climate change, working towards establishing a culture of sustainability according to global standards and to operate responsibly to deliver ESG value for our stakeholders.”

JKB is currently one of the largest banks supporting and funding the energy sector in the local market, and in collaboration with IFC is looking to provide green and resilient building finance on different scales, whether for retail, SMEs, companies, or mega projects.



2.2 Financial Inclusion and Literacy

Jordan Kuwait Bank (JKB) is committed to the National Financial Inclusion Strategy for Jordan and has placed a particular emphasis on providing financial services to women and youth. JKB recognizes that these groups face significant barriers to accessing financial services and that financial inclusion is critical to achieving economic empowerment and growth.

To this end, JKB has developed a range of products and services that are tailored to the needs of our customers, especially women and youth, including savings accounts, loans, and investment opportunities.

By focusing on financial inclusion, JKB aims to provide affordable and useful financial products and services that cater to the needs of individuals and SMEs. These services include transactions, payments, savings, credit, and insurance. It is important to note that financial inclusion is not only about providing access to financial services but also ensuring that these services are provided in a responsible and sustainable manner.

We believe that financial inclusion benefits from improving financial literacy, which involves providing education and resources to help individuals understand how to manage their

finances effectively. By increasing financial literacy, individuals can make informed decisions about which financial products and services to use and how to use them responsibly. This can help them to improve their financial well-being and achieve their financial goals.

We promote financial inclusion through initiatives that support social impact include making money accessible to unbanked customers using a digital wallet through our ATM network, allowing customers to scan and pay, or transfer through QR codes. In addition to launching new contactless methods to serve the youth (Prepaid Wearables).

By doing so, we aim to help undervalued individuals and markets to access the financial resources they need to improve their lives and achieve their goals.

Financial Inclusion

	2018	2019	2020	2021	2022
New accounts held by first-time account holders	15,986	20,604	17,876	23,895	19,143
New accounts held by first-time credit card holders	2,847	4,391	1,118	2,088	6,742
Loan-to-deposit ratio for overall domestic lending (%)	20%	20%	23%	43%	48%
Loan default rates for overall domestic lending (%)	12.6%	11.9%	10.7%	5%	6.5%

Financial Inclusion

	2018	2019	2020	2021	2022
Number of branches in low populated and economically disadvantaged areas	7	7	7	7	11
Number of ATMS in low populated and economically disadvantaged areas	13	13	14	15	18

Financial Literacy

	2019	2020	2021	2022
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	153	164	337	712
Number of financial literacy initiatives for unbanked, underbanked, or underserved customers	9	12	22	41



INITIATIVE

Case Study: Cooperation Agreement between Jordan Kuwait Bank & Global Girl Project

To create sustainable communities and empower young women, Jordan Kuwait Bank (JKB) entered into a partnership with the Global Girl Project. The Global Girl Project is an international organization dedicated to transforming the lives of young women in the developing world through education, training, and empowerment programs.

JKB's collaboration with the Global Girl Project focused on providing a 6-month training program for young girls living in underprivileged areas across Jordan. The program was designed to introduce the girls to the world of banking and finance, with a focus on providing financial literacy to those who were unbanked.

To achieve this goal, JKB sponsored a blended learning leadership initiative for two groups of ten girls each in Amman and Irbid. The program consisted of online training sessions, which were held in collaboration with the Human Resources Department at the Bank. The girls were selected from two schools in the Shafa Badran and Al Husn regions, and female employees from JKB participated in organizing and facilitating the program's activities.

The partnership aimed to bring together girls between the ages of 13 and 18 to work together and develop their leadership skills, as well as spread financial awareness in their communities. The outcome of the program was the development of the community and leadership standards, and the empowerment of young girls in both local and global communities.

JKB's collaboration with the Global Girl Project was a step towards a more sustainable future, as it aimed to spread financial literacy and help create a developed community. The bank's commitment to supporting young women and investing in their education and training will have a lasting impact on the lives of these girls and their communities.



INITIATIVE

Case Study: Fight for Feminism Initiative

The Fight for Feminism Initiative is a campaign launched by JKB to support women artists who aim to promote quality education and reduce inequality. This initiative targeted students, youth, and unbanked women in refugee camps with the objective of developing a sustainable community and creating financial awareness among unbanked students and females.

JKB supported the International Amman Academy's GSL Global Goals Competition as a part of the Fight for Feminism campaign. Twenty girls participated in the initiative over a period of two months. The competition required the participants, who were from various public and private schools including refugee camps, to hand-paint hoodies and sweatshirts with designs that support the theme of women empowerment.

The JKB team conducted training sessions for the 20 students in the IAA related to banking services and how they can create income from the project. The team also provided advice and training to the students to help the unbanked women get income through the project. The girls were assisted in calculating the break even for the project and selling the hoodies in shops suggested by the JKB team.

This initiative has spread financial awareness among the unbanked girls and women and has empowered and supported young girls in the local and global community. Moreover, the project has provided a platform for the girls to showcase their talents and earn income through their art. The training sessions conducted by the JKB team have helped the girls understand the basics of banking services and how they can create income from the project.

This initiative has the potential to be scaled up and replicated in other communities. JKB plans to continue supporting women artists and empowering young girls in the future. The initiative has received positive feedback and support from the community, and JKB plans to continue its efforts in promoting financial awareness and reducing inequality.



2.3 IT and Digital Transformation

Through technology and innovation, we deliver reliable and secure products and services to our customers and maintain our competitiveness in the marketplace.

We are committed to leveraging digital technologies to improve our customers' experience, increase efficiency, and reduce our environmental impact. In the year 2022, we anticipated a significant increase of 15% in digital transactions compared to 2021, with a total of 13 million transactions recorded on digital channels.

Throughout the year, we focused on digitizing our products and services to better serve our customers and reduce our environmental impact. Our efforts included launching a brand-new mobile banking app with enhanced UI/UX, **implementing paperless workflows, deploying digital signage, introducing e-KYC, and making online account opening available.** These changes not only improved our customers' experience but also led to a reduction in energy costs and resource consumption.

Other milestones are undertaken in 2022 to improve our performance:



- Migration of the mail system to the cloud
- Transform into Service Oriented Architecture and implementation of a Middleware Technology to enhance the speed of integration between systems
- Intelligent Data Network that enhanced security and performance
- IP telephony across the bank that reduced cost and enhanced collaboration & productivity
- New data centers that enhanced business continuity
- Automation of multiple processes that reduced time to complete services and reduced time and cost to execute

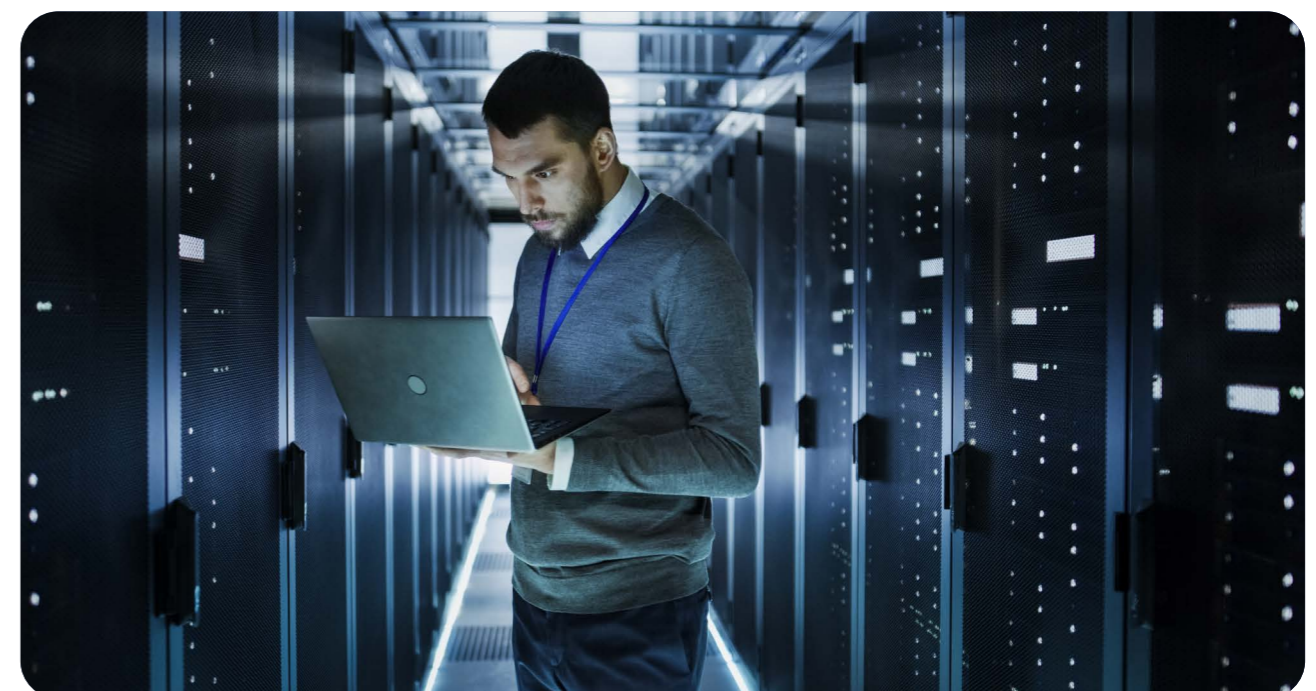
Looking ahead, we plan to continue investing in digital projects and innovations. Our **digital mobile branch**, for example, will be able to service provide customers with unique services, including digital onboarding, instant card issuance, financial and non-financial services. We will also continue our projects in mobile banking, **eLi wallet** (multicurrency digital first prepaid wallet), **new ATM experiences**, and a new service approach. These initiatives will enhance our customers' banking experience while reducing our environmental impact. Furthermore, we are continuing the development of a new **cash management system** that will help us streamline our operations and improve efficiency. We plan to launch this system in 2023.

As part of our commitment to sustainability, we also plan to revisit our banking products and services to minimize interactions and paper consumption, including going paperless on ATMs and providing more automated processes. We recognize the importance of reducing paper usage and waste in our operations and are continuously looking for ways to reduce our environmental footprint.

	2019	2020	2021	2022
Number of branch transactions	3,476,708	2,632,141	2,602,031	2,531,489
Number of online/mobile transactions	7,889,662	8,385,390	11,506,530	13,293,759

Number of Transactions

	2019	2020	2021	2022
JoMoPay (Jordan mobile payment system)	0	105,112	111,673	127,167



Using digitalization to enable a secure and user-friendly payment experience:

Jordan Kuwait Bank (JKB) recently launched the pioneering Biometric World Credit Card in Jordan. This innovative card employs MasterCard's biometric technology, allowing cardholders to authenticate transactions using their fingerprints instead of a traditional PIN. This development aligns with JKB's commitment to offering cutting-edge solutions and security measures while enhancing customer experience.

The Biometric Card provides an extra layer of security against card or PIN theft and improves the payment experience by eliminating the need to remember a PIN. The main objective was to ensure a secure and user-friendly payment experience, particularly for transactions conducted outside the local region. As a result, customers can confidently use the card, knowing that advanced security measures are in place.

This initiative saw impressive achievements, including the elimination of fraud attempts on customer cards and a reduction in rejected transactions. JKB became the first bank in Jordan to launch biometric-enabled authentication, emphasizing security.

Implementation challenges included concerns about bio-authentication failure and customer awareness. JKB addressed these issues by enabling the use of PINs as an alternative and publishing a comprehensive activation guideline on their website.

