



البنك الأردني الكويتي  
JORDAN KUWAIT BANK

# Sustainability Report 2023





## ABOUT THIS REPORT

Jordan Kuwait Bank's (JKB) fourth annual sustainability report provides an overview of the Bank's activities and achievements around Environment, Social, Economic, and Governance aspects throughout the year 2023. JKB is committed to annually communicating its initiatives and sustainability performance.

JKB has prepared this report in accordance with the Global Reporting Initiative (GRI) Standards, a universally acknowledged sustainability reporting framework, also in line with Amman Stock Exchange (ASE) sustainability disclosure requirements and the United Nations Sustainable Development Goals (UN SDGs).

### Report Boundaries

The scope of this report covers all operations in the Kingdom of Jordan from 1 January 2023 to 31 December 2023. All monetary values in this report are in Jordanian Dinars (JOD), unless otherwise stated. Economic performance data covers the entirety of JKB Group, including the Bank's operations in Cyprus.

JKB welcomes feedback on this report and its performance via the following channels:



### Forward-looking statements

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

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



## CEO MESSAGE

I am proud to present Jordan Kuwait Bank's Sustainability Report for the year 2023, showcasing how we integrate sustainability factors into our banking operations and strategy, and outlining our aims for the future. We are continuously striving to achieve the highest standards of sustainability, reaffirming our commitment to being "more than just a bank."

Our sustainability approach adheres to national and international standards including Jordan Vision 2025, UN Sustainable Development Goals and the Green Finance Strategy published by Central Bank of Jordan. We implement this approach through multiple initiatives, each with explicit goals targeting reductions in greenhouse gas emissions, and contributing to social and economic development. These initiatives foster collaboration among governments, businesses, and civil society.

We made great strides in our sustainability journey in 2023 as the first bank in Jordan to issue a Green Bond, a milestone achieved in collaboration with the IFC.

This represents a significant step not only for the Bank but also for the wider Jordanian community, as it lays the groundwork for future endeavors in financing the country's transition towards a green economy. Jordan faces significant water scarcity challenges, and JKB is committed to reducing water usage and contributing to the nation's water security. Through this Green Bond, JKB finances four wastewater treatment projects aiming to address this challenge.

Our Environmental and Social Management System (ESMS) enables us to assess environmental and social risk factors within our lending and investment portfolios. Subsequently, Environmental and Social Due Diligence (ESDD) is conducted to assess potential risks associated with prospective clients' business activities, ensuring transactions do not pose environmental or social liabilities to the Bank. Reducing our environmental footprint is at the core of our sustainability strategy, and in 2023, JKB achieved the ISO 14001 certification which reinforces the Bank's commitment to maintaining the highest standards of excellence. This accomplishment stands as a testament to the collective efforts and dedication of each member of the Bank. It enhances JKB's position as a leader in the financial sector, building on the efforts made in environmental sustainability.

Our ESG approach also prioritizes engaging with our customers to provide high-quality services tailored to their needs while ensuring accessibility for all. We acquired the ISO 27001 certification for information security management and made a significant leap in banking innovation with the introduction of MASA, an AI-powered digital assistant that provides customers with personalized assistance and streamlines their financial transactions.

Recognizing the importance of celebrating diversity and investing in our people to foster a positive work culture that provides direct and tangible benefits for the Bank, JKB experienced a 29% increase in training hours, totaling 43,894 hours in 2023. Additionally, as an ISO 45001 certified organization, we maintain rigorous occupational health and safety management practices, prioritizing employee well-being.

Community engagement remains a fundamental part of JKB's philosophy. We empower our communities by investing in local partnerships and CSR projects. In 2023, we dedicated over JOD 2 million to CSR projects, overseeing a total of 265 initiatives. Additionally, local suppliers constituted 96% of our total supplier base this year, with around JOD 6 million spent on local suppliers.

I invite you to explore our report for detailed insights into the initiatives and progress we have undertaken. Your feedback and suggestions are invaluable as we continue our sustainability journey.

I would also like to extend my appreciation to our esteemed customers, shareholders, and Board of Directors for their unwavering support. Additionally, I commend the Bank's management and staff for their continued dedication as we continue to navigate the dynamic sustainability landscape. I also wish to extend my sincere gratitude to His Excellency the Governor of the Central Bank of Jordan, for his ongoing support and encouragement.

**Haethum Buttikhi**  
CEO

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A large, abstract graphic composed of several green lines of varying thickness. These lines form a series of interconnected, angular shapes that resemble stylized, overlapping paper or fabric folds. The lines originate from the top and left edges of the page and extend diagonally across the upper half, creating a dynamic, geometric composition.

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An aerial photograph of a coastline with white geometric lines overlaid. The lines form a series of nested, irregular shapes that follow the general outline of the landmass, creating a stylized, abstract representation of the coast. The water is a deep blue, and the land is a lighter, sandy brown.

**JKB: More Than  
Just a Bank**



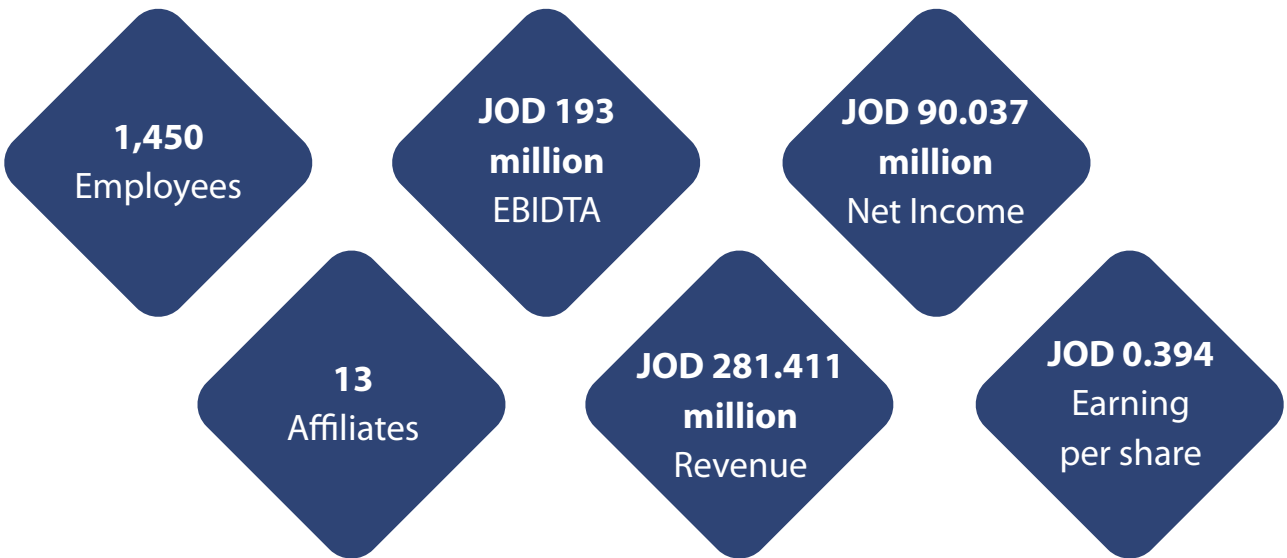
Since JKB's establishment in 1976, it has been pivotal in advancing Jordan's economy. The Bank's dedication to embracing change, which is anchored by a comprehensive set of policies and reflected by strategic goals, has enabled it to navigate an ever-changing landscape. This commitment is echoed in the JKB's slogan, "More than Just a Bank."

JKB extends its offerings beyond traditional banking and enhances its services and products through the incorporation of innovative banking technologies. JKB offers investment advisory, legal services, financial engineering, insurance, brokerage, and other solutions typical of global financial institutions. This expansion has enabled the Bank to become a leading one-stop service provider which caters to the diverse needs of its clients through a wide network of branches, while building a unique bond with every client.

Internally, JKB fosters a cohesive working environment that supports each one of its employees, creating a positive and inclusive working culture.

JKB's slogan does not just extend to its clients and workforce, but also the Bank's aim to make a meaningful impact beyond financial services. This includes addressing humanitarian, social, and educational needs within the community.

<div>  </div> <div>Our Vision</div>	<div>  </div> <div>Our Mission</div>	<div>  </div> <div>Our Values</div>
To bring the bright future of banking to our customers today.	Providing integrated, tailored, and frictionless banking experience through digitally innovative and agile services.	<ul style="list-style-type: none"> <li>• We welcome change.</li> <li>• We thrive on empowerment.</li> <li>• We work together.</li> <li>• We treat all stakeholders as family.</li> <li>• We are responsible corporate citizens.</li> </ul>

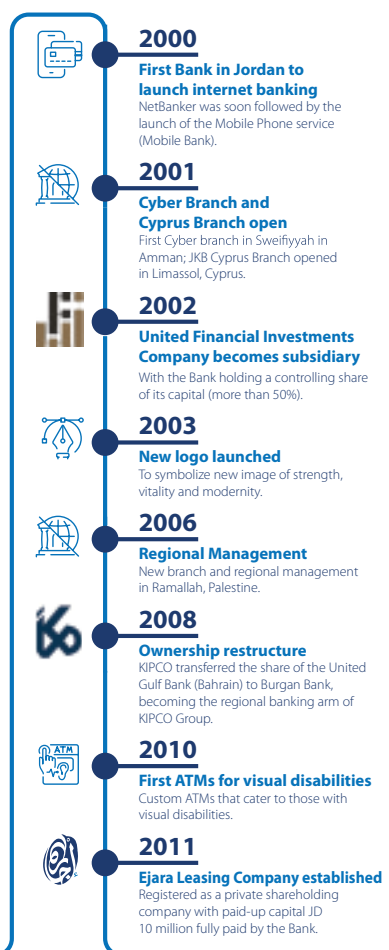
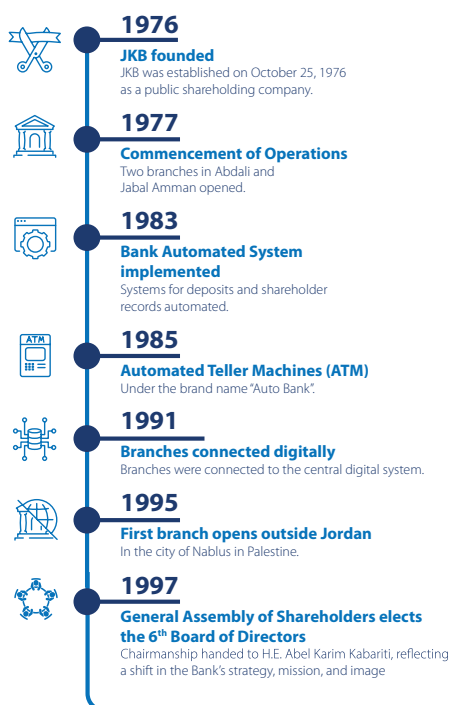


## Business segments

JKB conducts business across four main segments which include:

	Personal Banking	Corporate Banking	Treasury	Others
Percentage of Revenue	18%	54%	27%	1%

# JKB's Journey



# Awards & Recognition

## Awards

Best Bank of the Year -  
Jordan from the Banker



Best Domestic Private Bank –  
Jordan from Euromoney



Best Bank for Social Responsibility -  
Jordan from Global Banking and  
Finance Review



Green Bond of the year  
from SME finance forum



Best Green Project Financing Bank –  
Jordan from Internation Finance







Best Place to Work -  
Jordan from the Banker

Recognitions		
		
Market Leader – Corporate Social Responsibility	Highly Regarded – Digital Solutions	Notable – SME Banking



## Associations & Memberships

 <p>جمعية البنوك في الأردن Association of Banks in Jordan</p> <p>Heading the Green Finance Committee</p>	 <p>United Nations Global Compact</p>
 <p>UN WOMEN</p>	 <p>JORDAN GBC المجلس الأردني للمباني الخضراء Jordan Green Building Council</p>

## Affiliates and subsidiaries

JKB, a member of the Kuwait Projects Company (KIPCO), leverages its strong business relations with KIPCO and its banking arm to provide its services and create investment opportunities in various countries through the group's companies. The Bank also holds strategic investments in several companies and has three subsidiaries companies. The Bank aims to maximize synergies with its subsidiaries and affiliate companies by offering more shared services and products to customers and achieving optimal returns for shareholders. Here is an overview of the Bank's subsidiaries' plans:

- Bank of Baghdad: Considered one of the largest commercial banks in Iraq, as it provides banking solutions to all customer segments, including retail and corporate. The focus will be on developing support services, operations and business sectors, including enhancing the products and services provided to customers.
- United Financial Investments Company (UFICO): During the recent period, UFICO completed the acquisitions of four financial brokerage companies; increasing the volume of business and the diversity of the services provided to clients, locally and internationally. In the coming year, the focus will be on merging all the acquired companies to increase effectiveness, grow their market share, and continue to enhance and develop the services for customers.
- Ejara Leasing Company: The focus will be on increasing market share in the local and regional markets through collaboration with the Bank's subsidiaries.

## Economic Performance

JKB strives to create a positive influence on the economy and contribute significantly to Jordan's economic system's productivity, resilience, and stability. The Bank aims to increase the welfare of its shareholders and investors while simultaneously increasing the Bank's net profit in comparison to previous years. JKB also focuses on increasing its market share, while exploring new markets and seizing business prospects that create value for the Bank.

In 2023, JKB achieved several significant milestones related to economic growth. Firstly, the Bank acquired 76.97% of shares in BHM Capital and subsequently divested a portion of its stake to Ethmar International Holding (EIH), amounting to 66.97% of the firm's capital for JOD 30.6 million. This strategic sale generated net after-tax profits of around JOD 8.3 million for the Bank.

Secondly, JKB became the first bank in Jordan to issue perpetual bonds. Following approvals from the Central Bank of Jordan (CBJ) and the Jordan Securities Commission, the Bank launched subscriptions in both JOD and USD tranches totaling USD 125.5 million. This was classified as Additional Tier I Capital per Basel III Accords.

The first tranche of USD 90 million was fully subscribed through a private placement, while the JOD 25.2 million second tranche is open for public subscription and listing on the ASE. These bonds offer a fixed interest rate of 8.5% for the initial 24 months, adjustable thereafter based on the CBJ's re-discount rate plus a margin. These achievements aim to bolster the banking sector in Jordan and support the Bank's regional expansion plans. Comprehensive training sessions and personalized assistance were provided for clients and employees to ensure successful investment participation.

In 2023, JKB's revenues doubled, while its net profit after taxes recorded an exceptional growth of 380% nearly four times more than 2022.