The Biometric World Credit Card exemplifies JKB's dedication to innovation, security, and customer satisfaction. It has successfully set a new standard for customer expectations in Jordan and will continue to provide value to the local community and environment.

Reaching higher levels of efficiency through automation:

At Jordan Kuwait Bank, our commitment to sustainability drives us to invest in automation, waste reduction, quality management, and digitization. Embracing tools like the iGrafix Business Process Engineering Tool and the Project Management Tool demonstrates our dedication to sustainable development.

The iGrafix tool has streamlined our processes and procedures, reducing approval times and documentation efforts. It offers centralized document storage for all employees, with AI-powered reporting and built-in workflow approval processes. Similarly, our Project Management Tool centralizes project and program activities, documentation, resource management, and agile project frameworks, with automatic reporting features.

These tools have led to reduced waste and paperwork, time savings in approval and documentation workflows, and ensured that all processes and procedures are easily accessible. They have also automated project management activities, provided centralized documentation, and facilitated automated project reports and dashboards.

Implementation challenges included data migration for the Process Engineering Tool, which we addressed by hiring university graduates who later joined JKB full-time. For the Project Management Tool, we faced challenges in transferring skills and knowledge for automated tools, replacing manual processes.

Enhancing our technology infrastructure:

With the assistance of Cisco, DELL, Vertif, VM-Ware, TIBCO, and Oracle we build 3 new data centers (Main, High-availability, and Disaster-Recovery) with the aim to modernize the technology infrastructure at JKB and set the foundation for the needed digital transformation. This program is key to JKB since it will set the foundation needed for the digital transformation through the adoption of the state-of-art technologies and modernizing the IT infrastructure which will enable the Bank to achieve its vision and mission. Aiming to enhance business continuity, information security, digital transformation, and technology operations. This project has increased compute and processing power with less power consumption, created new jobs in IT and modernized the IT infrastructure.

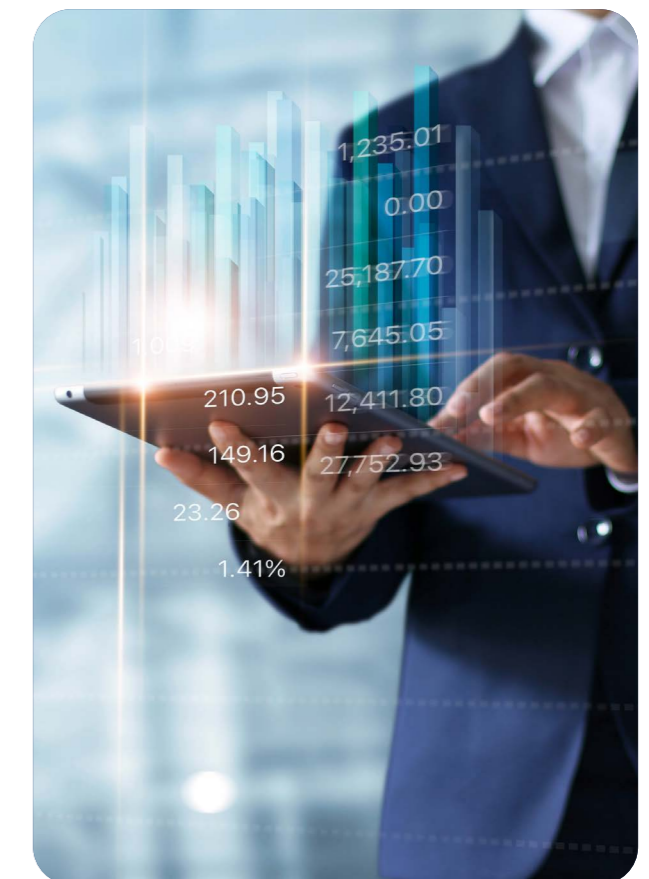
Utilizing Service Oriented Architecture (SOA) to extend the useful life of system components:

The SOA provides means to modernize applications and systems for reuse and provides a mechanism for swap-ability of smaller components compared to older methods of replacement of a full solution or application. This made it play a big role in sustainability competence.

JKB is in the process of implementing a Service Oriented Architecture that would help the increase efficiency & agility, flexibility and utilization of existing resources.

The Architecture challenges faced are mostly related to the current mixture of legacy

systems, platforms and applications; in order to achieve communication between these different systems and applications, a point-to-point was done between various systems. Implementing a middleware solution enabled JKB to develop a module-based services that addressed challenges related to the development and maintenance of complex IT portfolios. A pool of IT resources was created despite the existence of different IT systems, functionalities, language codes, and platforms as some of the legacy systems are still needed as they still have business value and considered a part of the culture of end-users. SOA facilitates continuous use of legacy systems and even support better utilization of these systems by adding on business intelligence applications to aid decision-making supported by a digital infrastructure.



2.4 Tracking Customer Experience

The Customer Experience (CX) department has been working diligently to improve the customer experience at all branches.



To achieve this goal, they have developed Service Standards and a CX Framework, which are outlined in the CX Manual that was designed and distributed to all branch employees. The purpose of the manual is to introduce and highlight the role of the CX department and to set quality service standards for front-liners. In addition to this, awareness initiatives have been implemented to ensure that all employees are aware of the service standards and service excellence pillars. The Department has also developed monitoring tools to evaluate adherence to Service Standards consistently. Moreover, Customer Experience and satisfaction measurement tools have been developed to measure Customers' Experiences and satisfaction rates. The CX department has identified areas for improvement to continuously work on with stakeholders and other departments to further enhance the customer experience.

In 2022, we were proud to report a **customer satisfaction rate of 99%** for the fifth consecutive year. This was achieved through the implementation of several initiatives that aimed to enhance the customer experience, including the upgrading of our cash management system, continuously updating our online banking services, and the introduction of the JKB mobile app. Our financial expertise and experience in delivering

innovative solutions also played a significant role in our ability to meet our customers' financial needs.

To ensure that our customers receive the highest quality of service, we have implemented measures to improve their experience by making our services faster and more accessible through automation and digitization. During the pandemic, we enhanced our mobile and online banking systems to give customers access to a wide range of financial services without having to visit branches in person.

At JKB, we understand that occasionally, customers may have complaints or inquiries. We take such matters seriously and aim to resolve them as quickly as possible to comply with CBJ regulations. In 2022, our complaints team received calls, mails, in-person visits, and negative comments on social media. Our team worked diligently to resolve these issues within ten days, as required by regulatory guidelines.

In addition, our regulatory team received inquiries from the CBJ and ensured that all queries were responded to promptly and within the due date.

At JKB, we remain committed to providing the best possible customer experience and continuously work to improve our services to meet our customers' evolving financial needs.

Customer Satisfaction

	2018	2019	2020	2021	2022
Overall customer satisfaction (%) Based on the number of complaints received from JKB customers	99%	99%	99%	99%	99%
Number of complaints	175	303	505	533	558



EMPOWERING OUR HUMAN CAPITAL

An inclusive and open workplace fosters knowledge sharing, open discussions, and active employee engagement. Recognizing our employees as a cornerstone of our success, we prioritize diversity and inclusion, equal opportunities for growth, and employee recognition and rewards. To cultivate a familial work environment, we have instituted a social committee and introduced a range of tools aimed at encouraging employee development and attracting the best diverse talent.



Our steadfast commitment to elevating the bank’s employment performance is exemplified by our continuous efforts in:



1. Enhancing the employee onboarding and offboarding
2. Digitally updating Job evaluation and Job description for all functions
3. Implementing a new Time Attendance system with a focus on a flexible time schedules and enhancing the employee experience
4. Revamping Goal setting and Performance Management
5. Updating and Developing a Competency profile for each position
6. Integrating our AI video assessment tool with the HR-Recruitment system
7. Continue to promote a performance-driven culture
8. Continue to empower our people by updating our authority matrix and providing Leadership and soft skills training program
9. Continue to provide electronic courses through our in-house E-learning platform
10. Increase Employee engagement and satisfaction scores



JKB has a dedicated strategy department that is responsible for strategy formulation and execution among all the bank’s departments. The HR department goals, targets, and KPIs are set in alignment with the overall bank strategy goals and KPIs.

The HR department, using our strategy digital solution provides periodic achievements and progress status on monthly, quarterly, and annual basis for CEO and board reporting purposes.

In 2022, our total number of employees reached 1455 with an increase of 10% compared to 2021. Which reflects the Bank’s strategy to attract new talent while retaining our people.

Employees Overview

	2019	2020	2021	2022
Total Number of Employees	1239	1253	1321	1455
Female	439	445	483	551
Male	800	808	838	904

- The Bank does not recruit part time employees
- All HR numbers are generated from SAP HR system as head count for Jordan

260 workers who are not employee working in the fields of security, maintenance and cleaning services.



3.1 Human Capital Development

Upskilling our people, building proficiencies, and increasing productivity are key results for stepping up the level of investment in digital learning initiatives which are becoming the “New Normal”.

JKB strongly invests in its employees’ capabilities and skills. The Bank relies on modern learning tools such as e-learning and training by digital gamifications with the aim of developing its existing employees for complex specialized jobs and give them wide range of opportunities for career development.

The events of 2020 and 2021 accelerated the need to change the way we operate. Rethinking the approach to upskilling, building robust digital learning programs, partnering with international well credited learning institutions, and transforming workspaces were essential to help shape the design of the Bank in an increasingly digital world. By relying on digital solutions, the Bank maximized the learner engagement rate through offering 12,793 digital learning opportunities for its employees in 2022 with a total of 16,318 training hours. 48 employees obtained professional certificates specialized in

various fields of work, compared to 17 employees in the previous year amounting to 56% of the total certificates. 8 promising employees were enrolled to attend a two-week summer program at Coventry University - Britain, with the aim of developing their skills in all aspects of leadership, personal and cultural, and enhancing their role and career advancement in the Bank.

18 internal trainers conducted a development program to enhance their training skills in order to transfer their knowledge and train our remaining employees during the Bank’s internal training and development programs.

Employees are continuously encouraged to communicate and implement their learnings, as an instance the Bank’s security system was updated following a training conducted by one of the employees in the field of cyber security and system testing.

The number of training courses, workshops and conferences increased by 26%, and the number of training hours increased by 22% compared to the previous year.

As we continue our growth journey, the Bank will continue to lead by example in embracing the spirit of continuous learning and development essential for the growth of its people and consequently the Bank business growth. This in return shall create new energy and excitement to reimagine the possible while staying relevant and making ourselves fit for the future of work.

During the year 2022, comprehensive specialized training programs were held related to all fields of work for all employees, with the aim of increasing and raising the level of administrative, technical, and banking competencies and maintaining the continuity of the career development path.

HR focused on technical and behavioral related training programs. Training was conducted at the bank premises as well as in and outside of Jordan, and covered the following programs:



1. Compliance & Risk training courses and professional certifications
2. Digital and Technology training courses, conferences, and professional certifications
3. Specialized Banking and non-banking training courses and professional certifications
4. Entry level career development programs including courses, On-Job-Training, and mentoring
5. English Training Program
6. Soft Skills training courses
7. Leadership coaching sessions
8. Specialized Credit program
9. Abroad conferences and masterclasses
10. Memberships
11. Coventry University Summer Leadership Program
12. Teambuilding program

Average hours of training²

	2019	2020	2021	2022
(1) Gender				
Female	10469	4741	9238	13480
Male	13782	5829	18677	20571
(2) Employee Category				
Senior Management	12.6	5.9	20.8	32.9
Middle Management	13.1	10.2	20.9	28.1
Staff	21.9	7.8	21.3	21.5

^{2*} The numbers represent the average training per person



In addition, to our training programs, we make sure that all employees are aware of the Bank anti-corruption policies and procedures.

Communication on anti-corruption

	2021	2022
Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to	1321	1455
Total percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100%	100%

Total number of employees that the organization's anti-corruption policies and procedures have been communicated to:

Senior Management	25	29
Middle Management	347	365
Staff	949	1061

Total percentage of employees that the organization's anti-corruption policies and procedures have been communicated to:

Senior Management	100%	100%
Middle Management	100%	100%
Staff	100%	100%

Governance body members who received training on anti-corruption:

Total number of governance body members that have received training on anti-bribery training	1087	79
Total percentage of governance body members that have received training on anti-bribery training	81.7%	5%
Total number of governance body members that have received training on anti-fraud training	-	1,168
Total percentage of governance body members that have received training on anti-fraud training	-	80%



	2021	2022
Total number of employees that have received training on anti-bribery:		
Senior Management	9	0
Middle Management	331	52
Staff	747	27

Total number of employees that have received training on anti-fraud:

Senior Management	-	8
Middle Management	-	352
Staff	-	808

3.1.1 Talent Attraction and Retention

JKB offers attractive employment opportunities and career growth development for fresh graduates and senior talent. JKB applies various professional development programs for fresh graduates and on job professional development programs including Career Development programs for branches' and head office employees. We have developed specialized tailor-made individual programs for International Universities graduates and Masters degree graduates to recruit prominent students.

90 employees have participated in the Career Development programs and 18 in the special programs.

The bank is expanding its recruitment procedures to include graduates of industrial engineering, IT, Data science and Business Intelligence.

We have attracted 217 new hires in 2022 compared to 127 in 2021.

In 2022, the number of trainees and sponsored students was seven.

100% of the targeted staff receive a regular performance and career development review during the reporting period.³

HR continued its digital transformation drive by launching new HR digital solutions and have successfully implemented the second phase, which includes Employee Onboarding, Employee Offboarding, Learning Management System, Digital Job Evaluation & Job Description. 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.

In light of the continuous contribution of the HR Department to social responsibility and as a result of cooperation with Jordanian universities and the Ministry of Labor, a number of job fairs for university graduates and persons with disabilities were organized, that led to the recruitment of 152 newly graduated employees, and an increase in the number of employees with disabilities by 100% over the previous year.

³* According to the performance management policy, employees who have not completed the minimum required period that qualifies them for evaluation, and who affiliated with the Career Development Program are excluded.

Our onboarding program ensures that new joiners have access to all tools and information needed to help with their quick integration into our business culture.

New employee hires overview

	2019	2020	2021	2022
Total number of new employee hires	104	52	127	217
Rate of new employee hires (%)	8.3	4.1	9.4	14.9
Total number of new employees hires by age group				
Under 30 years old	29	42	90	181
50-30 years old	8	10	37	36
Over 50 years old	0	0	0	0
Total number of new employees hires by gender				
Female	47	19	64	98
Male	57	33	63	119
Total number of new employees hires by region				
Jordan	-	-	127	217
Total number of new employees hires by job category				
Senior management	-	-	0	0
Middle management	-	-	26	17
Staff	-	-	101	200
Total number of employees leaving employment during the reporting period				
Turnover rate (voluntary and involuntary) (%)	5.2	3.0	4.5	5.7
Employee turnover rate by gender				
Female	21	13	26	31
Male	44	25	33	53
Employee turnover rate by age group				
Under 30 years old	40	17	25	45
50-30 years old	18	11	16	29
Over 50 years old	7	10	18	10



New employee hires overview (Continue)

	2019	2020	2021	2022
Employee turnover rate by job category				
Senior management	2	5	3	1
Middle management	11	8	23	24
Staff	52	25	33	59
Turnover rate (voluntary) (%)	5.1%	2.2%	3%	5%
Employee turnover rate by gender				
Female	20	10	18	28
Male	43	18	21	39
Employee turnover rate by age group				
Under 30 years old	40	17	27	42
50-30 years old	18	10	10	24
Over 50 years old	5	1	2	1
Employee turnover rate by job category				
Senior management	2	1	0	0
Middle management	11	3	6	13
Staff	50	24	33	54
Turnover rate (involuntary) (%)	-	-	-	1.2%
Employee turnover rate by gender				
Female	-	-	-	3
Male	-	-	-	14
Employee turnover rate by age group				
Under 30 years old	-	-	-	3
50-30 years old	-	-	-	5
Over 50 years old	-	-	-	9
Employee turnover rate by job category				
Senior management	-	-	-	1
Middle management	-	-	-	11
Staff	-	-	-	5



3.1.2 Diversity and Inclusion

In 2022, we developed and launched a robust Diversity and Inclusion policy aiming at fostering, cultivating, and preserving a culture of diversity, equity, and inclusion. At JKB, we operate on the basis of objective criteria in all our operations, regardless of age, gender, disabilities or nationality.

The collective sum of the individual differences, life experiences, knowledge, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represent a significant part of not only our culture but our reputation and the organization's achievement. Our diversity initiatives are applicable—but not limited—to our practices and policies on:



- Recruitment and selection;
- Compensation and benefits;
- Professional development and training;
- Performance appraisals, promotions; transfers;
- Social and entertaining programs; terminations;

We continuously work on the development of a work environment built on the premise of gender and diversity equity that encourages and enforces:



- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity.

In light of the Bank's Diversity and Inclusion policy, and as a result of cooperation with Jordanian universities and the Ministry of Labor, a number of job fairs for university graduates and persons with disabilities participated in, which contributed to the recruitment of 152 newly graduated employees, and an increase in the number of employees with disabilities by 100% over the previous year.

The focus during the year was on the youth category and increasing the percentage of females in the Bank, as the percentage of young people under the age of 40 years reached 96% of the recruitment, and the percentage of females reached 45% of the recruitment.

In 2022, 13% of the Bank's leadership positions are handled by employees under 30 years old and 8% by females.



Total number of employees with special needs

2019	2020	2021	2022
2	6	6	10

Employee Overview

	2021	2022
Percentage of individuals within the organization's leadership:		
(1) Age group		
Under 30 years old	0	13.0%
30-50 years old	11%	23.6%
Over 50 years old	12%	3.2%
(2) Gender		
Female	33%	59%
Male	7.70%	7.9%
(3) Nationality		
Jordanian	20%	19.0%
Non-Jordanian	N/A	99.9%
	N/A	0.1%
Number of employees per employee category:		
(1) Age group		
Under 30 years old		
Senior management	0	0
Middle Management	0	5
Staff	478	605
30-50 years old		
Senior management	18	16
Middle Management	309	325
Staff	458	442
Over 50 years old		
Senior management	7	12
Middle Management	38	35
Staff	13	15



Employee Overview (Continue)

	2021	2022
Number of employees per employee category (continue):		
(2) Gender		
Female		
Senior management	4	5
Middle Management	99	111
Staff	380	435
Male		
Senior management	21	23
Middle Management	248	254
Staff	569	627
(3) Nationality		
Jordanian		
Senior management	21	27
Middle Management	246	364
Staff	569	1060
Non-Jordanian		
Senior management	0	1
Middle Management	2	1
Staff	0	2

Gender Equality

We continuously work towards empowering women at the workplace and increase their representation at all levels. Female employees are always encouraged to engage in decision-making, take up leadership positions and play an active role in the work environment.

We are committed to driving greater gender equality across all levels of the business 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 role

We have developed a policy and tools to safeguard gender equality, diversity and inclusion. Female employees are guaranteed their rights in transparent recruitment, compensation and rewards, promotions, trainings and career development.

In 2022, the HR Department continues its commitment to applying the principles of women’s empowerment, as a group of female employees participated in several training programs and courses specialized in empowering women and raising awareness in the workplace.

We are proud of the number of female employees in the Bank, as they constitute 38% of all job levels and 29.2% of female employees in managerial and leadership positions.

As part of our commitment to Women’s Empowerment principles, a group of 41 talented female employees have participated in various training topics like; Influential Leadership, Presentation Skills, Problem Solving & Decision Making.



Non-Discrimination

All acts of discrimination, bullying or harassment are not tolerated in the workplace. The Bank operates under a set of internal policies that ensure a respectful work environment in compliance with the Jordanian labor laws. Our Employees Investigations, Whistle blowing, Sexual Harassment and Diversity, equality and inclusion policies are well enforced to ensure the same.

Our Employee Relations Function make sure that every complaint from employees on work-related issues is communicated in a trustworthy environment and well addressed. Each complaint is treated as a priority issue and resolved as per our relevant policies and procedures for all grievances and complaints. We always involve an Investigation committee to investigate all negative cases to decide on disciplinary action fairly.

Our Grievance policy and procedures are continuously being reviewed and updated to ensure a clear and efficient implementation mechanism.

In 2022, there were no incidents or complaints escalated to the Employee Relations Function related to discrimination or harassment or related to human rights violations.



3.2 Employee Wellbeing and Benefits

We consider that employee wellbeing is not only limited to health and safety but includes as well financial wellbeing and the sense of belonging to an inclusive and comprehensive workplace where all efforts are recognized and rewarded.

A drop of 20% in the employee absentee rate was noted in 2022.

In 2022, only one grievance was filed, and one breach reported against the code. The cases were monitored, and all necessary actions were taken in this regard.

Absentee Rate

	2019	2020	2021	2022
Employee Absentee Rate (%)	5.5	2.8	4.8	3.9

3.2.1 Occupational Health and Safety

The bank through its Engineering Department function and internal business continuity expert has developed and implemented all required measures to ensure the business is taking into consideration all potential health and safety-related risk matters.

In this regard, JKB is in the process of obtaining the "ISO 45001 Certification in OHS". In addition, our Occupational Health and Safety (OHS) function, system, and roles are currently being developed and expected to be launched during 2023. As part of this project, an OHS committee has been already created with members from HR, engineering, supply chain, Legal, and Risk Management. Committee's responsibilities and roles are being developed and expected to be finalized and approved during 2023.

JKB has a dedicated Engineering department, responsible for checking that all facilities are compliant with OHS regulations along with a medical clinic on premise available to all employees with a dedicated doctor. Employees also have access to a medical network as part of their health insurance.

As part of the bank OHS measures, first aid boxes have been placed on each floor, offices are continuously supplied with fresh air and appropriate lighting to ensure a healthy work environment. In addition many modifications have been made to the work environment to suit people with special needs, such as, allocating special parking spaces and designing private restrooms, setting a special entrance for wheelchairs and making the necessary improvements to ATMs to make them accessible for wheelchairs.

JKB held an open medical day for all employees, in cooperation with a local hospital, and provided several medical services, including blood sugar, blood pressure, and lipid tests.

In addition, employees are subject to annual training on "Incident & Crisis Management" as well as "First aid courses for concerned staff".

Employees could raise any concerns regarding their health to our specialized employee relations function. The function's main goal is to provide the right services to ensure that all employees are working within a healthy environment.

Details of incidents that occur are verified by the HR department for reporting purposes and to ensure that they are not repeated. We also have in place a clear reporting policy, whereby the liaison officer records all injuries on the social security website within seven days from the date of injury. Work injuries can be divided according to their severity into very strong, medium and minor. In 2022, 4 work-related minor injuries have been recorded.



3.2.2 Employees Benefits

Our employees are entitled to benefits from different types of leaves depending on their demand to keep a positive spirit and avoid burnouts in the workplace including annual leave, sick leave, bereavement leave, Hajj leave, maternity, and paternity leave. In 2022, like 2021, we have achieved a 100% return-to-work rate after parental leave. To be noted that following our Parental Leave Policy, female employees are entitled to 10 weeks of fully compensated maternity leave and male employees to three days of paid leave.