Economic Performance	2021	2022	2023
Direct economic value generated (revenues) (JOD Million)	111.89	139.54	281.41
<b>Total economic value distributed (including the below) (JOD Million):</b>	<b>70.79</b>	<b>84.84</b>	<b>142.32</b>
Operating costs (JOD Million)	36.53	42.91	61.99
Employee wages and benefits (JOD Million)	29.89	33.32	48.71
Payments to government (taxes and penalties) (JOD Million)	4.37	8.61	31.62
Dividends paid to shareholders (JOD Million)	10.50 (Cash)	12.00 (Cash Proposed)	10.50 (Cash)
<b>Economic value retained (direct economic value generated' less 'economic value distributed') (JOD Million)</b>	<b>41.09</b>	<b>54.71</b>	<b>139.09</b>
Net profits (JOD Million)	7.71	18.73	90.04
Shareholders' Equity (JOD Million)	467.67	477.56	727.51
Return on (average) equity (Percentage)	-1	4	17

# **Our Approach to Sustainability**





JKB's sustainability journey began in 2020, when the Bank set sustainability-related strategic objectives to address challenges and ensure the continuation of its sustainability commitment. These objectives include aligning with the evolving expectations and aspirations of various stakeholders, enhancing sustainability and environmental responsibility, and expanding sustainable, CSR, and Women Empowerment Programs. To help achieve these objectives, JKB defined the key sustainability stakeholders to understand their needs and expectations. For more information on stakeholder engagement, please refer to [Appendix B](#).

JKB's sustainability approach aligns with its overarching strategy, Jordan Vision 2025, and the UN SDGs. Through this approach, JKB aims to generate significant social and environmental impact, reflecting the Bank's incorporation to sustainability across all its business activities. This incorporation is evident in JKB's ongoing investment in people, technology, infrastructure, and innovative solutions.

In 2024, JKB plans to solidify its commitment to sustainability and maintain its position as a leader in the market by partnering with the International Finance Corporation (IFC) to update its sustainability strategy, develop its sustainable finance strategy and its climate governance methodology.

## Sustainability Governance

In 2023, JKB established a Sustainability Committee to effectively govern ESG issues within the Bank. This committee, chaired by the CEO and consists of key executives and department heads, plays a central role in overseeing sustainability initiatives at JKB.

### **The Sustainability Committee is responsible for:**

- Developing and approving JKB's sustainability strategy, action plan, initiatives, projects, and KPIs.
- Evaluating reports from the sustainability working group to monitor the progress of sustainability initiatives and provide recommendations for improvement.
- Aligning JKB's operations with the Green Financing Policy issued by the CBJ.
- Reviewing JKB's green sustainable financing framework, including eligibility criteria for green loans and aligning with international standards.
- Assessing climate change risk management approaches and ensuring alignment with national and international standards in the Bank's lending portfolio.
- Approving sustainability reports, impact reports, and ESG external auditors reports to ensure transparency and accountability.

## Sustainability Strategy

JKB's sustainability strategy outlines the Bank's commitment to incorporating sustainability throughout its operations and is aligned with Jordan Vision 2025. As a part of this strategy, the Bank is working with stakeholders to achieve key goals relating to promoting economic growth, fiscal stability, reducing financial waste, and lowering public debt to safe levels. Furthermore, a key priority of this strategy is to connect the Bank's commitments and efforts with the UN SDGs, thus striving to create long-term value.

The CBJ issued its Green Finance Strategy for 2023-2028 in cooperation with several international institutions such as the World Bank and supporting countries.



To meet these goals, JKB is partnering with several leading organizations, such as the IFC, to promote educational workshops and support national strategies like the CBJ's Green Finance Strategy. This strategy aims to create a more "climate-responsive and efficient economy".

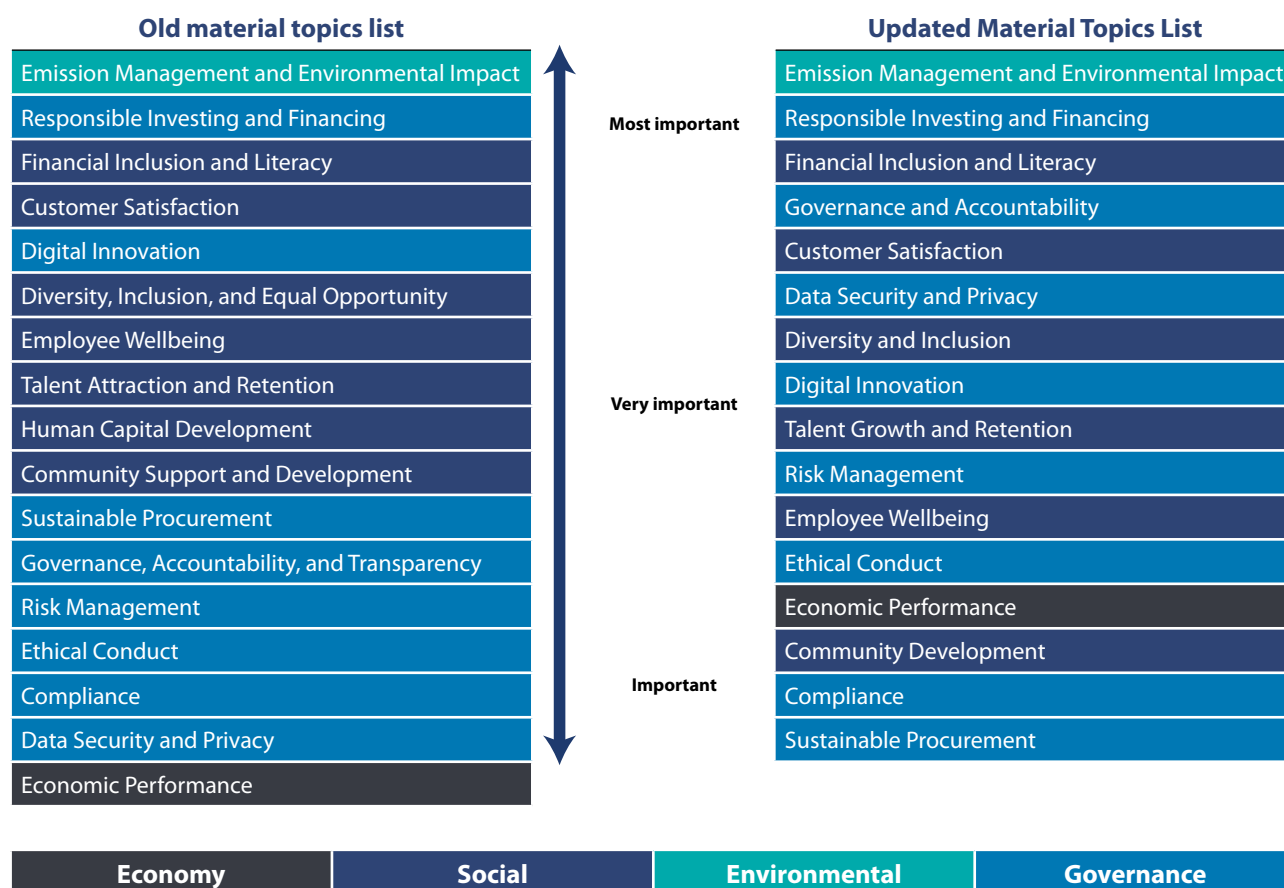
## Materiality Assessment

The evolving nature of the corporate sustainability landscape requires the Bank to monitor its progress and adjust where necessary to ensure that its priorities are still in line with the overarching goals outlined in JKB's sustainability strategy. In 2023, the Bank conducted a materiality refreshment assessment to realign its priorities with JKB's corporate strategy and national and international priorities such as the International Financial Reporting Standards (IFRS) and the Jordan Green Financing Strategy. This outcome included the reprioritization of material topics and the updating of names of some of the topics to enhance clarity and alignment with organizational goals.

The materiality refreshment assessment was comprised of different steps. The first step involved understanding the business and JKB's ESG commitments and aspirations. Next, the Bank identified and examined its impact on the economy, environment, and people, using global and local standards as a reference. Finally, this information was used to reprioritize the list of topics based on the significance of the impact, as seen below. The updated material topics list enables JKB to focus its sustainability activities on the areas that have been deemed the most significant for the Bank, enabling the Bank to gain an early understanding of potential risks and opportunities.

For the definition of material topics, refer to [Appendix C](#).

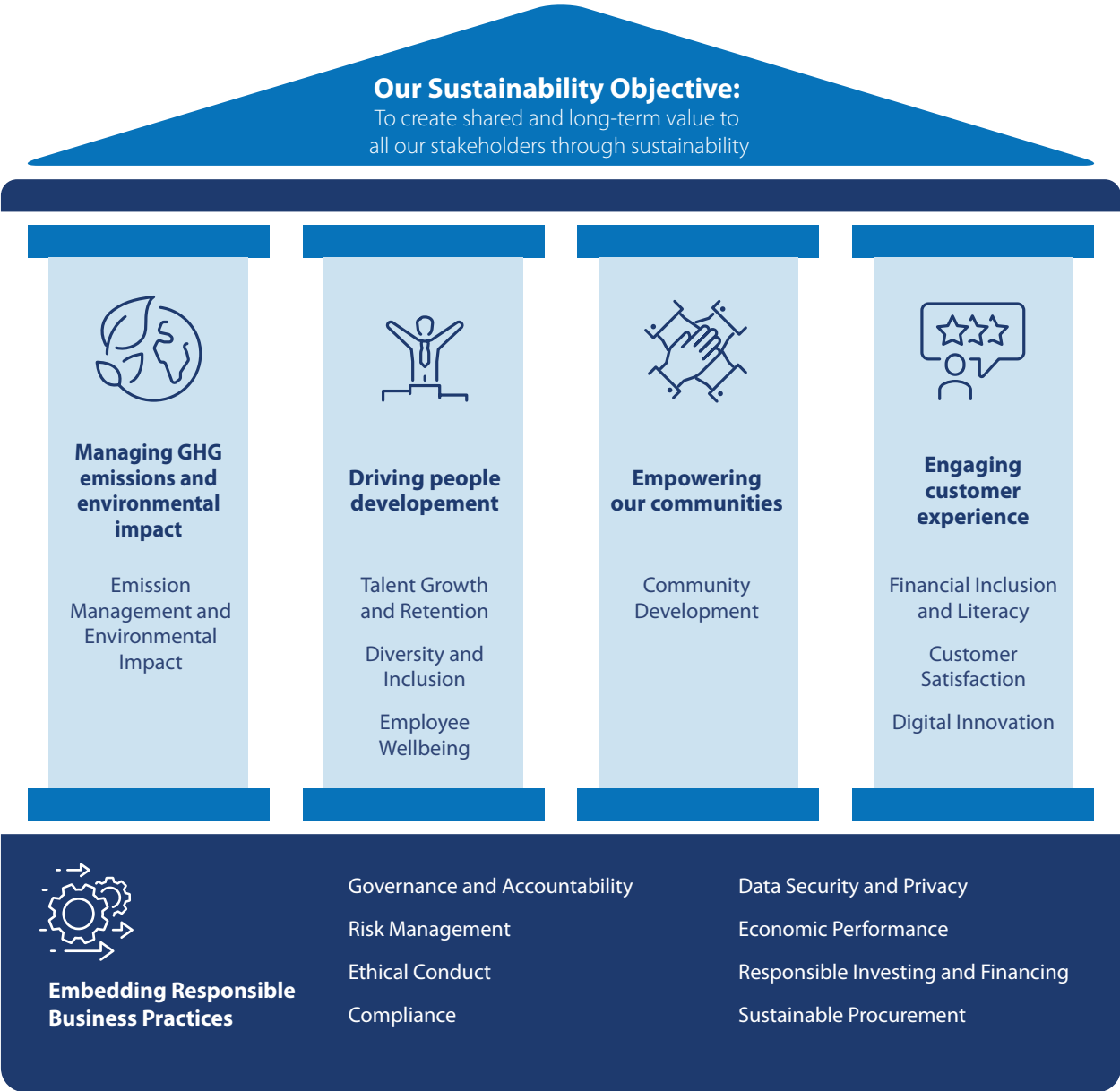
Below are JKB's updated material topics:





# Sustainability Framework

JKB’s sustainability framework represents an essential tool for guiding strategic decision-making, stakeholder engagement, and reporting. As part of its sustainability management approach, the Bank has established a five-pillar sustainability framework that encompasses its material sustainability topics. This framework is closely aligned with JKB’s business and ESG strategy, enabling the Bank to reinforce and communicate its sustainability commitments efficiently and transparently.







# **2023 Sustainability Highlights**





## Embedding responsible business practices

Issued first Green Bond in Jordan

Established the Environmental and Social Management System (ESMS)

**100%** business units analyzed for risks related to AML/CTF

Local suppliers constituted **96%** of total supplier base

**Zero** incidents of data breaches

Acquired the ISO 27001 certification

## Engaging customer experience

**11%** increase in new accounts held by first-time credit card holders compared to 2022

**82%** increase in the number of SMEs compared to previous year

**8%** increase in online/mobile transactions compared to 2022

## Driving people development

**29%** increase in training hours compared to 2022

**38%** of full-time employees are women

**43%** of the new hires are women

**36%** of full-time employees are under 30 years old

Obtained the ISO 45001 certification

## Empowering our communities

**JOD 2,149,976** in community investments; a **105%** increase compared to last year

**265** CSR projects were implemented

**2,280** hours spent on community volunteering

## Emission management and environmental impact

**7%** decrease in scope 1 GHG emissions compared to 2022

**15%** decrease in water consumption compared to previous year

**4%** reduction in paper consumption compared to last year

Obtained the ISO 14001 certification

## JKB's Contribution to the UN SDGs

Goal	JKB's Contribution	Section
	<ul style="list-style-type: none"> <li>Collaborating with national institutions, bodies, and charities to improve decent livelihoods, such as "Goodwill" Campaign, the Jordan Hashemite Charitable Organization, Mabarrat Umm Al-Hussein, and SOS Children's Village.</li> </ul>	<a href="#">Community Development</a>
	<ul style="list-style-type: none"> <li>Partnering with Ezwitti, a non-profit organization, to lead a significant annual donation initiative aimed at providing meals to disadvantaged communities every month.</li> </ul>	<a href="#">Community Development</a>
	<ul style="list-style-type: none"> <li>Health insurance coverage for all employees.</li> <li>Maintaining a medical clinic within the General Staff Administration Building.</li> <li>Employees and their families benefit from the "Care" program.</li> <li>Implementing health initiatives and educational workshops.</li> </ul>	<a href="#">Employee Wellbeing</a>
	<ul style="list-style-type: none"> <li>Training hours reached 43,894 hours.</li> <li>58 employees obtained professional certifications in different fields.</li> <li>Championing university students and preparing them for their professional futures by connecting them with experts in specialized fields.</li> <li>38 students from various Jordanian and international universities undergoing training at JKB.</li> <li>Providing direct financial assistance to 59 outstanding university students.</li> </ul>	<a href="#">Talent Growth and Retention</a>  <a href="#">Community Development</a>
	<ul style="list-style-type: none"> <li>38% of full-time employees are women.</li> <li>43% of new hires are women.</li> <li>17,254 total hours of training for females.</li> <li>Hosting an event on "International Women's Day".</li> <li>Acknowledgment from UN Women for successfully implementing the Women Empowerment Principles (WEPs) initiative in Jordan.</li> </ul>	<a href="#">Diversity and Inclusion</a>  <a href="#">Talent Growth and Retention</a>  <a href="#">Community Development</a>
	<ul style="list-style-type: none"> <li>Implementing greywater and rain harvesting systems.</li> <li>Water consumption decreased by 15% compared to last year.</li> </ul>	<a href="#">Emission Management and Environmental Impact</a>

Goal	JKB's Contribution	Section
	<ul style="list-style-type: none"> <li>• Launching a solar energy project.</li> <li>• Introducing electric vehicles and installing electric vehicle chargers.</li> <li>• Launching of "Renewable Energy and Energy Efficiency Products".</li> <li>• Launching of "Green Auto Loan Product".</li> </ul>	<a href="#">Responsible Investing and Financing</a>  <a href="#">Emission Management and Environmental Impact</a>
	<ul style="list-style-type: none"> <li>• Doubling revenue compared to last year.</li> <li>• JOD 2,149,976 spent on community investment.</li> <li>• 56% of procurement spending is on local suppliers.</li> </ul>	<a href="#">Economic Performance</a>  <a href="#">Community Development</a>  <a href="#">Sustainable Procurement</a>
	<ul style="list-style-type: none"> <li>• Recognized by the UN Global Compact (UNGC) as one of the leading banks in the Middle East for addressing climate change.</li> <li>• Funding the development of an environmental park "Zabboud Park".</li> </ul>	<a href="#">Emission Management and Environmental Impact</a>  <a href="#">Community Development</a>
	<ul style="list-style-type: none"> <li>• Establishing Anti-Fraud, and Anti-Bribery and Corruption policies.</li> <li>• All employees received communication regarding the anti-corruption policies and underwent training sessions focused on anti-corruption measures.</li> </ul>	<a href="#">Ethical Conduct</a>



# Embedding Responsible Business Practices



JKB remains committed to embedding responsible business practices throughout its operations, processes, and policies. This dedication ensures that the Bank operates to the highest ethical standards and maintains its strong position within the regional banking sector, ensuring alignment with the requirements of the CBJ and international industry standards.