The Bank also provides comprehensive benefits that promote financial security for all employees and their families. Benefits include pension, health insurance, maternity coverage, life insurance, accident insurance, car loans, mortgage loans and personal loans with preferential interest rates.

Reward and Recognition

JKB dedicates an annual budget for salary adjustments and promotions of prominent employees.

Spot rewarding system is utilized to reward outperforming and innovative employees.

Rewards system categories include:



- **Proficiency based Reward:** Certificate of Appreciation
- **Creativity based Reward:** A financial reward with a certificate of appreciation
- **Excellence based Reward:** the highest financial reward with a certificate of appreciation based on achievement

As part of the appreciation and recognition program, HR financially awarded 23 employees who provided exceptional creative and innovative work that had a significant impact on the bank's strategic initiatives.

eNPS achieved score is 64% for the first time (Employee Net Promoter Score)



INITIATIVE

Case Study: Performance Counseling

A new methodology "Performance Counseling" has been adopted within the best practices of dealing with administrative violations and incoming complaints, aiming at guiding and mentoring the concerned employees towards developing their personal and behavioral skills and providing them with the necessary training and development plans to raise the level of performance and avoid deviations in the professional code of conduct in the future, in order to enhance the organizational culture and encourage teamwork. This will lead to the reduction of administrative violations in the future.

As a result of the fair application of the employee investigation policy, along with the application of the Performance Counselling program, violations related to work instructions and procedures decreased by 34% compared to the previous year.

Parental Leave

	2019	2020	2021	2022
Total number of employees that took parental leave, by gender				
Female	41	26	29	42
Male	-	-	51	62

	2019	2020	2021	2022
Total number of employees that returned to work in the reporting period after parental leave ended, by gender				
Female	40	26	29	41
Male	-	-	51	62

	2019	2020	2021	2022
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender				
Female	38	26	29	41
Male	-	-	51	62

	2019	2020	2021	2022
Return to work rate of employees that took parental leave, by gender				
Female	98%	100%	100%	98%
Male	-	-	100	100%

	2019	2020	2021	2022
Retention rate of employees that took parental leave, by gender				
Female	93%	100%	100%	98%
Male	-	-	100	100%



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 performance reviews, internal monthly newsletters, open door policy, and our dedicated Employees' Relations department where employees' feedback, grievances, and complaints are solicited and processed in a fair and professional manner.

Employees can provide feedback directly to HR or through HR surveys on any suggestions for improvement of the Bank's operations and policies.



INITIATIVE

Case Study: Rigorous Workplace Survey

As part of our continuous efforts to enhance our workplace and employee well-being and engagement, we launched for the first time our rigorous workplace survey covering 8 factors including; Leadership, HR Practices, Compensation & benefits, Teamwork & Relationships, Employee Engagement, Workplace Culture & Procedures, Health & Safety, and Corporate Social Responsibility, and successfully the bank is standing out as an Employer of Choice in the banking industry by also being classified as a "Best Place to Work" within the international community. As a result of the survey, during the upcoming 3 years, we will be working in collaboration with senior management on promoting our strengths and areas of opportunities in all factors aiming for a better workplace culture and a high level of employee engagement and wellbeing.



COMMUNITY INVESTMENT

At JKB, we believe that the concept of prosperity transcends boundaries, and should uplift people, communities, and the planet alike. In reflecting the sentiment of our organizational slogan, “More than just a Bank”, JKB aspires to build a prosperous and resilient country in line with Jordan Vision 2025., it is our aim to foster a culture of social responsibility among our employees and stakeholders. Ultimately, our goal is to invest in the country to raise Jordan’s Human Development Index. CSR is therefore a strategic element of our corporate mission and conduct, as we support our community and partners by surpassing financial expectations and dedicating resources to address the needs of Jordanian society.



Our corporate values hinge on supporting the United Nations Sustainable Development Goals (SDGs) and empowering our communities through active engagement.

We have developed our CSR policy along the same lines. It aims to strengthen our position, shares our values with our stakeholders, and reduces strategic, reputational, and operating risks. We fulfil our community commitments through a joint investment program aligned with our CSR Policy that is driven by a corporate culture and core values of professionalism, teamwork, and innovation.



4.1 Our Approach to Social Responsibility

Our Corporate Social Responsibility (CSR) policy emphasizes community empowerment and upliftment, ultimately contributing to the betterment of society. Our key priority areas encompass education, gender equality, climate change (with a particular focus on reducing greenhouse gas emissions), and the establishment of robust governance structures within organizations.

In line with these objectives, our CSR policy mandates that all activities are connected to relevant SDGs and adhere to international standards and organizational guidance.



Community Services



Education and Rehabilitation



Health



Arts & Culture



Women's Empowerment



Sports



People with Special Needs



Events that Promote Jordan's Economy



The Environment, Environmental Management and Energy Consumption & Related Emissions

We continue to identify and focus on the areas where we may have a positive impact on all aspects of the SDGs

Community Services

Jordan Kuwait Bank Organizes Iftar with SOS Children's Village - Irbid

Jordan Kuwait Bank Supports a Charity Program During the Holy Month of Ramadan

Jordan Kuwait Bank Supports Tkiyet Um Ali's Programs During Ramadan

Jordan Kuwait Bank the Gold Sponsor of Happy Place 3 in Collaboration with Masarrah Charitable Organization

Jordan Kuwait Bank as Strategic Partner to Al Aman Fund for the Future of Orphans

Jordan Kuwait Bank Participates in "Back to School" Campaign

Education & Rehabilitation

Jordan Kuwait Bank Supports "Arrived Recently" Initiative for Al-Hussein Bin Talal Library at Yarmouk University

Jordan Kuwait Bank Enrolls Employees to Attend Summer School Program at Coventry University - UK

Health

Jordan Kuwait Bank Signs a Cooperation Agreement with King Hussein Cancer Foundation

Jordan Kuwait Bank the First Bank and Institution to Complete the "Jordan Trail" within a Remarkable Period of Time

Environment, Environmental Management, Energy Consumption and Related Emissions

Jordan Kuwait Bank Recycles Outdated Paper and Leaflets - BE Environment

Jordan Kuwait Bank's Employees Participate in Tree Planting with the Arab Group for the Protection of Nature

Jordan Kuwait Bank and IFC Host a 'Green and Resilient Buildings Finance' Workshop

People with Special Needs

Jordan Kuwait Bank Donates Laptop Devices to People with Special Needs

Jordan Kuwait Bank Sponsors International Day for People with Disabilities

Jordan Kuwait Bank Sponsors Ali Sawalmeh in the International Jordanian Athletes Cultural Association

Jordan Kuwait Bank Participates in Honoring Outstanding Students with Special Needs

Arts & Culture

Jordan Kuwait Bank Official Sponsor of "Kilimanjaro Adventure" Book

Sports

Jordan Kuwait Bank Sponsors Ali Sawalmeh in "Third Ajman International Marathon" UAE

Jordan Kuwait Bank – the Gold Sponsor for the Football Challenge with the Legendary Ruud Gullit

Jordan Kuwait Bank Supports Ali Sawalmeh in the International "Ultra Marathon Aquafina, Dead Sea

Jordan Kuwait Bank Participates in Sponsoring the Baptist School and Arab Model School's Little Leagues

Events that Promote Jordan's Economy

Jordan Kuwait Bank Adopts Traydstream Technology for Digitization and Trade Automation drive

Jordan Kuwait Bank Launches a New Banking App in Collaboration with Mawdoo3

Jordan Kuwait Bank Sponsors and Attends Jordanian Conference and Exhibition – FinConJo

Jordan Kuwait Bank Sponsors "Challenges of Investment in Jordan" Conference

Jordan Kuwait Bank Sponsors and Attends the Jordanian Fintech Conference and Exhibition – FinConJo

Mastercard Fintech Express Welcomes Jordan Kuwait Bank as Global Partner

Women's Empowerment

Jordan Kuwait Bank in Partnership with Global Girl Project to Develop a Sustainable Community

Jordan Kuwait Bank Supports Women's Training Project for Honey Production and Beekeeping

Jordan Kuwait Bank Supports Hittin Camp – Schneller in Cooperation with Global Goals Competition (GSL)

Jordan Kuwait Bank Signs a Cooperation Agreement with Solidarity is Global Institute

Jordan Kuwait Bank Participates in Breast Cancer Awareness Campaign

Jordan Kuwait Bank Sponsors Gala Dinner





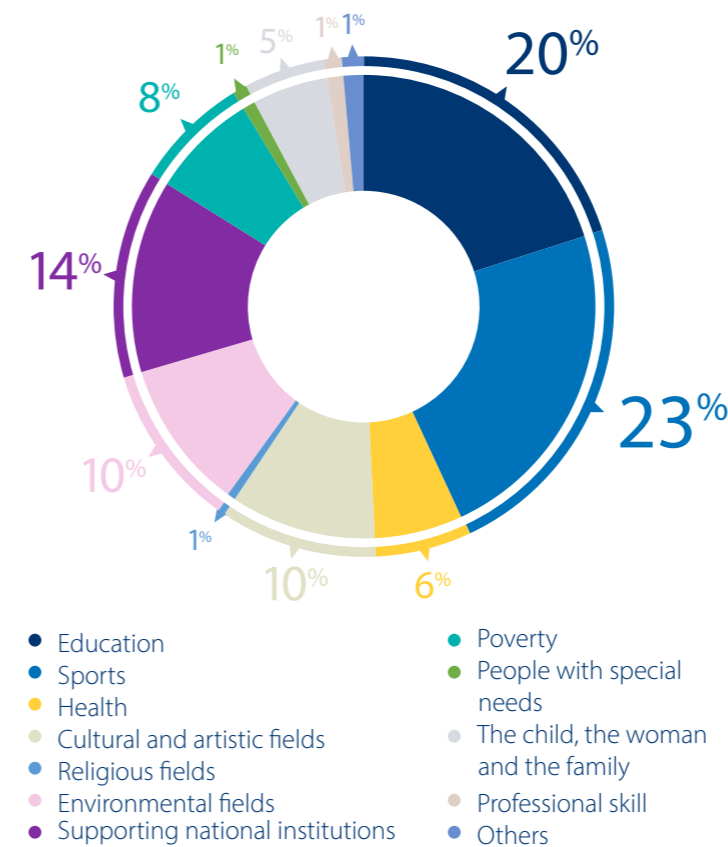
Our CSR policy guides us in identifying, evaluating, and focusing on projects that create positive impacts. We concentrate on specific priority areas to effectively support local communities:

Our priority areas for CSR action



By focusing on these areas, we contribute to Jordan's economic, social, and environmental well-being through targeted investments and interventions. We listen to and integrate public feedback into our CSR operations, and our management framework considers key factors such as local market conditions, social environment, and socio-economic dynamics. This approach ensures that our sustainability efforts remain relevant and responsive to community needs.

Community Investment Spending 2022



Our community investment spending has increased **88%** since 2021, and there has been a **28%** increase in supported community projects for the same.

Financial Support:
Our CSR Policy in Action

Our CSR Policy provides guidelines and parameters for responding to requests for charitable donations, event sponsorships, and in-kind donations, namely validity, credibility, and objectiveness of the justification that considers:

- The organization's sources of revenue and its expenses
- The importance of sponsorship in the event industry
- Commitment and focus
- Clear and transparent guidelines for donations
- Projects with a clear exit strategy
- Whether the project makes a real difference and addresses a high societal need

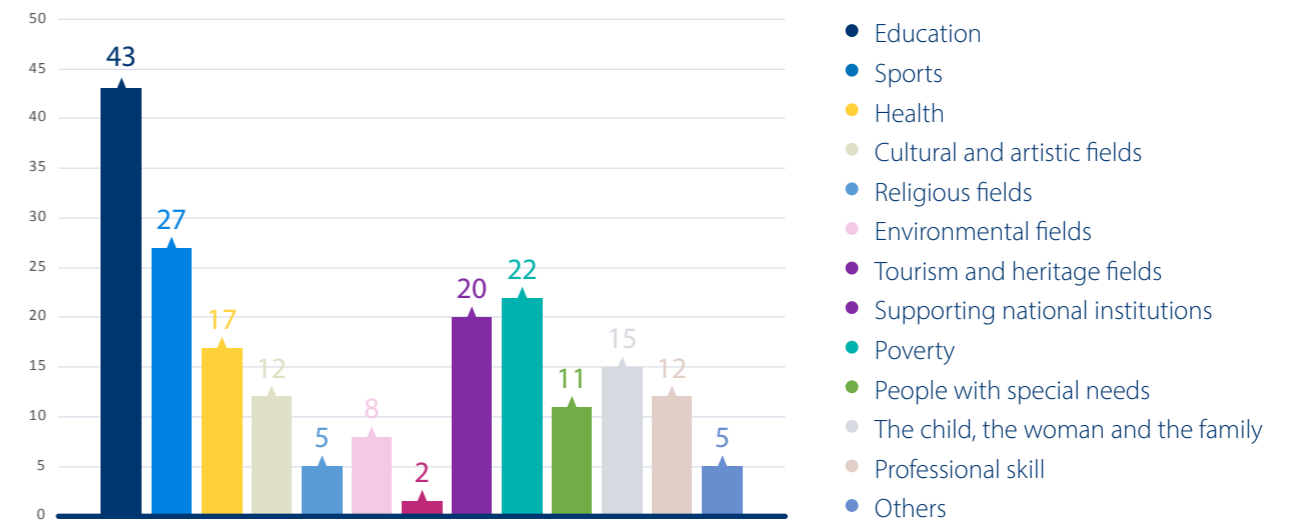


4.2 Our Wider Societal Contribution

We understand that we hold an important responsibility in contributing to national goals to uplift the country. For the same, we are committed to participating in initiatives that add value to Society and speak to vulnerable and marginalized communities.

We are proud to state that for the year 2022 (on 2021), our total number of employee volunteering hours has increased by 70%. Additionally, the number of employees participating in volunteering programs, has increased 540%. It is noteworthy to clarify that during the COVID pandemic of 2020 and 2021, all our volunteering activities were paused, as the Jordanian government aimed to control the spread of COVID. However, we reactivated our volunteering activities in 2022.

Number of community projects in 2022



In 2022, Jordan Kuwait Bank sustained its efforts in humanitarian and community work, remaining committed to supporting various charitable and voluntary organizations and institutions. The Bank continued to provide support to organizations such as the Jordanian Hashemite Fund, the Hashemite Charitable Organization, and the Umm Al-Hussein Foundation for orphans, which benefits Al-Mabarra Children. Additionally, the Bank continued its annual sponsorship of the Jordanian Children's Villages (SOS) house in Irbid. Various activities and programs were organized for Bank employees to promote values of cooperation, solidarity, and interdependence among them. The Bank continued to provide financial assistance to "Tkiyet Um Ali" for the distribution of charity parcels to needy families and the Student Friends Association for distributing clothes to students in less fortunate areas, Jordan Kuwait Bank has also received recognition for its support of different causes, such as Al-Hussein Bin Talal University and World Blood Donor Day.

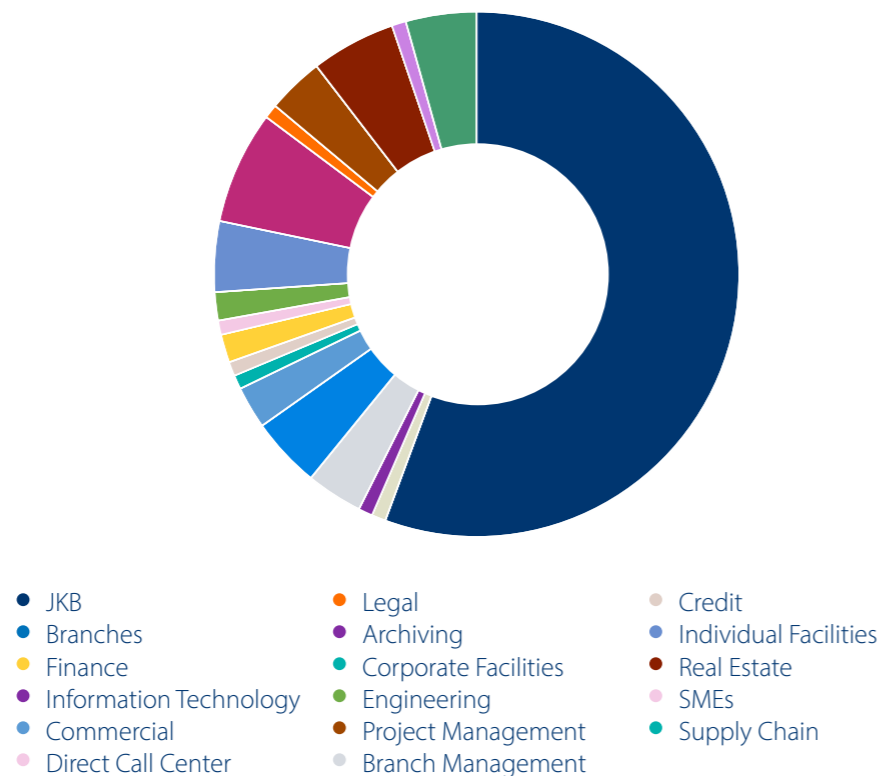


Employee Volunteering

JKB is strongly aligned to the ideology that extending our efforts to uplift Jordanian Society via employee volunteering initiatives can improve communities and support causes that matter to Us. There are several reasons why we support these initiatives. Firstly, corporate volunteering programs provide opportunities for our employees to use their skills and knowledge to work for specific beneficiaries, which in turn help us promote social programs that benefit the environment, society, and the economy. Secondly, we believe that volunteering positively impacts our employees' personal development, motivation and enhances engagement. Thirdly, volunteering helps build resilience and preparedness through concrete community action, enhancing knowledge and a sense of responsibility for one's community. Therefore, these efforts ultimately contribute to sustainable development by facilitating the building of strong reciprocal personal relationships with our employees and the wider community.

JKB has created positive environmental change through its CSR initiatives- specifically the "Green Wheels" Initiative, as it promotes our social responsibility mission, and addresses environmental challenges facing the Kingdom while supporting people with special needs. The initiative contributed to the treatment of 200,000 children, in addition to collecting and recycling approximately 15 million plastic sheets and 20,000 aluminum cans.

Department-wise percentage of total participation hours



4.2.1 Empowering the Female Population of Jordan

On a broader scale, and in line with our strategic objectives, JKB has adopted the WEPs, that provide a set of seven principles to guide the work of institutions and corporations in promoting gender equality and women's empowerment in the labor market, while contributing to enhance women's essential role in community development. This initiative is supported by the Swedish International Development Cooperation Agency (SIDA), under the UN Women and ILO regional programme "Promoting Productive Employment and Decent Work for Women in Jordan". This is in line with upholding our values on our four main service pillars: People, Premise, Processes and Channels.



JKB partners with UN Women to implement the Women's Empowerment Principles (WEPs)

4.3 Community Partner Highlights 2022

 28 Projects

 1312 Beneficiaries

SOS village - yearly accommodation subsidy for orphans
 Targeted demographic: Orphanage
 5 Total beneficiaries:
 60% male, 40% female

Shobak orphanage - full subsidy of orphans
 Targeted demographic: Orphanage
 20 Total beneficiaries:
 30% male, 70% female

Wadi al Farthakh cooperative - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

Supporting people with disabilities
 Targeted demographic: People with disabilities
 1 Total beneficiary:
 100% male

Al Farthakh Culture & Sports Centre
 Targeted demographic: Young People
 20 Total beneficiaries:
 75% male, 25% female

Retired Military personnel association - provided financial support 10 retirees providing for 10 households (household size avg. 5, 2 male, 3 female)
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

Aqaba Youth Club
 Targeted demographic: Young People
 20 Total beneficiaries:
 75% male, 25% female

Sons of Aqaba association orphanage - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 5 Total beneficiaries:
 60% male, 40% female

Aqaba Islamic Charity - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

HRH Prince All bin Al Hussien Club - provided support for 20 deaf individuals
 Targeted demographic: People with disabilities
 20 Total beneficiaries:
 50% male, 50% female

Salt Zakat committee - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 50% male, 50% female

Provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Orphanage/elderly people
 40 Total beneficiaries:
 50% male, 50% female

Bani Shiba charity association - Financial support for construction works of the association
 Targeted demographic: Low income vulnerable communities
 300 Total beneficiaries:

Aqaba governor, support program targeting children who have cancer
 Targeted demographic: Health
 250 Total beneficiaries:

Salt Charity association - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

Bawader al-Khair orphanage association - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

Orphanage & charity association in Mafrq - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

Orphanage & charity association in Balqa'a - provided financial support for 10 blind individuals providing for their families, 6 households
 Targeted demographic: People with disabilities
 30 Total beneficiaries:
 33% male, 67% female

Charity association in Mafrq - provided financial support for low-income vulnerable families, 6 households
 Targeted demographic: Low income vulnerable communities
 5 Total beneficiaries:
 60% male, 40% female

Charity association in Zarqa - provided financial support for low-income vulnerable families, 6 households
 Targeted demographic: Low income vulnerable communities
 30 Total beneficiaries:
 33% male, 67% female

Charity association in Balqa'a - provided financial support for low-income vulnerable families, 6 households
 Targeted demographic: Low income vulnerable communities
 30 Total beneficiaries:
 33% male, 67% female

Charity association in Karak provided financial support for low-income vulnerable families, 6 households
 Targeted demographic: Low income vulnerable communities
 30 Total beneficiaries:
 33% male, 67% female

Charity association in Irbid - provided financial support for low-income vulnerable families, 7 households
 Targeted demographic: Low income vulnerable communities
 30 Total beneficiaries:
 43% male, 57% female

Charity association in Zarqa - provided financial support for low-income vulnerable families, 10 households
 Targeted demographic: Low income vulnerable communities
 50 Total beneficiaries:
 40% male, 60% female

Supported the Jordanian association for family protection and planning with an ultra sound device for Irbid branch
 Targeted demographic: Health

Financially supported the programs of enril Petra women's charity association
 Targeted demographic: Low income vulnerable communities

Supported the Ministry of Social Development with distributing food and essentials packages for low-income and vulnerable populations
 Targeted demographic: Low income vulnerable communities

Supporting people with disabilities
 Targeted demographic: People with disabilities
 1 Total beneficiary:
 100% male





A Case Study
Healthcare:

We place the health of the community as a top priority and implements the most stringent public safety standards. The bank has recognized healthcare assistance as one of its primary areas of focus to assist local communities. JKB has implemented various healthcare initiatives to support different causes.

During the year 2022, the bank's employees participated in two blood donation campaigns, which they organized in cooperation with the National Blood Bank, to provide support to patients and those in need of blood from the Jordanian community. Additionally, multiple JKB employees participate annually in the Friends of the King Hussein Cancer Center program, where donations from their salaries are contributed to the center.