The Bank extends these high standards to its supply chain and customer data, emphasizing robust risk management and regulatory compliance. Additionally, it promotes sustainable growth in the financial landscape by integrating ESG criteria into investment and financing practices while offering sustainable financial products to its clients.

### **Material Topics Covered:**

- Responsible Investing and Financing
- Governance and Accountability
- Data Security and Privacy
- Risk Management
- Ethical Conduct
- Compliance
- Sustainable Procurement

## **Responsible Investing and Financing**

JKB strives to integrate sustainability into both investment and financing portfolios, as well as transactional decisions across all business areas, while also aligning with international frameworks including the UN Principles of Responsible Banking (UN PRB).

The Bank's lending and investment portfolios include a range of services addressing ESG issues, with rigorous project-level management to monitor and influence outcomes. In addition, the Bank prioritizes green investments and ensures that all projects and clients are assessed for environmental and social risks.

JKB's Sustainable Green Finance Framework was developed per the principles set forth by the International Capital Market Association (ICMA) and the Jordanian Green Bond Guidelines issued by the Ministry of Environment and aims to set out the groundwork for financing the shift towards a low-carbon economy. JKB sought a second-party opinion from Sustainalytics, an ESG research, ratings, and analytics agency, which scrutinized the framework to ensure it successfully incorporated all necessary factors. In tandem, JKB established an ESMS in line with IFC's performance standards. This system enables the Bank to assess environmental and social factors and risks associated with its lending and investment portfolios.

The Bank has been nominated to lead the Green Finance Committee which was formalized by the Association of Banks in Jordan. The Bank's role is to conduct different sessions with the members of the association and the representatives from the banking sector to share the Bank's knowledge and experience in green financing and ESG integration.

## First Green Bond in Jordan

In 2023, and in collaboration with the IFC, JKB issued the first Green Bond in Jordan for USD 50 million over a five-year period. This achievement not only marks a significant milestone for the Bank, but also for the Kingdom.

Notably, this issuance paves the way for future endeavors in financing the country's transition towards a green economy and comes in line with Jordan's Economic Modernization Vision and the national action plans for green growth (2021 – 2025).

Moreover, by introducing a new asset class to the Jordanian capital market, JKB aims to channel funds into projects aimed at reducing greenhouse gas emissions and unemployment rates.

A significant portion of the proceeds from the Green Bond issuance, totaling JOD 24 million, has been allocated to water treatment projects. This underscores JKB's commitment to financing initiatives that contribute to environmental sustainability and societal well-being.

## Lending

JKB integrates ESG factors into its lending processes by engaging with companies in its loan portfolio on environmental and social issues. To engage with companies regarding their ESG loan portfolio, JKB initially evaluates the client's interest in financing from the Bank's eligible green asset portfolio, encompassing renewable energy, low-carbon vehicles, green infrastructure, and sustainable water resource projects. Subsequently, ESDD is conducted in line with the ESMS, assessing environmental and social risks associated with proposed projects. Based on ESDD findings, JKB decides on project financing. Continuous monitoring post-financing ensures adherence to environmental and social standards.

The ESDD serves to assess potential risks associated with prospective clients' business activities, ensuring transactions do not pose environmental or social liabilities to the financial institution. This process involves systematic identification, quantification, and assessment of such risks. The ESG team conducts a desktop review, examining documentation related to the proposed transaction and client operations, verifying compliance with relevant regulations and international standards. They utilize questionnaires to gather information on environmental and social issues, assessing various factors including geographic location, site conditions, access to utilities, and social and environmental impacts. Additionally, they evaluate the client's performance and reputation on these issues, checking for compliance through permits, inspection reports, or Environmental Impact Assessments.

JKB has also facilitated loans through partnerships with entities like the European Investment Bank (EIB) and initiatives supported by the CBJ and Jordan Loan Guarantee Corporation (JLGC).

JKB's green lending portfolio reached JOD 70 million, as the Bank financed green projects such as clean transportation, renewable energy, and sustainable water projects. JKB allocated JOD 27 million from the Green Bond to wastewater treatment projects, conducting environmental and social due diligence for each transaction.

JKB incorporates ESG factors into its credit risk assessments and lending decision-making processes.

Assessment of ESG factors helps JKB in identifying credit risks associated with climate change, natural resource constraints, human rights concerns, and other sustainability trends. The Bank requires detailed environmental assessment reports and traffic impact studies for certain projects, while for other projects, the Bank relies on government licenses and permits that account for these factors. Moreover, JKB also factors macroeconomic assessments into all lending decisions.

Decisions regarding risk assessments are made on a project-by-project basis and are determined by the type and location of the project. For example, if a project requires environmental assessment studies, the Bank enlists external advisors to assess the environmental risks. Additionally, environmental and social risks are taken into consideration for energy projects and those situated in densely populated areas.

JKB noted a 5% increase in green financing in its lending portfolio compared to 2022.

Green Lending	Unit	2021	2022	2023
Total value of "green" lending	JOD million	57.997	66.780	70.384

## Sustainable Products

JKB has developed new products to meet specific needs and to achieve social benefits amounting to approximately JOD 0.55 million. For example:

- **The Women's Product** aims to provide financing to existing projects owned by women entrepreneurs to support and expand their initiatives. These loans are provided without collateral and come with favorable interest rates.
- **The Startup Loan** to finance startups, encouraging appropriate funding and operational enhancements. These loans are also provided without collateral and feature favorable interest rates.
- **The Craftsmen and Professionals Product** provides funding with a discounting loan structure, further supporting local craftsmen and professionals.
- **Renewable Energy and Energy Efficiency Products** provides financing up to JOD 4 million for renewable energy and energy-efficiency projects with competitive interest rates of 4% in collaboration with the CBJ.
- **Green Auto Loan Product** offers a waiver on granting commission of 1% for Chinese hybrid and electric cars to motivate customers to go green.
- **Housing Loan Product** offers competitive interest rates and flexible options tailored to meet clients' housing financing needs.

In addition, JKB plans to incentivize sustainable behavior among customers by introducing green credit cards and revamping its loyalty program.



The Government of Jordan has developed a National Water Strategy, under which it aims to reduce its non-revenue water by 25% by 2025, potentially benefiting two million people. Investment in wastewater treatment facilities is crucial to recycle water for agricultural and industrial use, as 85% of water for industry comes from underground sources, while only 14% is treated.

JKB financed wastewater treatment projects for USD 54.1 million, in part through its green bond.

Use of Green Bond Proceeds / Client	Project Description	Project Value (USD million)	Impact	Amount to be allocated (JKB share) (USD million equivalent)
Project 1	Wastewater Treatment	185**	Wastewater treatment capacity = 365,000 m <sup>3</sup> /day	15
Project 2	Enhancing water distribution network and wastewater treatment for Syrian refugees in the North of Jordan	7.5	Enhancing water distribution network for Syrian refugees in the North of Jordan that serves 75,000 inhabitants	3.6
Project 3	Wastewater Treatment	85	Wastewater treatment capacity = 22,500 m <sup>3</sup> /day	17.5
Project 4	Wastewater Treatment	33	Wastewater treatment capacity = 25,000 m <sup>3</sup> /day	18
Total		310.5		54.1

\*\*Represents CAPEX cost only. With soft cost including refinancing of existing syndication loan and capitalized interest, total cost is USD 268 million.

## Investing

In alignment with JKB's ESG Policy, the Bank actively pursues financial securities with ESG impact both for clients' investments and JKB's international portfolio. In 2023, JKB successfully invested USD 14.3 million in ESG-related fixed-income securities. To streamline the process, the Bank's research team developed a new proposal form that indicates whether an investment has an ESG impact, enhancing transparency and alignment with its sustainability objectives. Also, the team uses various platform subscriptions to scan the market for ESG-related financial securities. Using Bloomberg Platform, the analysts filter out sustainable products JKB is interested in by inputting specific criteria, like ESG bonds, and study if they conform with the required weighted return and acceptable risk ratios.

The incorporation of ESG factors into investments entails assessing companies' ESG scores (if available) and prioritizing those with higher scores, all while ensuring that returns align with client investment objectives or the bank's Investment Policy. In 2023, the investment portfolio saw an addition of JOD 10.1 million worth of bonds. The newly added financial securities were fixed income instruments.

JKB extended its commitment to ESG principles by incorporating ESG bonds and mutual funds with high social or environmental impact into client proposals. A watchlist of financial instruments with ESG considerations, including Green, Blue, Climate, and Sustainability bonds, was curated to enrich investment opportunities.

With increasing demand for sustainable, social, and green securities, maintaining the balance between ESG considerations and financial returns poses ongoing challenges for JKB. The Bank recognizes the importance of ESG education and equips its relationship managers with the knowledge and tools to advocate ESG investments to clients.

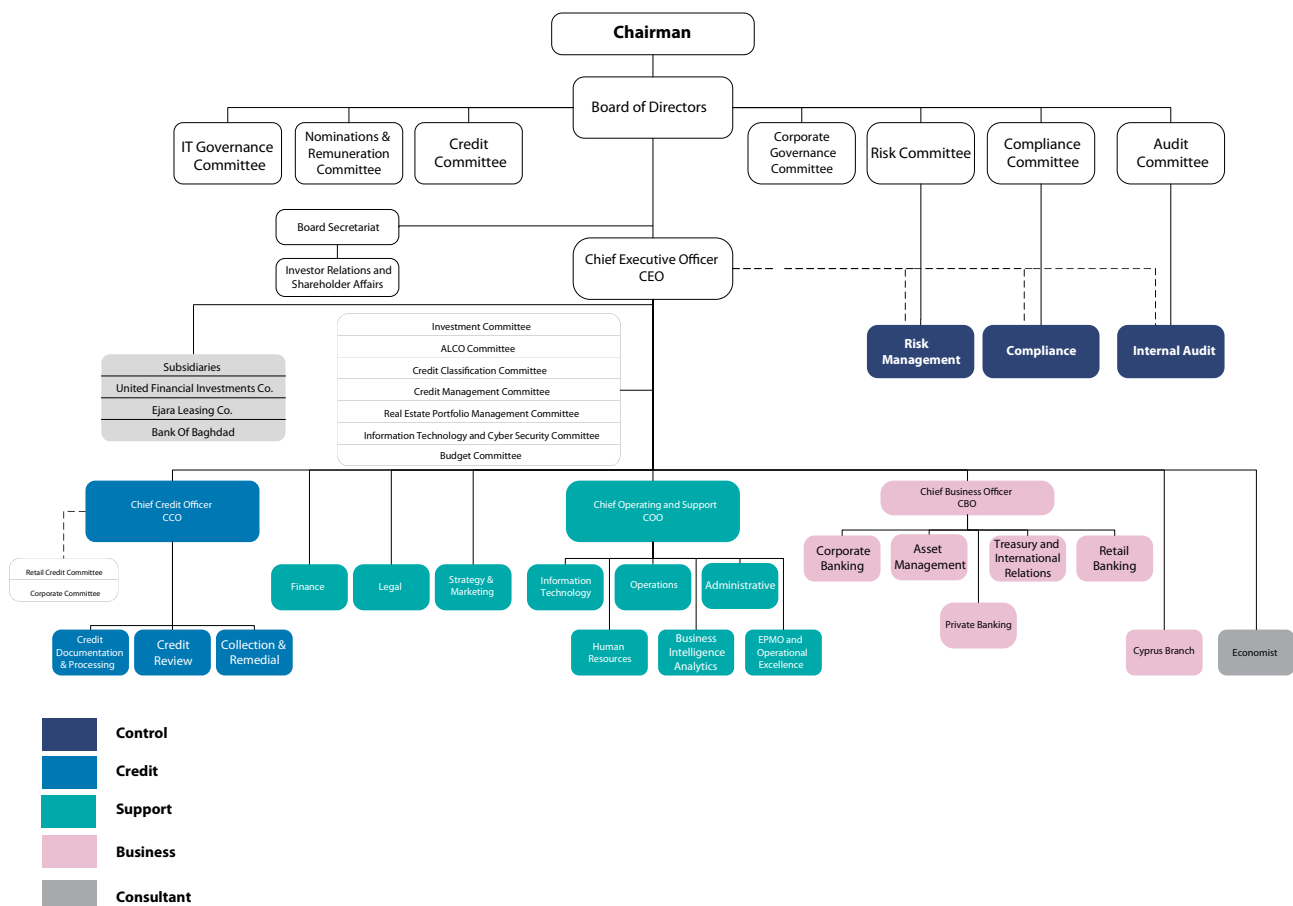
In 2023, JKB actively participated in a syndication loan for ISBank and invested in stocks of companies committed to sustainability, contributing to Jordan's sustainable development goals. ISBank Syndication Loan was the Bank's first participation in such a venture. Financial analysis was conducted, and cross-departmental collaboration ensured legal compliance and approval. JKB's participation in this syndication loan not only strengthened business relations with ISBank, but also set a precedent for future engagements in similar ventures.

JKB offers a suite of sustainable products and services. When clients consider investments, they discuss their risk tolerance and investment goals with their Relationship Manager. Based on this discussion, the research team at JKB prepares an investment proposal that includes various investment options, including ESG securities. This proposal is then sent back to the client, empowering them to make informed investment decisions tailored to their preferences and objectives.