To create positive financially supported social value, we are continuing our charitable work in providing ultrasound devices to the Irbid governorate clinic of the Jordanian Association for Family Planning and Protection. We are renewing our ongoing medical efforts, as JKB's football team participated in the activities of the "Goal for Life" tournament (organized by the King Hussein Cancer Center) for the ninth year in a row, in support of cancer patients at the center. Additionally, JKB provides annual support to the Society of Friends of Kidney Patients, the Jordanian Society for Palestinian Medical Aid, and the "White Family Society."

In recognition of our ageing population, on the International Day for the Elderly, which falls on October 1 of each year, our employee volunteers visited the Guest House for the Elderly, affiliated to the White Family Society, where they spent quality time with the guests of the house and distributed souvenirs to them. Concerning women's initiatives and raising awareness, the bank participated in the breast and prostate cancer awareness campaign organized by the King Hussein Cancer Center, in addition to its donation to cover the costs of a mammogram for women at Al-Hayat Hospital.

Finally, here at JKB as we prioritize the health of future generations of our country the Bank has provided support to the "Gift of Life - Amman" association to cover the costs of open-heart operations for children with congenital problems from the age of 1 to 18 years, in addition to providing medical support for our children's foundation.



A Case Study
Education and Qualification:

As part of its commitment to supporting education, JKB has provided annual support for the university education program run by the "Al-Aman Fund for Orphans Future" Foundation. In addition, the bank has provided direct financial assistance to several outstanding students who are financially incapable, covering the costs of their studies in universities and improving their academic and life skills to enhance their job opportunities.

JKB has also supported the "Elia Nuqul" Foundation, which provides opportunities for young people to complete their higher or vocational education. Moreover, the bank has continued to provide annual support to the King Hussein Cancer Center, signing an agreement in 2022 to establish a fund in the name of the Jordan Kuwait Bank and allocating it to the center's scholarship program. This aims to cover university education costs for high school students who receive treatment at the King Hussein Cancer Center.

As part of its corporate social responsibility efforts, JKB participated in the back-to-school campaign, in coordination with the Ministry of Social Development and the Ministry of Education. Bank employees volunteered to distribute school bags to two public schools in the Giza area, helping to ease the burden on students and promote continued learning. The bank has also shown its support for young people through its sponsorship of the "United Nations Model" conference, and through its participation and support of the honoring ceremony for high school seniors. As a member of the Board of Trustees of the Injaz Foundation, JKB continues to provide financial support to help achieve its mission of developing and qualifying young cadres to prepare Jordanian youth for the labor market.

To further support the education of its employees, JKB has dispatched several of its employees for the fourth time to attend a summer program organized by Coventry University in the UK. Delegates studied several topics in various courses and participated in field trips. In addition, the bank takes part in the "Creative Teacher" program, which seeks to promote innovative community initiatives.

Through its efforts to support education and social responsibility, JKB is making a positive impact on society, promoting a comprehensive social renaissance, and creating a conscious generation capable of advancing society.





A Case Study Community Services:

JKB has a strong CSR structure with the aim of positively impacting the Jordanian community. The Bank actively participates in both local and international CSR forums and discussions. It also partners with initiatives such as “Green Wheels” to contribute to environmental conservation while organizing campaigns to combat poverty and hunger through supporting programs like Tkiyet Um Ali. Jordan Kuwait Bank also supports charitable programs like Nasaem Al Hayat as part of its social responsibility strategy.

In 2022, Jordan Kuwait Bank continued its commitment to humanitarian and community service by supporting charitable institutions like the Jordanian Hashemite Fund “Campaign of Kindness and Charity,” the Hashemite Charitable Organization, and the Umm Al-Hussein Foundation for orphans. It also continued its annual sponsorship of the Jordanian Children’s Villages (SOS) house in Irbid. Additionally, the Bank organized activities and programs to enhance employee cooperation and interdependence. It provided financial support to “Tkiyet Um Ali” for distributing charity parcels to chaste and needy families, and the Student Friends Association for distributing clothes to students in government schools in less fortunate areas.



A Case Study Environment, Environmental Management, Energy Consumption and Related Emissions:

In 2022, JKB focused on promoting sustainable development and green financing, in line with the Central Bank of Jordan’s strategy. The Bank was recognized for its efforts with the Gold Leadership in Energy and Environmental Design (LEED) certificate for its general administration building. The bank also sponsored competitions promoting environmental culture, such as the Queen Alia Competition for Social Responsibility and the Jordanian Environment Friends Association competition and renewed its membership in the Edamah Energy and Water Association, as part of its ongoing commitment to addressing environmental challenges and preserving resources.

Finally, to enhance efforts in mitigating climate change, JKB allocated funds from the first green bond in Jordan towards green projects and assets such as renewable energy projects, green infrastructure, and low-carbon vehicles.





A Case Study

Events that Promote Jordan's Economy:

Throughout 2022, JKB sustained its annual support for various civil society organizations, economic events, and conferences. The Bank sponsored the Global Policy Forum (GPF), which is held yearly by the Global Alliance for Financial Inclusion (AFI) and took place at the Kempinski Hotel (Dead Sea) this year. It also sponsored the International Conference on Investment Financing and Financial Technology, as well as the Arab Entrepreneurship Summit for official civil bodies and institutions supporting small and medium enterprises.

JKB participated in sponsoring the national conference on investment entitled "Challenges of the Reality of Investment in Jordan." Moreover, it sponsored and attended the Jordanian Financial Technology Conference and Exhibition held at the St. Regis Hotel - Amman on "Renewable energy and innovative agricultural patterns to achieve food security." The bank continued to sponsor the charity dinner held by Mentor Arabia, which aligns with its strategic direction in sustainability goals and support for youth and children's programs. JKB also concluded its participation in sponsoring and attending the Women Media Centre's 18th conference, inaugurated by Her Royal Highness Princess Basma Bint Talal under the theme "Digital Media Promotes Change." Additionally, JKB provided annual support to the Hashemite Organization for Military Injuries, which collects donations to support military casualties. On another note, the bank partnered with the Economic and Social Foundation for Military Retirees and Veterans to benefit from the services of military retirees in managing the bank's security and protection of its facilities and property.

Additionally, JKB has collaborated with the European Investment Bank to make it easier for local businesses to obtain financing, thereby promoting sustainable social and economic recovery in the region.

Through these initiatives, JKB provides financial products and services that support various sectors of the Jordanian economy, such as agriculture, industry, and commerce, which contributes to the growth of these sectors. The bank supports small and medium-sized enterprises (SMEs) through funding, advice, and training, which helps to stimulate the local entrepreneurial ecosystem and create job opportunities.



A Case Study

Women's Empowerment:

JKB is committed to supporting women's empowerment initiatives in the local community. During the year, the Bank renewed its partnership with the Global Girl Project and collaborated with UN Women and SIGI to implement programs aimed at empowering young women and enhancing their role in society.

The challenge we identified is, that in many developing countries, women face social and economic barriers that limit their opportunities for education and employment. JKB recognized the need to address these challenges and empower women to participate more actively in community development.

In devising solutions, JKB collaborated with the Global Girl Project to develop a training program aimed at teaching the basics of driving to young women. The program aimed to provide them with a valuable life skill that could help them access job opportunities and increase their mobility and independence. The Bank also received an honour from UN Women for its efforts in empowering women in society. As part of this partnership, JKB signed an agreement with SIGI, a local women's organization, to implement initiatives that support women's development and enhance their role in society.

The results we obtained were highly motivational. JKB's efforts in supporting women's empowerment initiatives have contributed to real societal change in the local community. The driving program has helped young women gain valuable skills that can help them access job opportunities and increase their independence. The partnership with UN Women and SIGI has also helped to raise awareness of women's issues and promote gender equality.

Therefore, Jordan Kuwait Bank's commitment to empowering women in the local community is a testament to its dedication to social responsibility and sustainable community development. The bank's partnerships with international and local organizations have helped to create positive change and empower women to achieve their full potential.





A Case Study
Arts and Culture:

The Bank has shown its commitment to the cultural and artistic movement by sponsoring literary and scientific works, as well as providing support to festivals, forums, and artistic groups. One of the challenges faced in this regard is to identify the most impactful cultural events and initiatives to support.

To achieve this, the Bank has sponsored a variety of events, including the Fuheis Festival of Culture and Arts, the Jordanian National Museum of Fine Arts, and the International Free Theatre Festival. In addition, the bank has supported Jordanian writers and authors by acquiring copies of their books, and it has also sponsored cultural competitions for schools.

JKB has also collaborated with the third Amman International Film Festival to promote Jordanian and Arab cinema and build cultural and intellectual bridges between filmmakers from different countries. The outcome of these initiatives is a thriving cultural and artistic scene in Jordan, which promotes the country's heritage and identity while fostering creativity and innovation.



A Case Study
People with Disabilities:

The Bank continued to offer tangible assistance and donations to various local community institutions, including clubs and associations that serve people with special needs, such as the deaf and blind. The Bank also provided support to several associations to help them accomplish their objectives, including the Jordanian Special Olympics, the Mental Health Association, and the Center Bedewa for Special Education, among others. Moreover, the bank extended its backing to the West Irbid Association for Special Challenges by supporting multiple marathons throughout the year, in which some of the association's champions competed and performed well at both local and international levels. The bank also supported the sports activities of the Paralympic Committee in several weightlifting tournaments for people with special needs who also achieved advanced positions both locally and internationally.

Additionally, the Bank continued its cooperation with the "Green Wheels" initiative for the third consecutive year. The initiative involves collecting plastic covers and aluminum cans that are later sorted and recycled. The proceeds are used to support children with special needs, particularly those with cerebral palsy, by enhancing their educational and therapeutic lives and purchasing chairs for them. Finally, the Bank provided support for the media competition organized by the Higher Council for the Rights of Persons with Disabilities to promote the culture of diversity and respect for difference through an objective approach that avoids stereotyping the issues and rights of persons with disabilities.