## Governance and Accountability

JKB's governance framework encompasses the structure and functions of the Board of Directors, its committees, and the Executive Management. The framework emphasizes diverse Board composition and effective committee structures, including ensuring that one-third of the Board members are independent. This framework promotes accountability, integrity, and transparency while fostering trust and upholding the Bank's commitment to responsible governance.

The Board sets the guidelines for corporate governance and is responsible for overseeing the Bank's robust policies and procedures, ensuring effective decision-making, risk management, and compliance with laws and regulations. Together, this ensures that JKB's operations align with the interests of management, shareholders, and stakeholders, enhancing investor confidence while separating the powers of the Board and Executive Management.



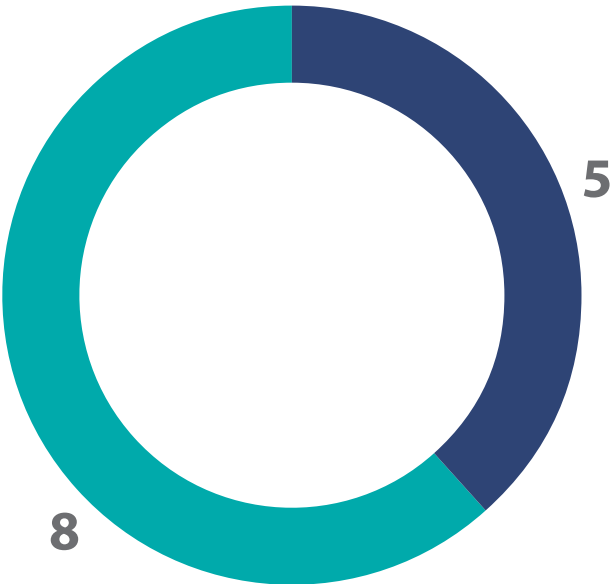
Several committees have been formed to help the Board carry out its work effectively. Please refer to the 2023 Annual Report for more information.

In 2023, JKB undertook a comprehensive review of the Corporate Governance Guide, related policies, and the charters of the Board Committees. This review was conducted in response to the issuance of Corporate Governance Instructions for Banks No. 2/2023. Necessary amendments were made to align with these instructions, and the revised documents received approval from the Board.

The Board comprises 13 members, with one woman member, a composition that has remained consistent for the past three years. The Board includes both independent and non-independent members. In 2023, the number of non-independent members increased, making up 62% of the Board. All members hold non-executive positions.

### Board members' independence

- Independent members
- Non-independent members



### 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 sensitive data. JKB implements several cybersecurity measures to enhance the security of the Bank and protect its customers personal and financial data, including acquiring a system for automating business continuity management and updating all information security policies and procedures.

In addition, JKB has implemented Content Disarm and Reconstruction (CDR) technology for an extra security layer to protect against malicious content in files. In case of a threat, this system reconstructs the file to maintain its usability while ensuring it is safe to use. JKB finalized and tested a fully redundant Disaster Recovery Site which the Bank can use to continue its operations in case of a disaster or significant disruption.



JKB conducts regular risk assessments, vulnerability scans (covering infrastructure, applications, and mobile apps), as well as external and internal penetration testing. These evaluations are carried out routinely and are also conducted whenever significant changes occur. JKB also conducted a Cybersecurity Month Awareness Campaign to help further prevent and mitigate any risks.

For eight consecutive years, JKB secured the Payment Card Industry Data Security Standard (PCI DSS) certificate, thus achieving the highest level of data protection for cardholders' data and environment. Compliance with the SWIFT Customer Security Program (SWIFT CSP) is maintained by implementing all information security requirements and receiving a compliance report from the external auditor. Additionally, compliance with Control Objectives for Information and Related Technologies (COBIT2019) is maintained.

JKB acquired ISO 27001 certification for its Information Security Management System, ensuring adherence to stringent international standards, and also acquired a Threat Intelligence Platform through the utilization of the CBJ Threat Intel system.

## **IT Operational Continuity Testing**

JKB recently completed a comprehensive test of its Disaster Recovery Plan, marking a significant milestone in business continuity and resilience. Over the course of a week, the Bank successfully operated all critical and non-critical systems, digital services, and IT infrastructure from its Disaster Recovery Data center. This achievement reflects JKB's dedication to meeting regulatory requirements and international standards, ensuring the highest quality of financial services even under emergency circumstances. This emphasizes the Bank's dedication to customer protection and its role in safeguarding the national economy and banking sector stability.

## **Risk Management**

JKB devised a Risk Assessment Methodology to help employees identify potential risks and vulnerabilities within the Bank. One significant part of this methodology involves the development and implementation of control reports, alongside the automation of existing and new reports. Moreover, JKB remains vigilant by closely monitoring economic and political events, conducting in-depth studies to gauge its impact on the Bank's credit portfolio, and offering tailored recommendations to mitigate risks effectively.

The Bank also implements a robust operational risk management strategy that encompasses various measures, including enhanced safety procedures to foster a healthy working environment and streamlined incident management protocols for swift resolution of disruptions.

In addition, JKB has successfully modified its accounting systems to incorporate risk-free indicators issued by central banks to address shifting market dynamics, particularly the transition from the London Interbank Offer Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR) Index. The transition to the SOFR Index occurred smoothly due to collaborative efforts with related departments and third parties.

The Bank handles high-risk clients through a Risk-Based Approach (RBA) methodology, approved by the Board and the Compliance Committee. JKB also implements a robust vendor risk assessment framework to mitigate third-party vendor risk and prevent operational disruptions and reputational damage. As a result, third party-related operational disruptions have been reduced and the efficiency of vendor management processes enhanced through streamlined onboarding and monitoring procedures.

To raise awareness of risks among its employees, the Bank developed and delivered comprehensive risk awareness programs, incorporating interactive sessions such as workshops and distributing awareness leaflets. As a result, there was a notable increase in risk identification and incident reporting rates.

### **Environmental and Social Management System (ESMS)**

Introduced in 2023, the ESMS improves risk management by enabling the Bank to assess environmental and social factors within its lending and investment portfolios. Embedded within this framework is a process for identifying, assessing, and managing environmental and social risks and reporting on impacts, which enables the Bank to take a consistent approach to evaluating environmental and social risks.

In addition to enhanced risk management practices, the ESMS also improves climate change mitigation and sustainability promotion. The ESMS follows a five-stage process: transactions screening, categorizing them based on environmental and social risk, conducting due diligence in line with IFC Performance Standards, and monitoring client performance.

Transactions are classified into three risk categories, based on industry, loan purpose and amount, and potential irreversible impacts. Mandating environmental and social due diligence ensures compliance with regulations and addresses various factors, from labor conditions to cultural heritage preservation, to mitigate risks effectively.

### **Audit**

Audits play a crucial role in adding value and maintaining the integrity of the Bank's operations. They evaluate the effectiveness of risk management, control, and governance processes while ensuring compliance with regulatory requirements. The Internal Audit Department is overseen by the Audit Committee, ensuring governance effectiveness. The Bank's internal audit methodology, aligned with international standards, undergoes regular evaluation to ensure effectiveness.

In 2023, JKB enhanced its audit capabilities by completing the reassessment of the Auto Audit Management System and achieving notable objectives outlined in the Audit Annual Plan.

## Ethical Conduct

JKB's Ethical Code of Conduct helps to guide its employees, reflecting core principles and values while also addressing crucial areas such as anti-corruption measures, information privacy, and conflict of interest.

The Bank's approach centers on creating a vigorous framework that aligns with stakeholders' expectations. The Bank sets a clear tone from the top, emphasizing individual accountability and risk awareness. Enablers like comprehensive policies, regular training, and support for open communication are in place to empower employees and reinforce high behavioral standards and incentive systems.

All employees are expected to adhere to the Ethical Code of Conduct and uphold professional standards. JKB provides comprehensive training to its employees on understanding and implementing the established policies. This training, conducted through face-to-face or remote sessions, includes examinations to assess comprehension.

### **"Zero breaches reported against the Ethical Code of Conduct"**

JKB witnessed a notable decline in legal actions taken against it in recent years. The Bank strives to minimize misunderstandings and disputes by ensuring stakeholders understand its agreements. Additionally, JKB resolves issues promptly and fairly, prioritizing stakeholders' satisfaction to maintain its reputation as a trustworthy financial partner.

Legal	2021	2022	2023
Legal actions taken against the bank (Number)	30	11	7*

\*JKB faced two types of lawsuits: a financial claim lawsuit and an accountancy and prevent claim lawsuit.

For three consecutive years, the Bank has recorded no instances of human rights violations, ethical misconduct, non-compliance incidents, non-monetary sanctions, or significant fines for non-compliance.

## Anti-Bribery, Corruption, and Fraud

The Bank established comprehensive policies and procedures aligning with international standards such as the United Kingdom Bribery Act 2010 and the Foreign Corrupt Practices Act. These policies include Anti-Fraud, and Anti-Bribery and Corruption. In addition, the Bank provides mandatory training for employees on these issues, supplemented by periodic awareness campaigns to maintain a culture of integrity and responsibility.

JKB conducts regular assessments to evaluate the effectiveness of its anti-bribery, corruption, and fraud prevention measures, along with procedures for answering specialized law enforcement units' queries, reporting suspicious cases, and dealing with suspicious cases.

All employees received communication regarding the anti-corruption policies and procedures and underwent training sessions focused on anti-corruption measures.

In the future, the Bank aims to obtain the ISO 37001 certification for anti-bribery management systems.

Anti-Corruption Training	2021	2022	2023
Total number of senior managers that JKB's anti-corruption policies and procedures have been communicated to. (Number)	25	29	25
Total number of middle managers that JKB's anti-corruption policies and procedures have been communicated to. (Number)	347	365	392
Total number of staff that JKB's anti-corruption policies and procedures have been communicated to. (Number)	949	1,061	1,033

### Whistleblowing

JKB is committed to providing an open and trusting work environment and operates an open-door Policy for employees to raise concerns and report violations. In addition, the Bank has established several other channels for employees to submit violations, ensuring accessibility and confidentiality. This includes an option for anonymous reporting through the Regulatory Compliance Management (RCM) system.

The reporting channels allow for direct communication of issues to the Chairman, CEO, and Head of Compliance, either via phone, email, or anonymously through the RCM system. Upon receiving a report, the Bank conducts thorough and discreet investigations to address any potential issues effectively.

### Fraud Risk Management Solution - IBM "Safer Payments"

In response to escalating fraud threats worldwide and with the objective of fortifying fraud detection and prevention across various channels, JKB has implemented the latest AI technologies. By deploying an AI-enabled Fraud Risk Management solution, JKB has become the first bank in Jordan to employ such a sophisticated system. This initiative aims to combat fraud, safeguard clients, and ensure seamless integration with all systems. The completion of the first phase of this project in 2023 marks a significant milestone in JKB's fraud management strategy. The journey will continue in the coming years, with two additional phases already identified and planned.

JKB’s reporting channels are outlined in the Whistleblowing Policy which is disseminated to all employees during onboarding for new hires and through periodic email reminders. This policy also describes the procedures that are in place to safeguard whistleblowers and maintain confidentiality. Regular training on the policy and reporting channels empowers team members to confidently address any concerns or potential misconduct. It is the employee’s right to formally complain against perceived unfair treatment in the workplace. The Whistleblowing Policy applies to all employees of the Bank and its subsidiaries, including members of the Board and management team, as well as shareholders and individuals conducting business with the Bank such as consultants, contractors, suppliers, vendors, subcontractors, and agents. Additionally, the policy extends to the Bank’s affiliates, foreign branches, and direct or indirect service providers.

The Bank aims to respond promptly to all complaints received, ensure that complaints are handled objectively, fairly, and confidentially, and resolve complaints in a manner that improves the work environment.

## Compliance

JKB’s comprehensive compliance strategy uses advanced technologies to ensure that the Bank stays up to date with regulatory requirements and meets all regulatory obligations effectively.

In 2023, the Bank updated its technology to include an account opening workflow system which enabled it to screen names for international sanctions, as well as a new system for FATCA & CRS implementation. Together, these initiatives will enable the Bank to reach the highest level of compliance processes and ensure it continues to meet all regulatory requirements.

JKB plans to monitor and evaluate these initiatives to ensure that they are positively contributing to the Bank’s compliance strategy. The Bank will assess KPIs such as the response time to CBJ requirements, queries, and incidence of non-compliance. Moreover, the Bank will also provide a series of training courses to ensure understanding and application of the regulatory standards.

In addition, the preparation of the authority matrix with the regulatory authorities has helped to regulate communication with those entities, thereby enhancing the Bank’s compliance posture.

## “Zero incidents of non-compliance concerning marketing communications”

Compliance Monitoring and Reporting	2021	2022	2023
Number of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system (Number)	533	558	610
Percentage of inquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system that were substantiated (Percentage)	24	31	34



## Anti-Financial Crime

JKB conducted an AML/CFT diagnostic exercise to assess its compliance posture and identify areas for improvement yielding valuable insights into the effectiveness of existing policies, procedures, systems, and controls. Refer [here](#) for a list of AML policies.

The Bank monitors all financial transactions on customers' accounts to detect any indicators of money laundering or terrorist financing by building various scenarios in the Siron AML system. This system generates alerts on customers' accounts when such indicators are present. These alerts are processed primarily by the team, and cases containing any suspicion are reported to the Anti-Money Laundering Unit.

In addition, the Bank compares all parties and external and internal transfer data to ensure they are not associated with any individuals or entities on international sanctions lists using the Siron Embargo system. To enhance the capabilities of these solutions, the selection phase of a new system incorporating new technology, artificial intelligence, and self-learning is underway to access the best technology available to the Bank.

JKB also immediately checks the names of customers who initiate a banking relationship against the names included in international sanctions lists. Additionally, JKB verifies all existing customers' names against these lists to ensure no relationships are established, and no services or products are provided to any individuals or entities on the international sanctions lists through the SironKYC system. Furthermore, the Bank uses several other systems to assist the Compliance Control Department in screening pre-paid cardholders, cheque beneficiaries, and the names of those authorized for Safety Deposit Boxes through the Fusion system.

Awareness campaigns were developed to educate employees on AML-related matters. A designated percentage of staff were successfully certified through training and assessment programs. Moreover, JKB conducts specific training programs on anti-money laundering and anti-terrorism financing for employees. These training sessions are delivered face-to-face or remotely via the Salalem platform, ensuring that all staff members are equipped with the necessary knowledge and skills.

## **“All business units were analyzed for risks related AML/CTF”**

### **Financial Action Task Force (FATF) Gray List**

JKB played a pivotal role in Jordan's removal from the FATF gray list in 2023. Jordan was initially classified as a high-risk country by FATF in 2021 due to deficiencies in implementing recommended controls to combat money laundering and terrorist financing risks, which negatively impacted Jordan's investment climate, trade, and capital flows.

Representatives from the Bank were selected to contribute to Jordan's evaluation process. Through collaborative efforts and strengthened compliance measures, Jordan successfully addressed the identified weaknesses, leading to its removal from the gray list. This achievement reflects the Bank's commitment to regulatory compliance and underscores its role in enhancing the integrity of the financial system.

### **Sustainable Procurement**

JKB developed its Procurement Policy in accordance with best practices, considering sustainability and incorporating social and environmental requirements into suppliers' contracts.

JKB implements a Vendor Registration Management Portal, in alignment with the centralized approach that the Supply Chain Department is adopting. This portal aims to replace traditional email-based data collection methods with a centralized online platform, thus streamlining communication and enhancing efficiency. JKB developed a single link where all vendors' data are securely registered, facilitating easy access and updates when needed. By centralizing vendor data, JKB ensures greater transparency and efficiency in procurement processes.

In addition, JKB's Asset Management Project employs a centralized approach to effectively control assets, ensuring systematic recording of each fixed asset. Procurement of new fixed assets follows established policies, with the Supply Chain team managing purchasing and overseeing tagging and registration procedures.

In 2023, local suppliers accounted for 96% of our total supplier base, marking a 38% increase compared to 2022. This rise can be attributed to JKB's expansion of its vendor list to ensure diversity, fostering fairness and fierce competition, while ensuring the delivery of the right product at the right time. Additionally, there was a remarkable surge in the engagement of SME startup suppliers due to the Vendor Management Project launched in 2023.

As part of the Vendor Management Project, suppliers undergo environmental and social audits, as well as evaluations on other parameters such as delivery, technical scope of work, safety, and responsiveness to service level agreements (SLAs). These assessments are conducted to assess supplier compliance with the agreed terms and conditions of the PO/contract.

Notably, a total of 30 suppliers underwent environmental audits, representing 7% of our supplier base. Among them, one supplier was identified who did not comply with safety and environmental instructions, which was resolved by JKB's Safety, Environmental and Engineering Department. Simultaneously, all suppliers underwent social audits in 2023, with none exhibiting any potential or actual negative impact in this regard.

<b>Sustainable Procurement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total number of suppliers (Number)	303	328	448
Total number of local suppliers (Number)	288	313	431
Percentage of local suppliers (Percentage)	95	95	96
Total spending on suppliers and contractors (JOD)	4,781,173	10,731,088	10,008,285
Spending on locally based suppliers and contractors (JOD)	4,770,073	8,829,102*	5,617,939
Percentage of spending on local suppliers (Percentage)	99.8	82.3	56.1
Total number of SME startup suppliers engaged (Number)	1	3	69
Total number of women-owned suppliers engaged (Number)	6	8	11

\* JKB executed the largest IT project in 2022 as part of revamping its data center. This multi-million-dollar project explains the reason behind the increase back in 2022.





# Engaging Customer Experience

The background image is a vertical composition. The top half shows a sky with dark, heavy clouds on the left and a bright, hazy light source on the right, creating a strong contrast. The bottom half shows a dense forest of green trees. A white, hand-drawn style geometric line, resembling a large 'Z' or a series of connected triangles, is superimposed over the image. It starts from the top right, goes down and left, then up and right, then down and left again, and finally up and right towards the bottom right corner. The text 'Engaging Customer Experience' is placed in the upper left area, within the white space of the geometric shape.

JKB is dedicated to fostering enduring relationships and loyalty with clients, aiming to enhance their experience during every interaction with the Bank. The belief is that advocating for responsible investment and financing practices, and prioritizing ESG considerations can generate enduring and sustainable advantages for both the Bank and its clientele, promoting the development of stable and long-lasting relationships. This commitment extends to delivering a superior customer experience by empowering diverse customer segments, fostering financial knowledge and well-being, and embracing digital transformation for enhanced accessibility.

### **Material Topics Covered:**

- Financial Inclusion and Literacy
- Customer Satisfaction
- Digital Innovation

## **Financial Inclusion and Literacy**

JKB ensures that it operates accessible facilities that include inclusive spaces that cater for all customers, including those with disabilities. The Bank undertakes several initiatives to ensure accessibility, including equipping ATMs with Braille keyboards, and implementing voice services in the future.

JKB has modified its special loans product for the armed forces and continued its initiative of opening basic bank accounts for Jordanian residents without banking relationships, providing access to essential banking services with minimal requirements and costs tailored to their financial circumstances.

Moreover, JKB has introduced innovative products tailored to diverse customer segments, including the Youth product “Eli” offering digital wallets and multi-currency prepaid cards with minimal fees. The Basic Account product, accessible through the JKB mobile application, targets the low-income segment.

The Bank aims to promote financial literacy among its clientele by offering educational resources and tools within its mobile application, fostering engagement on social media platforms, and providing informative videos and articles on its website.

In 2023, JKB witnessed a 72% increase in the number of ATMs in low populated and economically disadvantaged areas.



## “11% increase in new accounts held by first-time credit card holders”

Financial Inclusion and Literacy	2021	2022	2023
New accounts held by first-time account holders (Number)	23,895	19,143	13,526
New accounts held by first-time credit card holders (Number)	2,088	6,742	7,464
Loan-to-deposit ratio for overall domestic lending (Percentage)	43	48	39
Loan default rates for overall domestic lending (Percentage)	5	7	7
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers (Number)	337	712	688
Number of financial literacy initiatives for unbanked, underbanked, or underserved customers (Number)	22	41	52
Number of branches in low populated and economically disadvantaged areas (Number)	19	19	19
Number of ATMs in low populated and economically disadvantaged areas (Number)	15	18	31

### Installment Campaign for Students

JKB recognizes that students and their families can face substantial financial hurdles particularly surrounding the paying of tuition fees. To help combat this, the Bank introduced a new installment campaign that aimed at assisting school and university students with paying their tuition fees. Through this initiative, the Bank sought to increase families' familiarity with credit card usage and enable them to use their credit cards to pay tuition fees in convenient installments at 0% interest for up to 12 months. This accommodates a student's individual needs and provides a manageable means of paying tuition fees, thus making education more accessible.

### Women-tailored Financial Product

In 2023, JKB introduced a product specifically tailored for women. This innovative offering enables women to access loans for starting their own businesses, setting a high standard for both the Bank and its competitors. Extensive market research was conducted to understand the target audience and determine suitable interest rates. This initiative aligns with JKB's commitment to empowering women, yielding positive outcomes for both the Bank and the community. By expanding women-focused products, JKB facilitates greater female participation in business and decision-making roles.

JKB enhances financial access for Small and Medium Enterprises (SMEs) through the SME Platform which facilitates online account opening and loan requests for SME clients. The Bank leverages funding sources with favorable terms, such as the EIB Line and the CBJ Line, to facilitate access to affordable financing for SMEs. Collaborating with esteemed institutions like the EIB underscores JKB's dedication to supporting SMEs, as it allows for the utilization of resources and expertise to bolster financial inclusion efforts.

In 2023, the Bank's customer base and loan portfolio experienced an 82% increase in the number of SMEs.

SME Banking	2021	2022	2023
Number of SMEs (Number)	266	422	786
Value of Microprojects (JOD million)	3	4	2
Values of SMEs (JOD million)	80	122	119

### Workshop in Collaboration with Jordan Europe Business Association (JEBA)

JKB organized an introductory workshop titled "Financing and Support Programs for SMEs" at the Amman Chamber of Commerce. Key topics covered in the workshop included corporate products offered by JKB, general information about the corporate sector, funding requirements and supporting documentation, financial statements, and financial analysis. Representatives from JKB provided detailed descriptions of the programs available, focusing on promoting women's economic empowerment and increasing their participation in the economy. The workshop also provided guidance on obtaining funding, preparing necessary paperwork, and addressing challenges faced by SMEs to create job opportunities and contribute positively to the Jordanian economy.

### Customer Satisfaction

JKB monitors and evaluates branch performance through customer experience (CX) official branch visits, where branches are meticulously assessed on various parameters such as overall atmosphere of the Bank, appearance and professionalism of employees, as well as their communication skills, banking knowledge, and level of service. Additionally, the mystery shop study provides valuable insights into branch compliance with standards and procedures pre-determined by the customer experience unit, offering a comprehensive view of the customer experience and feedback.

The Bank actively assesses customer satisfaction through quarterly surveys across different aspects of products, services, and offerings including the Bank's digital channels. JKB analyzes this information to develop and implement improvements in collaboration with stakeholders which ensures that it continues to meet its customers' needs and provides them with exceptional experiences.

JKB prioritizes staff training and coaching on best customer service practices to elevate the level of service within its branches. Moreover, JKB has implemented several control programs to ensure employees are adhering to customer service standards, ensuring quality across all areas and available channels. Also, the Bank launched the CX leader initiative, aimed at empowering employees and incentivizing them based on their adherence to CX standards.

A key initiative to improve CX has been the development of an e-KYC service through the website. This service has enabled the Bank to streamline the account opening process for all customers while also enhancing existing products and services. In addition, the Bank has also introduced a range of new products and services to ensure that it successfully caters to the diverse preferences of its client base.

The Bank has focused on marketing campaigns to raise awareness of its products and services and bolster its loan portfolio. For example, the Bank conducted various campaigns targeting credit card holders and initiated collaborations with car dealers to strengthen the auto-loan portfolio.

There has been a notable improvement in compliance with CX standards, as evidenced by the mystery shop findings, which revealed a significant increase in scores from 71% in 2022 to 80% in 2023.

Moreover, the Bank has seen an improvement in its Net Promoter Score (NPS), rising from 63% in 2022 to 68% in 2023.

Customer Satisfaction	2021	2022	2023
Customer Satisfaction Score (Percentage)	99	91 <sup>1</sup>	92
Net Promotor Score (NPS) (Percentage)	N/A <sup>2</sup>	63	68
Customers actively responding to the survey (Percentage) <sup>3</sup>	N/A	100	100
Average response rate for client complaints (Working days)	10	10	10

#### Notes:

1. Restated due to enhanced methodology and policies.
2. NPS was introduced in 2022.
3. Customers who were surveyed as part of the sample size taken.

## Digital Innovation

In alignment with the Bank's strategy towards digital transformation and enhancing customer experience through offering the best and most advanced digital services, several updates were launched on JKB Mobile in 2023. The application experienced significant growth in subscriptions, with a 95% increase compared to the end of 2022, reaching approximately 56,000 clients, accounting for 47% of the Bank's total clientele. The application now offers over 70 services.

To strengthen its Digital Transformation strategy and technical capabilities, the Bank was awarded a tender by the International Air Transport Association (IATA) to provide technical solutions for settlement, clearing, transfer and collection of dues between IATA accounts and their agents' accounts in Jordan.

Additionally, JKB implemented an e-commerce acquiring platform to integrate IATA Pay with CliQ instant payment system, significantly enhancing the digital payment landscape for the travel industry. Serving as the clearing and settlement bank for IATA in the Jordanian market, JKB's incorporation of IATA Pay with CliQ represents a key milestone in their collaboration. This initiative allows customers to purchase air tickets online by directly debiting their bank account, offering a seamless payment experience. Moreover, the system includes enhanced security measures, including QR Code and Request-To-Pay options, ensuring a safe and efficient transaction process for users.

In partnership with JoPACC, JKB announced collaboration on JOIN FINCUBATOR, aimed at supporting financial sector innovations in Jordan. This initiative will enable the Bank to support and develop startups in financial technology, accelerating digital transformation in the sector as its Gold Sponsor, directly working with fintech innovators to create new growth opportunities while leveraging the Bank's digital expertise to develop and expand new fintech products and services, with a focus on improving customer experience and increasing financial inclusion.

Among JKB's most significant achievements in 2023 was winning first place in the "e-Letters of Guarantee" competition held by JoPACC among banks sponsoring JOIN FINCUBATOR program.

In 2023, branch transactions saw a 25% decrease, whereas online/mobile transactions witnessed an 8% increase. This indicates the success of JKB's digital innovation efforts, prompting clients to favor more convenient options.

Transactions	2021	2022	2023
Number of branch transactions (Number)	2,602,031	2,531,489	1,905,170
Number of online/mobile transactions (Number)	11,506,530	13,293,759	14,306,062
Number of JoMoPay transactions <sup>1</sup> (Number)	111,673	127,167	111,599

### Notes:

1. JoMoPay stands for Jordan Mobile Payment System

Several initiatives were executed to enhance the digital environment, including the deployment of automated internal processes such as Robotic Process Automation (RPA) and business process automation platforms like APPIAN.

The implementation of the APPIAN Business Process Automation Platform marks a crucial advancement in JKB's digital transformation journey, profoundly impacting manual banking operations and workflows. Despite challenges like integrating processes with backend systems and cultural resistance among employees, JKB adopted an agile implementation approach to ensure success, where it divided the project into sprints. These sprints operate independently within short timeframes, allowing parallel execution of activities for increased efficiency. By leveraging APPIAN, JKB aims to streamline processes, enhance customer experiences, and improve internal efficiency, resulting in reduced processing times, enhanced accuracy, and improved tracking capabilities.

JKB also conducted the implementation of workflow systems for loan origination and account opening, and the introduction of mobile banking services to facilitate remote access for customers by delivering the banking services to the customer over their mobile, thus reducing the need to visit branches.

### **Introducing Corporate Digital Banking (Corp+)**

JKB implemented Corp+, a comprehensive digital corporate banking solution, using a waterfall implementation approach, which requires the project be delivered and launched at once. This initiative focused on enhancing the corporate customer experience and expanding clientele by offering real-time visibility and control over financial transactions. The platform includes Corporate online banking, Corporate mobile banking, Host-to-Host, and Open Corporate Application Programming Interface (API) banking, providing advanced transaction banking capabilities tailored for corporations and SMEs. These capabilities cover cash management, corporate payments, liquidity solutions, and trade finance. The launch of Corp+ marked a significant milestone in JKB's digital transformation journey, aligning with overarching business goals of maximizing profitability, enhancing digital banking experiences, improving operational efficiency, and delivering integrated banking experiences.

### **Technology Refreshment project**

The data centers modernization project and the subsequent updating of all systems have been completed by following the best international practices to implement this strategic project of the bank in terms of private infrastructure (networks, systems, backups), migrating and updating applications to the latest supplier-supported versions to apply the directives of the regulatory services and Central Bank. The PCI-DSS certificate was also renewed for the systems operating in the new data centers. In addition, all procedures and policies were updated to align with this project, including new working procedures related to data centers and the preservation or creation of new jobs according to the requirements. This also included the renewal and development of new procedures and policies related to operating systems, backup policies, databases, networks, security systems, and the application of all cybersecurity requirements to infrastructure devices.



## Launch of MASA

MASA, an AI-powered digital assistant embedded within the JKB Mobile Application, revolutionizes the customer experience by offering personalized assistance and facilitating financial transactions with the latest advancements in artificial intelligence technology.

Despite initial challenges in educating users about its features and terminology, MASA represents JKB's commitment to integrating cutting-edge technology into banking services. Through voice or text commands, users can interact seamlessly with MASA, accessing a wide range of banking functions and receiving assistance in Arabic slang language.

MASA enhances convenience by enabling financial transactions and bill payments, while also providing comprehensive information on JKB's banking solutions. Its intuitive interface and extensive FAQ section ensure a user-friendly experience.





An aerial photograph of the ocean with deep blue and turquoise water. White foam from breaking waves is visible in the lower half. A white geometric line, resembling a stylized arrow or a path, starts from the top right, goes down and left, then up and left, then down and left again, ending near the bottom left. The text "Driving People Development" is in the upper left.