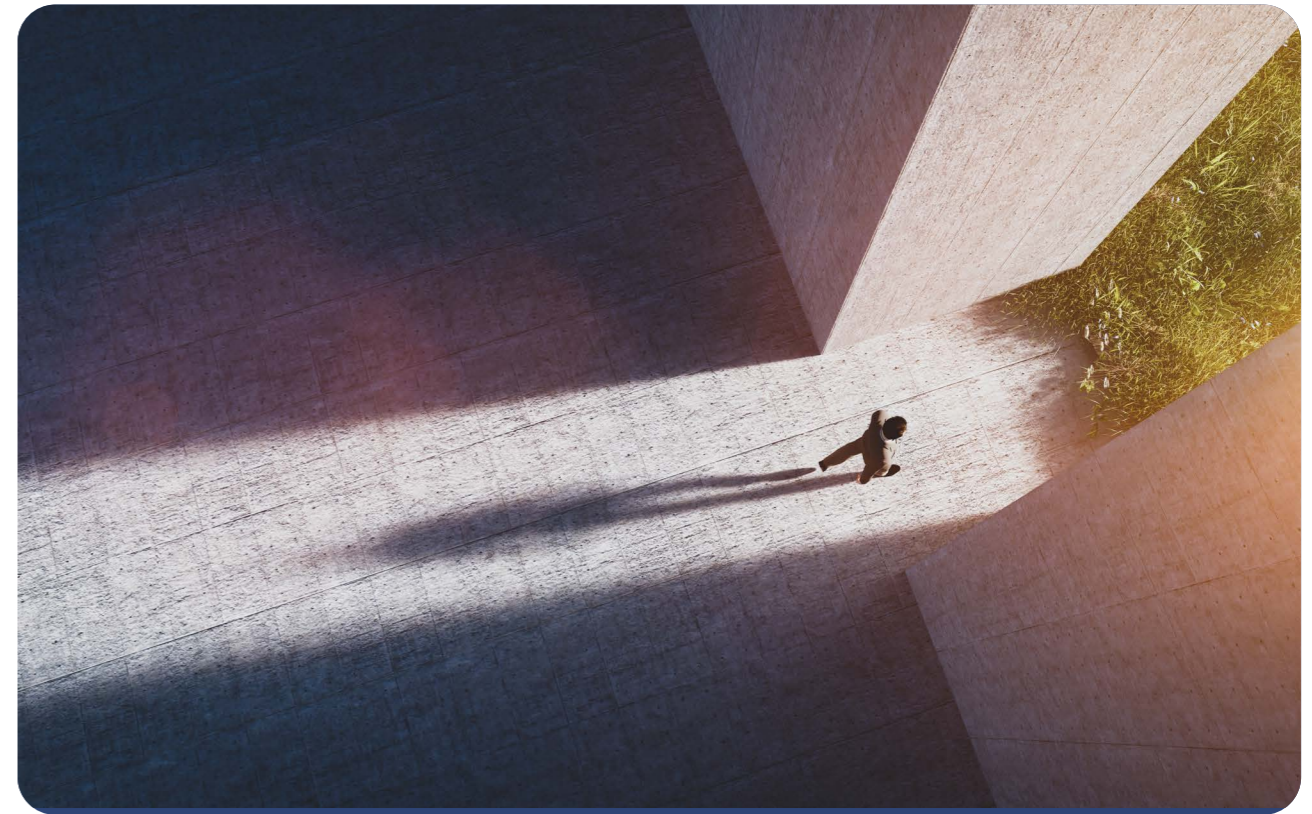
CHAPTER 05

ENHANCING ENVIRONMENTAL PERFORMANCE AND EMISSIONS MANAGEMENT

In this section, we delve into the steps taken by Jordan Kuwait Bank to bolster our commitment to environmental sustainability. Building upon our updated 2022 framework, we address the challenges arising from changing climate and weather patterns and showcase our achievements, including our LEED certifications and innovative green initiatives. Join us as we share our journey towards reducing greenhouse gas emissions, embracing renewable energy, and setting new standards for sustainable banking in Jordan.



5.1 Our Approach Towards a Better Environment



At Jordan Kuwait Bank (JKB), we actively work to reduce our environmental footprint. We strive for sustainability, including carbon neutrality and the use of renewable resources. Additionally, we provide programs and benefits to help our employees become more environmentally conscious.

We continuously measure and manage the direct environmental impact of our operations, such as energy use, greenhouse gas (GHG) emissions, water consumption, and material use. Our primary focus is on reducing energy consumption, which is a significant contributor to our GHG emissions.

In 2023, JKB plans to take its environmental commitment further by measuring the impact of its lending portfolio in accordance with our aspirations to become the first bank in Jordan to issue Green Bonds. This step will bolster our position as a responsible financial institution that values sustainability and environmental stewardship.

5.1.1 Green Infrastructure

JKB aspires to reducing its greenhouse gas (GHG) emissions and environmental impact, as part of our fifth sustainability pillar. We are proud to lead the local banking industry as the only bank in Jordan to receive the LEED Gold Certificate from the U.S Green Building Council in April 2022. Our headquarters is also the first and only building in Jordan to obtain LEED V4.1 certification for operations and maintenance, which covers aspects such as power use, water consumption, waste management, and HVAC systems.

After 18 months of continuous effort to improve our operations, we achieved this certification. We optimized energy consumption and reduced emissions by replacing outdated R22 AC units with more efficient, environmentally friendly units, implementing automated scheduling for air-conditioning using a state-of-the-art VRF system, and retrofitting lighting fixtures with energy-efficient LED bulbs and motion sensors. We also conducted lighting lumen and air quality checks to ensure a high-quality workplace environment for our employees and customers.

Our environmental initiatives also include the construction of Jordan's largest green wall on our headquarters' southern façade, which houses 12,000 plants and provides insulation, urban biodiversity, better air quality, and reduced carbon dioxide emissions. We are working towards obtaining ISO 14001 certification for Environmental Management Systems in Q1 2023, which will bring benefits such as improved environmental performance, risk management, reputation, stakeholder confidence, and a competitive advantage.

In 2022, JKB's solar project generated over 4.3 million kWh annually, totaling over 18 million kWh since its inception in mid-2018, and raised the share of renewable energy sources to 70% of our total consumption. Our solar farm consists of 8,712 panels with a capacity of 2,300 kW, covering electricity consumption for our headquarters and 46 branches. We plan to expand the solar project, constructing two new solar farms in the northern and southern regions of Jordan, further demonstrating our commitment to sustainability and the environment.



5.1.2 Material Consumption and Waste Management

Throughout the year, we have implemented various waste management initiatives to minimize the environmental impact of our operations, comply with regulations and save on costs. By adopting proper waste management practices, we can reduce our carbon footprint, avoid penalties and legal consequences, attract environmentally conscious customers, and reinforce our position as a responsible and socially conscious bank.

As a retail bank, we generate a significant amount of waste in the form of paper, in addition to lesser amounts in plastic, electronic equipment, and other materials. JKB is committed to reducing waste output and increase recycling of waste wherever possible from our operations in headquarters and branches. We have distributed 50 recycling bins for paper and plastic across our headquarters, this initiative have contributed to diverting ~27 tons in paper waste output to recycling facilities.

A crucial aspect that we have focused on in 2022 is reducing the use of paper in the various services offered by the Bank. We have implemented the Paperless Initiative in all our locations to minimize waste. The adoption of technology, automation, and digital services has accelerated the transition to a paperless

system for our internal operations and client services such as replacing paper statements with credit card e-statements, introducing paperless workflows, and deploying digital signage. The transition has led to a reduction in the quantity of paper consumed by 20% from 84.7 tons in 2021 to 67.5 tons in 2022.

	2019	2020	2021	2022
Total paper consumption (kg)	99,455	80,520	84,778	67,500
Total paper recycled (kg)	29,490	48,025	38,260	26,930

Reporting requirements

	2021	2022
Total weight of paper diverted from disposal	38,260	26,930

5.1.3 Water Management

Jordan, one of the world's driest countries, faces significant water scarcity challenges. As water conservation and management become crucial, JKB is committed to adopting sustainable water practices to reduce usage and contribute to the nation's water security.

headquarters, saving 320,000 liters of water per year, and retrofitted water faucets with efficient, sensor-equipped models to decrease usage time.

To enhance water management, JKB has invested in a rainwater harvesting system, collecting 330,000 liters yearly, and a grey water system, providing 50,000 liters annually for reuse. We've installed flush-less tanks in our

While water withdrawal in 2022 increased by 25% due to branch and employee growth and the green wall inauguration, the implemented initiatives and systems are expected to save nearly 800,000 liters of water annually, a reduction of approximately 5%.

	2021	2022
Total volume of water withdrawn (Third-party water) (m³)	15,973	19,943



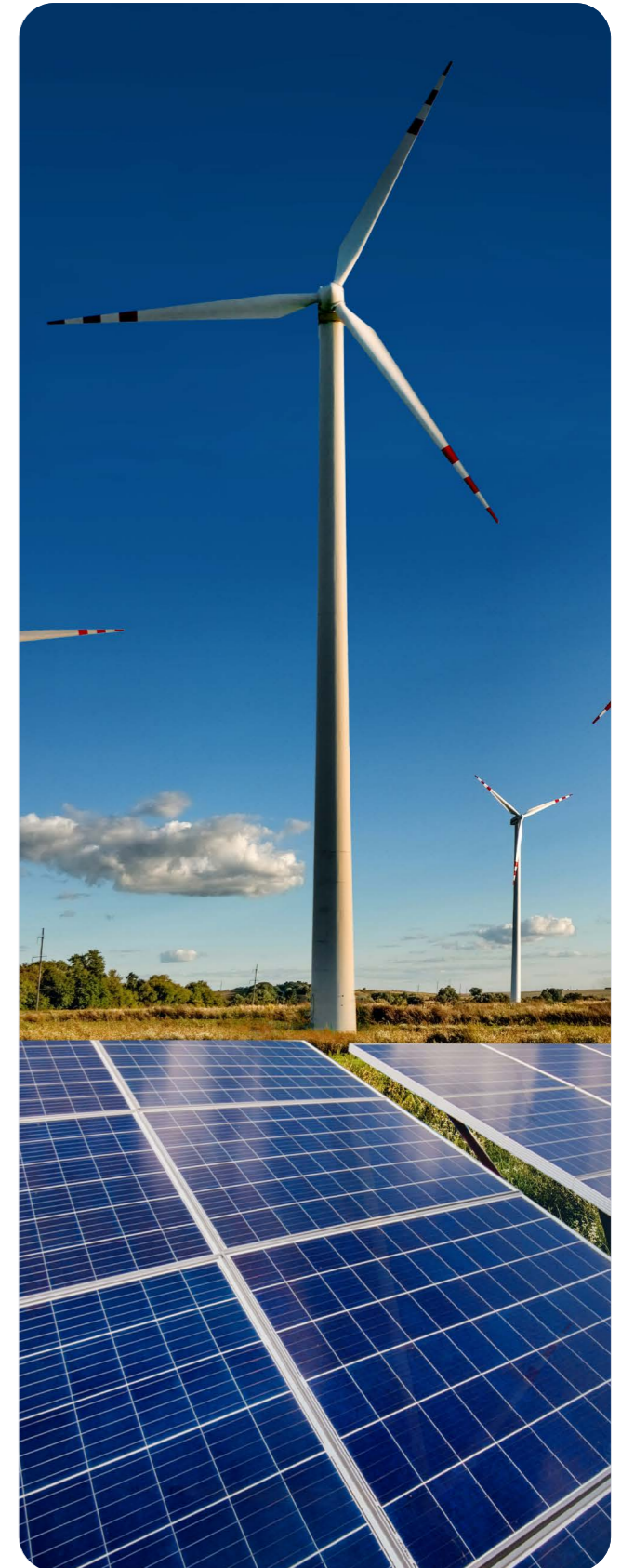
5.2 Energy & Emissions Management

Weak energy and emissions management can lead to environmental pollution, health risks, economic costs, and human rights violations. In contrast, responsible energy management can have positive impacts on the economy, environment, and public health. It can result in economic benefits, environmental benefits, health benefits, and an improved quality of life for all people.

At Jordan Kuwait Bank (JKB), we recognize the importance of responsible energy. We aspire to lowering our energy consumption from our operations in the main building and branches. In 2022, we implemented several green initiatives to achieve this goal. Along with the newly installed automated AC system and efficient lighting fixtures and systems in our branches and headquarters. We have also installed 10 free-of-charge electric car charging outlets in our parking lot at the headquarters to encourage the use of electric vehicles reducing our employees and customers' carbon footprint and emissions.

Over the past two years, JKB has adopted "Zabbod Park", a 60,000sqm environmental park in Na'or in collaboration with the Ministry of Environment. The park aims to contribute to biodiversity and provide a healthy public space whilst engaging the local community through inclusion in the design process and awareness raising activities.

In 2023, we plan to continue our efforts to reduce energy consumption and emissions by installing solar thermal heaters for water in HQ, substituting all electrical heaters. We will also optimize energy use and reduce emissions through several spatial solutions such as centralizing all drinking water coolers to reduce the number of coolers to 10 instead of 55, and by reducing heat island effect in our parking lot by installing shades.