# **Driving People Development**

JKB strives to cultivate an inclusive and open workplace that promotes knowledge sharing, facilitates open discussions, and encourages active employee engagement. Recognizing employees as vital contributors to the Bank's success, JKB emphasizes diversity and inclusion, ensuring equal opportunities for growth, and providing recognition and rewards. To foster a sense of community within the workplace, JKB has established a Social Committee and implemented various tools aimed at facilitating employee development and attracting diverse talent. This commitment extends to driving the development of employees by prioritizing their well-being, offering a supportive work environment conducive to realizing their full potential, and providing a range of training programs to support their career advancement.

### **Material Topics Covered:**

- Diversity and Inclusion
- Talent Growth and Retention
- Employee Wellbeing

## **Diversity and Inclusion**

JKB recognizes that a diverse workforce brings many benefits and acknowledges the individual strengths of each employee and the potential they bring. To protect these differences and ensure a safe and inclusive environment, the Bank has implemented a comprehensive Diversity, Equity, and Inclusion (DEI) Policy and conducts annual DEI awareness training for all employees to enhance their understanding of diversity and inclusion and avoid discrimination in the workplace.

The Bank operates based on objective criteria in all its operations, regardless of age, gender, disabilities, or nationality. JKB's HR Department strives to ensure fair and equitable treatment for all employees and eliminate bias. As a result, diversity initiatives have been established in recruitment and selection, compensation and benefits, professional development and training, performance appraisals, and promotions.

In 2023, a Sexual Harassment Policy was devised to ensure and prioritize employee wellbeing. The policy applies to all employees at every level of the Bank.

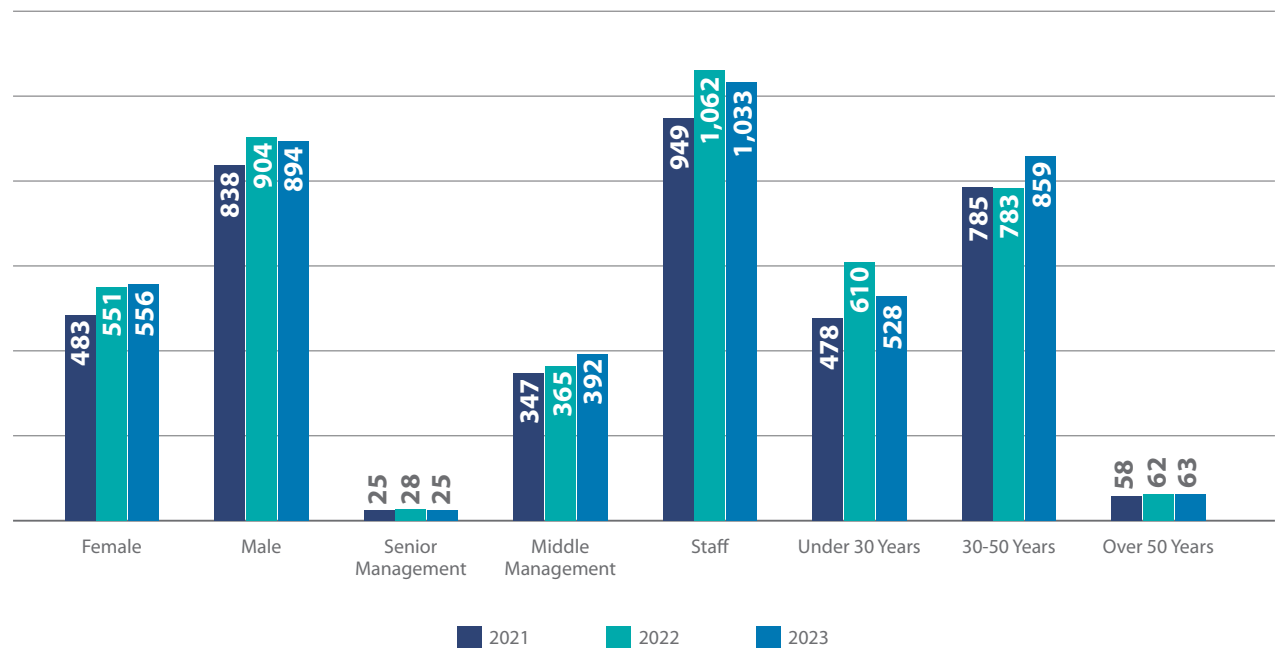
## Framework for People with Disabilities

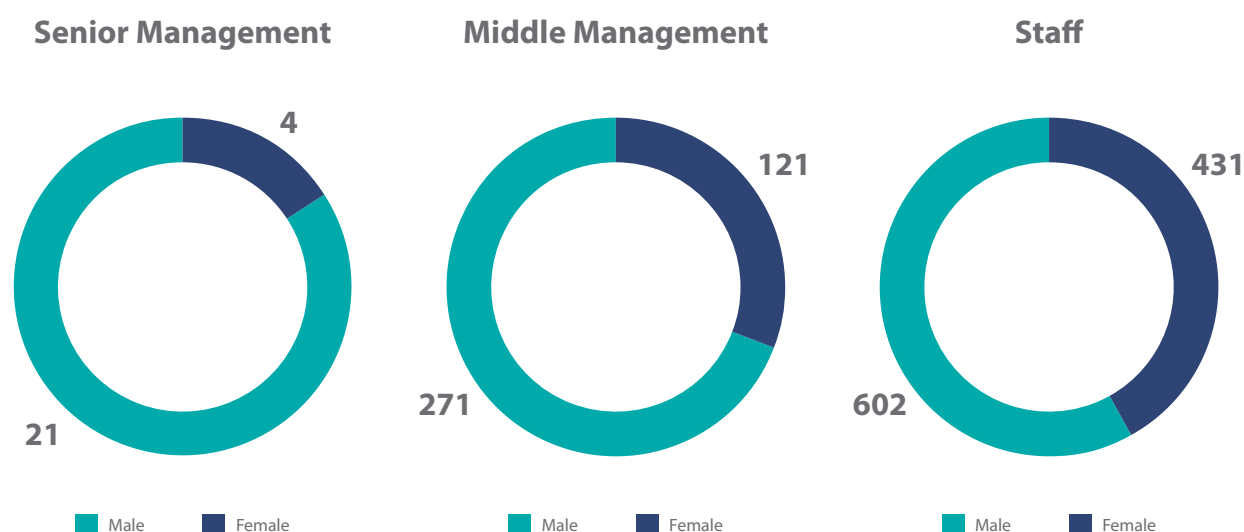
In accordance with regulatory guidelines, JKB implemented a framework issued by the Prime Minister of Jordan to enhance accessibility for employees with disabilities. This proactive step ensures compliance while fostering an inclusive working environment. JKB completed a self-assessment to meet regulatory standards, thereby preventing penalties.

Practical measures such as designated parking, accessible elevators, and tactile signs in yellow were swiftly implemented, reflecting JKB's commitment to inclusivity and ease of access. Through these efforts, JKB reaffirms its dedication to creating a welcoming environment where everyone can access banking services with dignity and convenience.

In 2023, JKB had 1,450 full time employees and 220 workers who are not employees. The Bank made strides in diversifying its workforce, with a focus on recruiting younger individuals and increasing female representation. 74% of its new hires were under the age of 30, and of these 46% were females, bringing the total percentage of female employees to 38%, with the percentage of female employees in middle management reaching 31%. For more information on new hires, please refer to the [Talent Growth and Retention](#) section.

## Workforce





In 2023, JKB’s workforce comprised 1,447 national employees, accounting for 99.8% of its total workforce.

### Gender Equality

JKB continues its efforts to empower women in the workplace. Women make up 38% of all job levels and hold 30% of managerial and leadership positions in the Bank.

In 2023, the Bank took a further step to support women in the workplace by introducing a childcare allowance. This allowance was granted to all female employees who have children under five to provide them with additional support to return to work.

It is important to highlight that JKB received acknowledgment from UN Women for successfully implementing the Women Empowerment Principles (WEPs) initiative in Jordan.

The Bank provides equal pay for equal work, attracts, develops, and retains female talents, and actively promotes more women to management roles. Salary data is actively monitored to identify and address any discrepancies that may exist. Mentorship programs, leadership development opportunities, and ongoing training are provided to help women advance their careers within the Bank. JKB also implemented programs to identify and nurture high-potential female employees, providing them with the necessary tools and resources to excel, and advocating for their advancement within the Bank.

Employee Wages and Benefits	2023
Ratio of male entry-level wage to minimum wage (Ratio)	2.5:1
Ratio of female entry-level wage to minimum wage (Ratio)	2:1
Ratio of basic salary/remuneration of women to men (Ratio)	1: 1.5
Ratio of basic salary/remuneration of women to men in senior management (Ratio)	1.23:1
Ratio of basic salary/remuneration of women to men in middle management (Ratio)	1.04:1



## Non-Discrimination

JKB aims to provide a safe working environment and as such does not tolerate any acts of discrimination, bullying, or harassment 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.

JKB's Employee Relations Function ensures that all complaints from employees on work-related issues are kept confidential and promptly addressed. Employees can provide complaints by submitting them through the designated grievance procedure, contacting the HR Department or the supervisor directly, or using anonymous feedback tools provided such as objection and suggestion portal and the whistleblowing system. Each complaint is resolved as per the relevant policies and procedures for all grievances and complaints. Moreover, an Investigation Committee is deployed to examine any negative cases and ensure that any disciplinary action taken is fair. The Grievance Policy and procedures are continuously being reviewed and updated to ensure a clear and efficient implementation mechanism.

**“No incidents or complaints related to discrimination or harassment”**

## Talent Growth and Retention

JKB invests in the development and growth of its employees' capabilities and skills. As a result, the Bank has undergone a comprehensive restructuring and recruitment initiative which involved revising and updating several organizational structures to ensure the continued support and development of its workforce.

The Bank introduced several new HR digital tools to enhance talent acquisition effectiveness, support employee growth, and elevate satisfaction levels. These include Employee Onboarding, Employee Offboarding, and Digital Job Evaluation and Job Description.

In addition to these tools, JKB also regularly updates the authority matrix, provides leadership and soft skills training, and offers electronic courses through its in-house e-learning platform.

Recognizing the importance of ongoing skill development, JKB implemented specialized training programs tailored to various aspects of work. The Bank provided 23,796 training opportunities in 2023 including lectures, workshops, online training and various other forms. This led to a notable 29% increase in training hours compared to last year and reaching 43,894 hours. Additionally, 58 employees obtained professional certifications in different fields.

In 2023, all JKB's employees received a regular performance and career development review. Accordingly, JKB held meetings with 56 employees to guide them and provide them with necessary tools and feedback for performance improvement, ensuring their continued development and success.

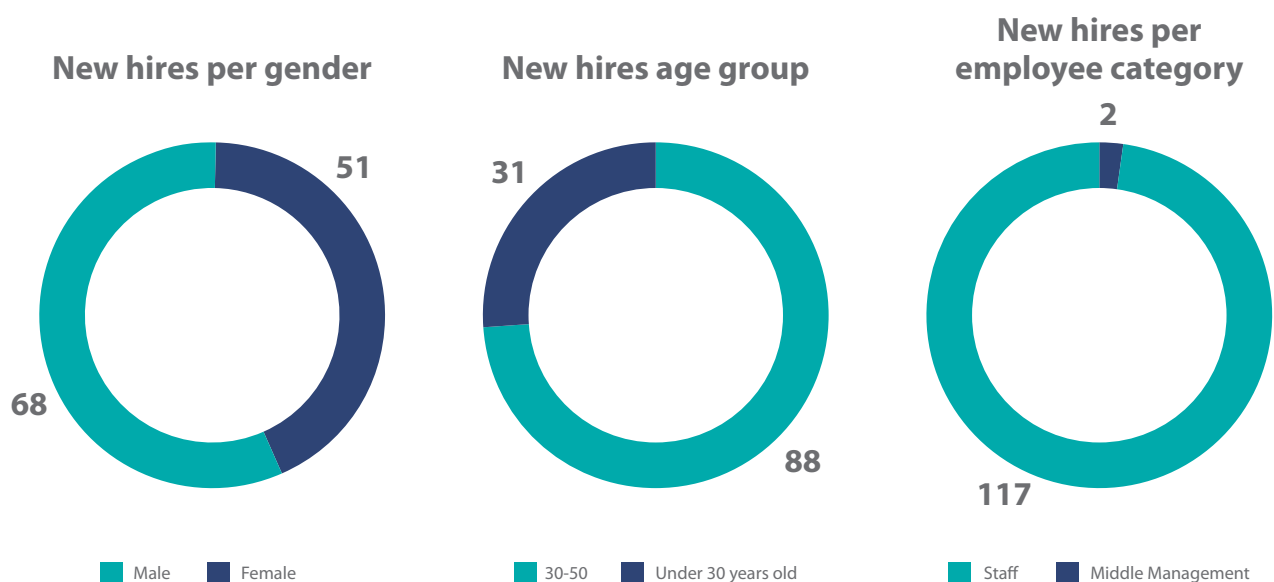
According to the Performance Management Policy, employees who have not completed the minimum required period that qualifies them for evaluation, and who are affiliated with the Career Development Program, are excluded from the Annual performance appraisal cycle.

Training and Development	2021	2022	2023
Total hours of training for females (Hours)	9,238	13,480	17,254
Total hours of training for males (Hours)	18,677	20,571	26,640
Total hours of training for total workforce (Hours)	27,915	34,051	43,894
Average hours of training per year for Senior Management (Hours/per person)	21	33	34
Average hours of training per year for Middle Management (Hours/per person)	21	28	28
Average hours of training per year for Staff (Hours/per person)	21	22	31

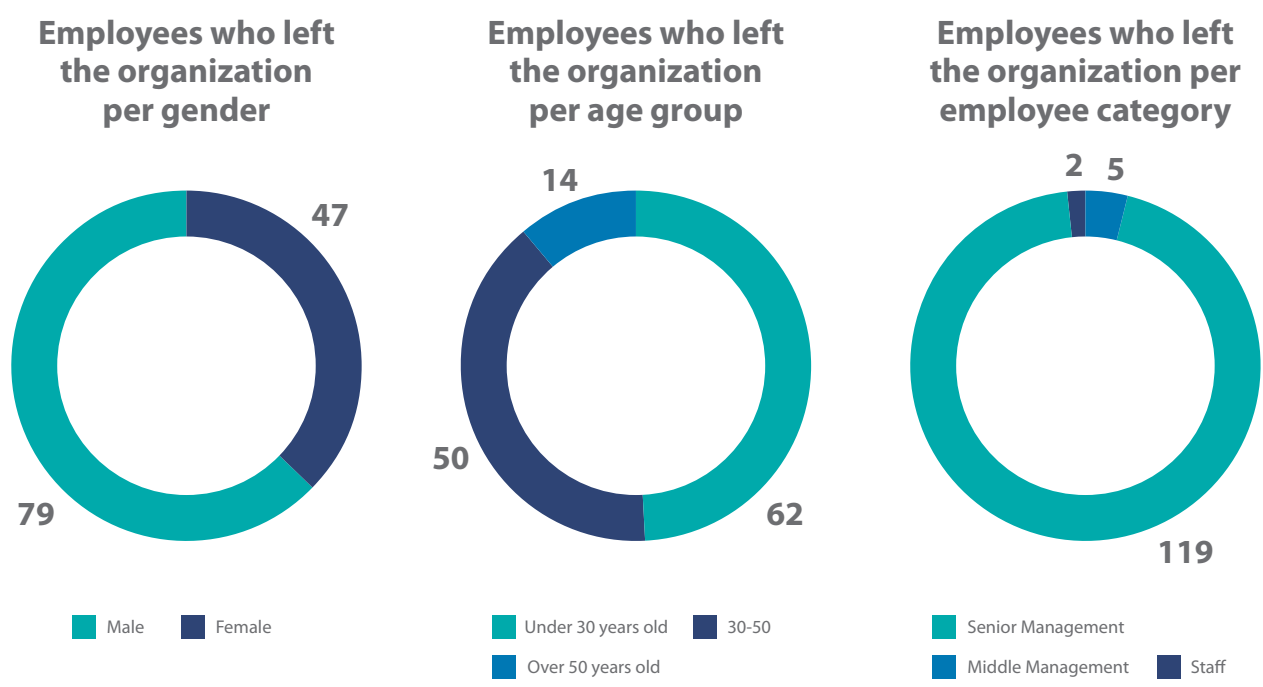
JKB dedicates an annual budget for salary adjustments and promotions of prominent employees. A reward system is utilized to recognize outperforming and innovative employees. Reward system categories include proficiency-based rewards, creativity-based rewards, and excellence-based rewards.

Through recruitment efforts, JKB successfully attracted and hired 119 skilled individuals who embody the Bank's values and culture. Priority was given to recruiting specialized experts to support JKB's growth strategy, with 47% of vacancies filled by existing qualified employees.

The Bank actively participates in job fairs for university graduates, resulting in the recruitment of 74 newly graduated employees.



In 2023, JKB experienced a turnover rate of 8.7%, involving the departure of 126 employees. The employees who left the Bank are distributed as per the following charts:



## Employee Wellbeing

JKB considers that employee wellbeing is not only limited to physical health and safety, but also includes financial well-being and the sense of belonging to a workplace where all efforts are recognized and rewarded.

By introducing flexible work hours for employees in certain departments, JKB aims to encourage a more balanced approach to work and personal life.

JKB provides several benefits to its employees. This includes an end-of-service reward offered to employees, along with special rewards approved by the CEO. Retired employees are also honored for their dedication and achievements through ceremonies organized by the Bank. Furthermore, employees are entitled to preferential interest rates on loans and credit cards. Employees and their families also enjoy preferential interest rates on deposits accounts.

JKB implemented a comprehensive Health and Safety Policy in compliance with legal requirements and recognized risk management standards such as Social Security, and Ministry of Labor regulations. As an ISO 45001 certified organization, the Bank adheres to stringent occupational health and safety management practices to ensure the well-being of its employees.

In 2023, an internal committee, chaired by the CEO, was established to oversee health and safety matters and is currently awaiting Ministry of Labor approval. Additionally, JKB has a dedicated Occupational Safety and Health Unit that operates within the Engineering Department.

The Bank takes every opportunity to identify and minimize work-related hazards, using various methods such as risk assessment techniques, surveys, and inspections. This enables the Bank to continuously assess and improve health and safety in the workplace and update its Occupational Health and Safety Management System. All employees, visitors, and Bank patrons are required to adhere to smoking restrictions, which prohibit smoking in any capacity within all premises.

In addition to carrying out regular assessments, JKB also encourages employees to report any work-related hazards and hazardous situations and provides multiple channels through which they can do so including anonymous email submissions, suggestion and objections boxes, and a direct phone line to the Occupational Safety and Health Unit.

First aid boxes and kits have been distributed across all Bank locations and vehicles to ensure prompt medical assistance when needed. As part of the Occupational Health and Safety Management System, 99% of employees are covered. In 2023, three health and safety audits were conducted to further enhance safety measures and compliance with established standards.

The Bank ensures that all employees receive appropriate training, including general occupational safety and health courses, and customized courses for supervisors and specialists, such as firefighting, rescue, emergency evacuation procedures, and more.

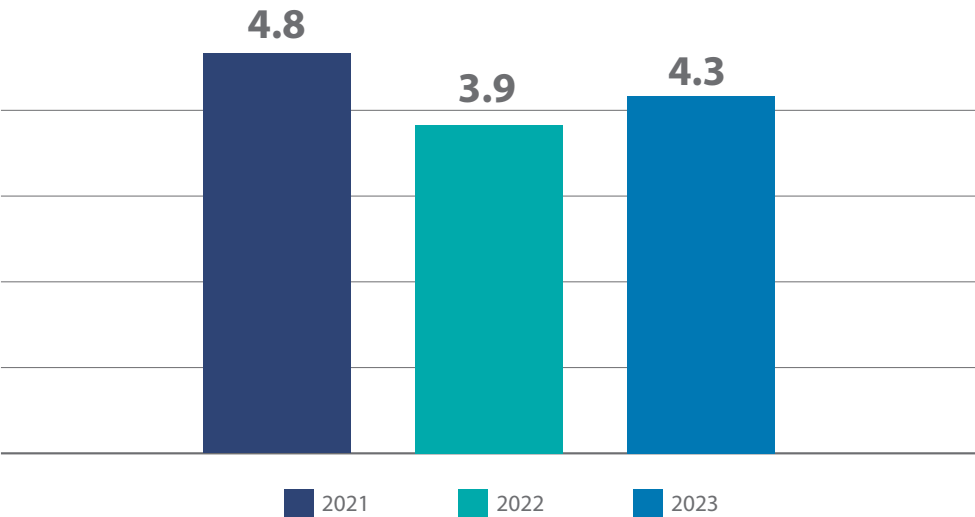
Furthermore, the Bank offers health insurance for all employees and maintains a medical clinic within the head quarter. The Bank's enhanced medical and life insurance schemes now incorporate coverage for travel and lodging outside of Jordan for employees on official duties such as missions, conferences, or training. In addition, JKB's employees and their families can now benefit from the "Care" program in collaboration with the King Hussein Cancer Foundation.

The Bank further demonstrated its commitment to promoting employee welfare by implementing a number of health initiatives and educational workshops including "Medical Day" and workshops on cancer and chronic illnesses.

### ISO 45001 Certificate

JKB's commitment to safety resulted in the attainment of ISO 45001 certification, a milestone that distinguishes it as the first and only bank in Jordan with this accreditation. To achieve this certification, JKB prioritized health and safety, conducting comprehensive risk assessments and swiftly implementing mitigation measures across all departments and branches. The Bank engaged employees at all levels in developing and implementing the Occupational Health and Safety Management System, supported by robust training programs to promote a safety-first mindset and awareness of protocols. This certification not only bolstered employee well-being and satisfaction, but also elevated JKB's reputation within the financial industry.

Employee Absentee Rate (Percentage)



### Parental Leave

Employees are entitled to benefits from different types of leaves including annual leave, sick leave, bereavement leave, Hajj leave, and maternity leave. These leaves help ensure the well-being of the Bank's employees, with the aim of fostering a positive environment and avoiding workplace burnouts.

JKB implements a Parental Leave Policy, offering female employees 10 weeks of fully compensated maternity leave and male employees three days of paid leave.



## “100% return-to-work rate after parental leave ended”

Parental Leave	2021	2022	2023
Total number of employees that took parental leave (female) (Number)	29	42	33
Total number of employees that took parental leave (male) (Number)	51	62	56
Total number of employees who returned to work after parental leave ended (return to work) (female) (Number)	29	41	33
Total number of employees who returned to work after parental leave ended (return to work) (male) (Number)	51	62	56
Total number of employees returned from parental leave who were still employed twelve months after return to work (retention) (female) (Number)	29	41	56
Total number of employees returned from parental leave who were still employed twelve months after return to work (retention) (male) (Number)	51	62	33

### Employee Engagement

JKB engages with its employees and has established a number of channels of communication for this purpose, including internal monthly newsletters. The Bank also operates an Open Door Policy and has a dedicated employee relations section where employees’ feedback, grievances, and complaints are solicited and processed fairly and professionally. Feedback can be provided directly to HR or through HR surveys and employees are encouraged to make suggestions for improvement of the Bank’s operations and policies. In 2023, JKB conducted a thorough employee survey focusing on aspects such as organizational culture, leadership, workplace environment, employee engagement, and HR practices. The Bank attained a commendable score of 74% employee satisfaction rate that led JKB to be recognized as a “Best Place to Work” by a globally respected institution.

The Bank has introduced a Performance Counseling approach which entails guiding and mentoring employees to enhance their personal and behavioral skills, alongside providing tailored training and development plans to boost performance and mitigate future misconduct. Through the implementation of a Fair Employee Investigation Policy and the utilization of the Performance Counseling program, the Bank has effectively reduced reported violations by 22% compared to the previous year.



The background of the image is a close-up of a tiger's fur, showing the characteristic orange and black stripes. Overlaid on this is a white geometric pattern consisting of several interconnected lines that form a series of triangles and polygons, creating a modern, abstract design.

# **Empowering Our Communities**



JKB believes that prosperity should uplift people, communities, and the world as a whole. Aligned with Jordan Vision 2025, JKB fosters a culture of social responsibility among employees and stakeholders, aiming to raise Jordan's Human Development Index. Corporate Social Responsibility (CSR) is integral to JKB's mission and conduct, supporting the community and partners through strategic initiatives including financial contributions, sponsorships, donations, and employee volunteerism. These efforts aim to create lasting positive impacts in the communities served by JKB.

**Material Topic Covered:**

- Community Development

**Community Development**

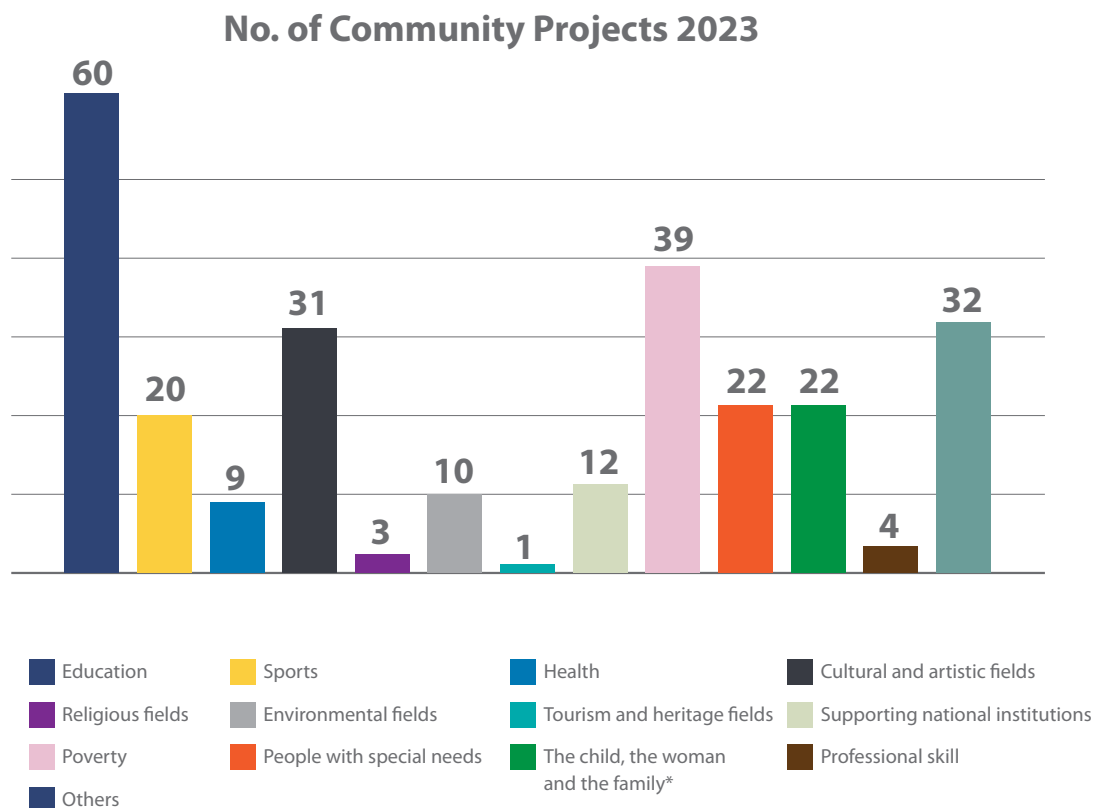
JKB's dedication to community empowerment is evident in its corporate values, reflected in its CSR Strategy and Policy, aiming to elevate Jordan's Human Development Index, exceed financial expectations, and address societal needs.

JKB's CSR Policy also provides a framework for responding to requests for charitable donations, event sponsorships, and in-kind donations.



In 2023, JKB was awarded the “Best CSR Bank” in Jordan by the Global Banking & Finance Awards. The Bank witnessed remarkable growth in CSR project investment, with a notable increase of 105% compared to last year, to reach a total amount of JOD 2,149,976.

Segment	Spend	Percentage
Education	170,067	7.9%
Sports	75,485	3.5%
The child, the woman and the family	53,927	2.5%
Poverty	773,977	36.0%
Supporting national institutions	525,100	24.4%
Financial Literacy	29,644	1.4%
Cultural and artistic fields	124,354	5.8%
Environmental fields	101,774	4.7%
Health	87,300	4.1%
People with special needs	41,430	1.9%
Conferences and Exhibitions	130,266	6.1%
Professional skill	23,000	1.1%
Religious fields	1,350	0.1%
Tourism and heritage fields	5,500	0.3%
Others	6,802	0.3%
Total	2,149,976	100%



In 2023, CSR projects increased by 33% compared to 2022, with 78% projects in Amman and 22% throughout Jordan's different governorates.

However, navigating through cost and resource constraints has posed certain challenges, and compliance with diverse environmental, labor, and community standards across different regions has proved to be time-consuming. Moreover, quantifying the social and environmental impact of CSR initiatives has presented a challenge due to the intangible nature of outcomes.

To overcome these hurdles, JKB conducted comprehensive research on partner organizations, seeking relevant documents, reports, and feasibility studies. The Bank monitored the impact of its contributions by tracking metrics and generating monthly, quarterly, or yearly reports, as per the projects' requirements. These efforts were aligned with JKB's CSR Policy and Strategy.

### Employee Volunteering

Employee volunteering programs enable employees to provide their valuable skills to projects within the community while also contributing to their personal development. As such, JKB actively encourages its employees to take part in volunteer projects within the community.

JKB establishes clear goals for its employee volunteering program and ensures that all projects align with the Bank's values, missions, and vision, as well as the interests and abilities of its employees.

All employees are encouraged to participate in the Bank's CSR initiatives and activities. JKB facilitates this by sharing comprehensive knowledge of its CSR program with its employees and sending out surveys to all employees, both at its head office and branches, for registration. JKB particularly focuses on engaging Middle Managers, who often play a crucial role in driving employee schedules and participation, thereby encouraging active involvement. The employees' participation and contributions are recognized and appreciated by the CEO during the annual retreat meeting.