At JKB, we believe that responsible energy and emissions management is essential for sustainable development. By investing in renewable energy projects, energy-efficient buildings, green infrastructure, and energy management technology, we can reduce our environmental impact, contribute to public health, and meet regulatory requirements. We will continue to monitor our energy consumption and implement new initiatives to reduce it further, demonstrating our commitment to sustainability.

	2021	2022
Total energy consumption	9,207.9	10,530.32
Energy consumption from non-renewable sources	2,907.9	2,979.02
Fuel (GJ)	2907.9	2,799
Diesel (GJ)		
Electricity, heating, cooling, and steam purchased for consumption	6300	7751.30
Electricity (GJ)	6300	7751.30

	2021	2022
Total energy consumption (GJ)	6.97	7.24
Energy Intensity (GJ/employee)	1,322	1,455

SCOPE 1 - Reporting requirements

	2021	2022
Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent	640	222

SCOPE 2 - Reporting requirements

Energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent	1,240	820.57
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EMISSIONS INTENSITY - Reporting requirements

GHG emissions intensity ratio for the organization per employee	1.422	0.716
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5.3 Working with Our Suppliers

Recognizing the importance of Procurement in promoting sustainability throughout the supply chain, JKB is the first bank in Jordan to adopt a Supply Chain Model. As such, a Supply Chain Department was established and is governed by policies and procedures that follow best practices.



Effective Supply Chain Management drives operational efficiency, enhances customer satisfaction, mitigates risks, enables innovation and growth, and promotes sustainability. Our Supply Chain Department supports ethical and socially responsible practices, local communities, and the procurement of locally produced goods.

In 2022, procurement from local suppliers formed 82.28% of the total budget spent. Moreover, the amount spent on local procurement increased by 85% compared to the previous year, from JOD 4.77 million to JOD 8.83 million, demonstrating our ongoing commitment to supporting the local economy.

Reporting requirements

	2021	2022
Percentage of the supply chain budget used for significant locations of operation that is	99.76	82.28

Reporting requirements

	2021	2022
Total number of suppliers engaged	303	328
Total number of local suppliers engaged	288	313
Total number of SME startup suppliers engaged	1	3
Total number of women-owned suppliers engaged	6	8
Total supply chain spending (JOD)	4,781,173	10,731,088
Supply Chain spending on local suppliers (JOD)	4,770,073	8,829,102

Appendix A

ABC	Anti-Bribery & Corruption
AC	Air Conditioning
AFI	Global Alliance for Financial Inclusion
AI	Artificial Intelligence
AML	Anti-Money Laundering
ATM	Automated Teller Machines
CAR	Capital Adequacy Ratio
CBJ	Central Bank of Jordan
CDR	Content Disarm and Reconstruction Solution
CEO	Chief Executive Officer
CO₂	Carbon Dioxide
COVID	Corona Virus Disease
CRS	Common Reporting Standard
CSR	Corporate Social Responsibility
CTF	Counter-terrorist Financing
CX	Customer Experience
EBITDA	Earnings before interest, tax, depreciation, and amortization
EIB	European Investment Bank
eNPS	Employee Net Promoter Score
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management System
FATCA	Foreign Account Tax Compliance Act
FinConJo	The Financial Technologies and Cyber Security Exhibition and Conference
GHG	Green House Gas
GJ	Giga Joule
GPF	Global Policy Forum
GRI	Global Reporting Initiative
GSL	Global Goals Competition
H.E.	His Excellency
HQ	Head Quarters
HR	Human Resources
IAA	International Amman Academy
ICAAP	Internal Capital Adequacy Assessment
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labor Organization
IPO	Initial Public Offering
ISO	International Organization for Standardization
IT	Information Technology

JKB	Jordan Kuwait Bank
JLGC	Jordan Loan Guarantee Corporation
JOD	Jordanian Dinar
JoMoPay	Jordan mobile payment system
Kg	Kilogram
KPIs	Key Performance Indicators
kW	Kilo-Watt
kWh	Kilo-Watt Hour
KYC	Know Your Customer
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
m³	Cubic Meter
NGOs	Non-Governmental Organizations
OHS	Occupational Health and Safety
PCI-DSS	Payment Card Industry Data Security Standard
PIN	Personal Identification Number
PV	Photo Voltaic
Q	Quarter
QR	Quick Response
RBA	Risk-Based Approach
RCM	Regulatory Compliance Management
SF	Sustainability Framework
SIDA	Swedish International Development Cooperation Agency
SIGI	Solidarity Global Institute
SMEs	Small and Medium Enterprises
SOA	Service Oriented Architecture
SOC	Security Operations Center
UAE	United Arab Emirates
UI	User Interface
UK	United Kingdom
UN	United Nations
UN PRB	UN Principles of Responsible Banking
UN SDGs	United Nations Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
USGBC	U.S. Green Building Council
UX	User Experience
VRF	Variable Refrigerant Flow
WEPS	Women Empowerment Principles



CONTENT INDEX
ESSENTIALS SERVICE

2023

Appendix B

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

Statement of use	Jordan Kuwait Bank has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	1
	2-2 Entities included in the organization's sustainability reporting	1
	2-3 Reporting period, frequency and contact point	1
	2-4 Restatements of information	There is no significant information restated in the 2022 Report
	2-5 External assurance	This report was not externally assured
	2-6 Activities, value chain and other business relationships	7, 61
	2-7 Employees	36
	2-8 Workers who are not employees	36
	2-9 Governance structure and composition	19-20
	2-10 Nomination and selection of the highest governance body	19-20
	2-11 Chair of the highest governance body	Depending on the Corporate Governance Instructions for Banks issued by the Central Bank of Jordan none of the board members shall be an executive member.
	2-12 Role of the highest governance body in overseeing the management of impacts	19-20

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE
General Disclosures (Continue)		
GRI 2: General Disclosures 2021 (Continue)	2-13 Delegation of responsibility for managing impacts	"A dedicated Sustainable Development Committee managed by the CEO has been established in DEC,2022 & activated in 2023. The Committee is responsible for the governance of the Environmental and Social management policy & procedure, E&S risk assessment, and the selection and management of eligible green assets portfolio. Sustainability department is responsible for managing ESG impacts & risk. "
	2-14 Role of the highest governance body in sustainability reporting	The highest governance body established the "Sustainable Development Committee" headed by the CEO to support the review and approval of the sustainability report.
	2-15 Conflicts of interest	21
	2-16 Communication of critical concerns	21
	2-17 Collective knowledge of the highest governance body	Annual Report Corporate Governance section
	2-18 Evaluation of the performance of the highest governance body	19
	2-19 Remuneration policies	This information is considered confidential.
	2-20 Process to determine remuneration	20
	2-21 Annual total compensation ratio	Compensation ratio is subjected to specific confidential constrains.
	2-22 Statement on sustainable development strategy	3, 18
	2-23 Policy commitments	18
	2-24 Embedding policy commitments	18
2-25 Processes to remediate negative impacts	18	
2-26 Mechanisms for seeking advice and raising concerns	42, 44	
2-27 Compliance with laws and regulations	22	
2-28 Membership associations	9	
2-29 Approach to stakeholder engagement	12	
2-30 Collective bargaining agreements	The Bank complies with the laws and regulations applied in Jordan, in relation to collective bargaining agreements.	



GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13
	3-2 List of material topics	13
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	15
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	15-16
	201-3 Defined benefit plan obligations and other retirement plans	44
	201-4 Financial assistance received from government	No financial assistance was received from the government
Sustainable Procurement		
GRI 3: Material Topics 2021	3-3 Management of material topics	61
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	61
JKB KPI	Total number of SME startup suppliers engaged	61
Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	21-22, 37
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	21-22
	205-2 Communication and training about anti-corruption policies and procedures	38
	205-3 Confirmed incidents of corruption and actions taken	25
JKB KPIs	Legal actions taken against the bank	25
	Number of incidents of non-compliance	25
Emissions Management and Environmental Impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	53, 57 - 60

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE
Material Topics (Continue)		
Emissions Management and Environmental Impact (Continue)		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	60
	302-3 Energy intensity	60
	302-5 Reductions in energy requirements of products and services	Reductions data is not available for 2022, It is currently being calculated for 2023 through JKB's green bond impact reporting .
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	58
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	60
	305-2 Energy indirect (Scope 2) GHG emissions	60
	305-4 GHG emissions intensity	60
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	58
	306-2 Management of significant waste-related impacts	58
	306-4 Waste diverted from disposal	58
Talent Attraction and Retention		
GRI 3: Material Topics 2021	3-3 Management of material topics	39
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	39 - 40
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44
Employee Well-Being		
GRI 3: Material Topics 2021	3-3 Management of material topics	43 - 44
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	43
	403-2 Hazard identification, risk assessment, and incident investigation	43
	403-3 Occupational health services	43



GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE	
Material Topics (Continue)			
Employee Well-Being (Continue)			
GRI 403: Occupational Health and Safety 2018 (Continue)	403-4 Worker participation, consultation, and communication on occupational health and safety	43	
	403-5 Worker training on occupational health and safety	43	
	403-6 Promotion of worker health	43, 52	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The bank through its Risk Management function and internal business continuity expert has developed and implemented all required measures to ensure the business is running taking into consideration all potential health and safety-related risk matters	
	403-8 Workers covered by an occupational health and safety management system	These workers are employees of external companies, and therefore third party companies are considered responsible for any accidents that may occur in the workplace according to the contract signed with JKB. However, the Bank contributes and assists in the event of any injury that may occur at any of JKB's branches. No reference to any work injury was recorded for these employees during 2022.	
	403-9 Work-related injuries	43	
	403-10 Work-related ill health	No case of work related ill health was recorded in 2022	
	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	42
	JKB KPIs	Employee Absentee Rate	43
	Human Capital Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	37	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	37 - 38	
	404-2 Programs for upgrading employee skills and transition assistance programs	37 - 38	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE
Material Topics (Continue)		
Human Capital Development (Continue)		
GRI 404: Training and Education 2016 (Continue)	404-3 Percentage of employees receiving regular performance and career development reviews	100% of JKB employees receive regular performance and career development reviews. According to the performance management policy, employees who have not completed the minimum required period that qualifies them for evaluation, and who affiliated with the Career Development Program are excluded
Diversity, Inclusion and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	41 - 42, 54
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	20, 41 - 42
	405-2 Ratio of basic salary and remuneration of women to men	JKB is committed to drive greater gender equality across all levels of the business 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 role.
Community Support and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	46 - 47
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	47 - 55
	413-2 Operations with significant actual and potential negative impacts on local communities	No negative impacts have been identified.
Customer Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	34
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No breaches and complaints identified related to customer privacy.
JKB KPIs	Number of Complaints	34



GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE
Material Topics (Continue)		
Responsible Investing and Financing		
GRI 3: Material Topics 2021	3-3 Management of material topics	27 - 29
JKB KPIs	Total value of green assets	29
Financial Inclusion and Literacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	30 - 31
JKB KPIs	Loan-to-deposit ratio for overall domestic lending	30
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	30
Digital Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	47 - 49
JKB KPIs	Number of online/mobile transactions	47
Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	23-25
JKB KPIs	Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system	25
Ethical Conduct		
GRI 3: Material Topics 2021	3-3 Management of material topics	21
JKB KPIs	Number of breaches reported against code of ethics	21
Data Security and Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
JKB KPIs	"Number of data breaches Percentage involving personally identifiable information (PII) Number of account holders affected "	24
Governance, Accountability, and Transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	19