The significant increase in community investment led to a 571% surge in employees' volunteering hours and 591% increase in number of volunteers, with 57% of them being females.

Community Development	2021	2022	2023
Number of volunteers (Number)	23	66	456
Employee volunteer (Hours)	53	340	2,280
Donations and sponsorships (JOD)	555,771	1,047,839	2,149,976
Donations and sponsorships as % of pre-tax profit (Percentage)	4.5	3.8	1.8



## Poverty

During 2023, the Bank collaborated with a number of national institutions, bodies, and charities to improve decent livelihoods.

JKB partnered with Ezwitti, a non-profit organization, to lead a significant annual donation initiative aimed at providing 2,800-3,000 meals to disadvantaged communities every month. This steadfast support addresses critical food needs, and there are plans in place to expand to other vulnerable areas in Jordan over the next two years.

JKB is addressing transportation requirements for volunteers and liaising with governmental bodies to facilitate expansion efforts. Through this partnership, JKB has integrated the concept of social solidarity, enabling donors to purchase two meals — one for themselves and one for those in need. Furthermore, JKB employees dedicate a day each month to volunteer their time to cooking, cleaning, and serving food to the less fortunate.

The Bank provides annual support to the Jordanian Hashemite Fund for Human Development's "Goodwill" Campaign, the Jordan Hashemite Charitable Organization, as well as Mabarrat Umm Al-Hussein, which benefits the children of the orphanage. The Bank also continued its annual sponsorship for the SOS Children's Village in Irbid.

## Education

JKB plays a significant role in the education sector, championing university students and motivating them to prepare for their professional futures by connecting them with experts in specialized fields. This commitment is evident through initiatives such as the launch of the "Ask the Financial and Banking Expert" program with Injaz, which will be implemented in 10 Jordanian universities across the Kingdom.

The Bank has significantly expanded its efforts in 2023, with 38 students from various Jordanian and international universities undergoing training at JKB, representing a notable increase of 90% compared to the previous year. This training aimed to equip students with essential skills for the labor market, effectively bridging the gap between academic knowledge and practical application.



In addition to providing direct financial assistance to 59 outstanding university students who lack the means to cover the costs of their studies, the Bank continues its support for the Elia Nuqul Foundation, which facilitates educational opportunities for young people, enabling them to pursue higher or vocational educations.

Furthermore, JKB and Princess Sumaya University for Technology (PSUT) have formed a strategic partnership aimed at supporting the educational journey and fostering opportunities for outstanding students. The collaboration includes the provision of educational grants and scholarships exclusively for PSUT students, to nurture a skilled workforce and contribute to the local community's socio-economic development.

JKB supports education through various channels, including easy financing programs and its annual partnership with the Al-Aman Fund for the Future of Orphans Foundation's university education program. The Bank also continued its annual support by the Jordan Kuwait Bank Fund, established at the Al Hussein Cancer Center, providing educational scholarships for high school students undergoing treatment.

The Bank actively engages in "My Bag... Carry It for Me" campaign, distributing school bags and stationery to government school students to encourage their educational pursuits. Additionally, JKB sponsors events like Model United Nations conferences and awards ceremonies recognizing outstanding high school students, further reinforcing its commitment to education at all levels.

JKB participates in financial sector awareness exhibitions organized by various entities like Injaz and TEDx, aimed at enhancing the capabilities and creativity of Jordanian youth. As a member of the Board of Trustees of the Injaz Foundation, the Bank offers services in digital education, through its support of Entreviable, a digital platform for developing entrepreneurship.

## Health

In collaboration with the National Blood Bank, the Bank organized two blood donation campaigns, demonstrating its commitment to serving local communities by providing essential support to patients in need. Nearly 100 employees participated in a donation campaign dedicated to supporting our brethren in the Gaza Strip.

A significant number of JKB's employees demonstrated their dedication to philanthropy through their participation in the annual Friends of Al Hussein Cancer Center program, generously contributing a portion of their salaries to the center on a monthly basis.



Annually, the Bank participates in raising awareness about breast and prostate cancers through campaigns organized by the Al Hussein Cancer Center, where complimentary routine check-ups for employees are provided.

The Bank facilitated the acquisition of an ultrasound device for the Amman Governorate Clinic, affiliated with the Jordanian Society for Family Planning and Protection. Additionally, JKB continued its steadfast support for medical institutions and organizations, including the Medical Aid for Palestinians (MAP – Jordan) by providing annual financial support of JOD 12,500 to cover the expenses of treating Palestinians residing in camps within Jordan.

On the International Day of the Elderly, employees volunteered to visit a residential home for the elderly affiliated with the White Beds Association. During this visit, they interacted with residents, fostering meaningful connections and distributing gifts.

To promote equal access to healthcare, JKB extended support to the “Gift of Life Amman” association, which was directed towards covering expenses associated with performing open-heart surgeries for children with congenital conditions aged between 1 and 18 years.

The Bank sponsored health awareness conferences, including the Fifth International Medical Conference of the Medical Syndicate and the Health Care Accreditation Council conference.







## Environment

Central to JKB's environmental preservation efforts was the collaboration with the Royal Marine Conservation Society, underscored by a cooperation agreement. JKB extended its backing to the Jordan Society for the Conservation of Turtles and Tortoises, dedicated to safeguarding endangered turtle species.

The Bank partnered with JREDS to enhance cooperation in marine environmental conservation, promoting awareness and bolstering societal programs. JKB also actively involves its employees in initiatives like the "Clean Up the World" campaign and a diving initiative that will be organized in cooperation with both JREDS and the Aqaba Special Economic Zone Authority (ASEZA).

Continuing its longstanding support for promoting environmental awareness, JKB maintained its sponsorship of competitions including the annual Queen Alia Social Responsibility Competition that focuses on environmental awareness, and the Jordanian Friends of the Environment Society competition, as well as renewing its membership to the Edama Energy, Water and Environment Association.

JKB collaborated with the Green Caravan Initiative to plant fruit-bearing trees within underprivileged communities. Once mature, the tree not only provides fruit but also absorbs approximately 22 kg of carbon dioxide and produces 118 kg of oxygen every year. The Bank has been supporting the Green Caravan Initiative for several years and the trees planted last year were incorporated into the Bank's sustainability plan, particularly focusing on mitigating the effects of climate change through CSR programs. In 2023, the Bank sponsored the planting of 2,000 trees across the Kingdom, with an additional 500 trees planted.

Moreover, JKB hosted celebration activities organized by the Jordanian Environment Society at its theater in honor of World Environment Day, themed "Overcoming Plastic Pollution."

## Individuals With Special Needs

Throughout 2023, the Bank provided substantial financial support and donations to numerous local community organizations. These included clubs and associations that work with individuals with hearing, visual, and other special needs. Furthermore, JKB actively participated in financial education and awareness campaigns held at schools catering to individuals with special needs.

In collaboration with the West Irbid Association for Special Challenges, the Bank sponsored several marathons, enabling participants from the association to achieve commendable results both domestically and internationally. Similarly, JKB bolstered the endeavors of the Paralympic Committee by supporting weightlifting championships for individuals with special needs.

JKB sponsored media competitions organized by the Higher Council for the Rights of Persons with Disabilities that focused on issues pertaining to the rights of individuals with disabilities.

Moreover, the Bank renewed its cooperation agreement for the fourth year with the Green Wheels initiative, which involves the collection of plastic bottle caps and aluminum cans that are then sorted and recycled. The generated revenues are directed towards supporting children with special needs and those facing challenges associated with cerebral palsy. This support aims to enhance their education, treatment, and accessibility by facilitating the acquisition of wheelchairs.





## Conferences, Economic Activities and Civil Society Organizations

JKB provides sponsorship opportunities to several pioneering projects across various economic and social spheres. Notable initiatives include:

- Exclusive sponsorship of the Ninth International Insurance Conference, known as the Aqaba Conference 2023, where the Bank served as the exclusive banking partner.
- Involvement in the Fifth International Conference on Refugees in Jordan, hosted by Yarmouk University, addressing critical social issues and contributing to informed discourse on matters about refugees.
- Participation in the Jordanian-Iraqi Business Forum, facilitating constructive dialogue and fostering partnerships between businesses from both nations.
- Support for the Twenty-third Jordan Economic Conference focusing on Financial Innovation in E-Commerce.
- Active participation in an investment conference aligned with the economic modernization vision.
- Engagement in the Regional Forum on The Future of Media and Communication organized by the Center for Defending Freedom of Journalists.
- Sponsorship of the Eighth Conference of Jordanian Expatriate Businessmen and Investors.

Furthermore, the Bank extended support to the Hashemite Commission for Disabled Soldiers (HCDS) on the anniversary of the Battle of Karama. This support aims to improve their conditions and contribute to the education of their children in universities, while also enhancing their income. It is noteworthy that the association assists 200 military injured members. Additionally, JKB actively engages with military retirees to leverage their expertise in managing security and protection of the Bank's facilities and properties, in collaboration with the Economic Social Association of Retired Servicemen and Veterans.

## Culture and Art

In 2023, the Bank sponsored several festivals, forums, art exhibitions, heritage showcases, and theatrical events, to support cultural enrichment and community engagement.

JKB proudly sponsored events such as Al Fuheis Festival and Al Jeel Al Jadeed Club, while maintaining its longstanding support for cultural institutions such as the Jordan National Gallery of Fine Arts and the International Festival Liberal Theatre.

Additionally, JKB supported educational institutions by sponsoring cultural competitions for several schools, and continued its support to Jordanian writers and authors by purchasing their works, thus contributing to the promotion and preservation of local literary talent and cultural heritage.

## Sports

In 2023, JKB sponsored football and basketball teams representing diverse schools.

Notably, it sponsored the Al-Amal Sports Activities Company in collaboration with the Athlete Plus Basketball Organization. In addition to its prestigious golden sponsorship of the Del Piero Championship, an internationally renowned event, which involved assembling a team comprised of talented young football players from various governorates, including the children of JKB's employees, to participate in the international tournament.

## Empowering Women in Jordan

To acknowledge and celebrate the Bank's female employees, JKB hosted an event on "International Women's Day" in which 106 female employees participated. The Bank invited a motivational speaker to share her experiences in contributing to society by opening new businesses in underprivileged areas and creating job opportunities for females. Additionally, the Bank invited women from the community to sell homemade products to its employees.









# **Managing GHG Emission and Environmental Impact**



JKB commits to environmental sustainability and implements proactive measures in that regard. The Bank addresses challenges posed by evolving climate patterns, highlighting achievements like LEED certifications, and other green initiatives. JKB embarks on a journey to limit greenhouse gas emissions, optimize energy consumption, and undertake environmentally friendly practices in Jordan. These endeavors encompass initiatives aimed at mitigating the Bank's environmental footprint through emission reduction, energy efficiency enhancements, and sustainable waste and water management practices.

### **Material Topic Covered:**

Emission Management and Environmental Impact

## **Emission Management and Environmental Impact**

JKB minimizes its environmental impact through a range of initiatives that aim to reduce GHG emissions and conserve energy, while also implementing sustainable waste and water management practices. JKB is dedicated to using renewable energy resources and achieving carbon neutrality.

Over the years 2021-2023, JKB has spearheaded more than 25 environmental initiatives, including the replacement of lighting with power-saving LEDs, upgrading old air conditioning units to energy-efficient models, and installing ventilation systems for outdoor AC units at its headquarters. These initiatives were carried out by a specialized department that is tasked with reducing the environmental impact of the Bank's facilities and operations.

JKB has also conducted comprehensive environmental management training programs for its employees to ensure they understand the importance of minimizing environmental impacts, including lead auditor training in ISO 14001 and LEED certificate courses. Additionally, the Bank prioritizes sustainability education, with ESG certificates provided to the Sustainability Manager and Engineering Manager.

In 2023, JKB obtained ISO 14001 certification, underscoring its commitment to environmental sustainability, and maintained its Gold LEED certification earned in 2022 for its headquarters.

### **Energy & Emissions Management**

By investing in renewable energy projects, energy-efficient buildings, green infrastructure, and energy management technology, JKB aims to reduce its environmental impact, promote public health, and meet regulatory requirements. The Bank has been recognized by the UN Global Compact (UNGC), naming JKB as one of the leading banks in the Middle East for fostering sustainable practices and addressing climate change.



JKB is also invested in reducing energy consumption across all its facilities. The Bank has implemented practices such as turning off unnecessary lighting in branches and headquarters after working hours and adjusting air conditioning schedules during the summer months. JKB introduced five new electric vehicles to its fleet in 2023 and installed 10 electric vehicle chargers for employees and customers. JKB partnered with a leading manufacturer of energy-efficient electric vehicles to deliver five electric vehicles to the Bank's headquarters. The reduction in carbon dioxide emissions for 2023 due to electric cars projects was 6.75 tons, and is expected to be 27 tons in 2024.

Moreover, in 2023, JKB expanded upon its solar energy project, which was first initiated in 2018, by completing the design stage and feasibility studies for further installation of on-grid solar energy systems. This expansion facilitated an increase in energy production, rising from 4,123 MWh in 2022 to 5,456 MWh this year.

In 2023, JKB experienced a 30% rise in energy consumption, due to the establishment of new data centers. To mitigate this in the future, the Bank is in the process of installing solar energy projects in the northern and southern regions of Jordan, as well as an extension of the central region's solar energy project.

Energy Consumption	2021	2022	2023
Electricity consumption (GJ)	6,300	7,751	10,080
Diesel consumption from operations and vehicles (GJ)	2,908	2,799	2,600
Total Energy consumption (GJ)	9,208	10,550	12,680

These measures resulted in a 7% decrease in scope 1 greenhouse gas emissions. However, the increase in scope 2 emissions can be attributed to the high electrical consumption of data devices and cooling systems.

GHG Emissions	2021	2022	2023
Direct GHG emissions (Scope1) (metric tons of CO2eq)	201	194	180
Indirect GHG emissions (Scope 2) (metric tons of CO2eq)	738	908	1,180
Total GHG emissions (metric tons of CO2eq)	939	1,102	1,360

In 2024, JKB aims to partner with the IFC to develop a climate governance methodology. The ESG Team will utilize the IFC's established framework to assess and provide recommendations addressing climate risks and opportunities. This evaluation will include examining leadership commitment and the Board's role in integrating climate considerations into strategy and business planning, risk governance, and reporting and disclosure on climate-related matters.

Key areas for revision involve ensuring commitment to ESG principles throughout leadership and organizational culture, enhancing the structure and functioning of the Board, strengthening the control environment to manage and mitigate climate risks, and improving disclosure and transparency practices regarding climate-related information. Additionally, JKB aims to enhance governance mechanisms for stakeholder engagement to ensure inclusivity and transparency in climate-related decision-making processes.

### **Environmental Park in Zabboud Forests**

The Bank is proud to be funding the development of an environmental park for the local community. This initiative reflects the Bank's commitment to addressing environmental challenges and its understanding of the urgency of climate change. The park serves as a community engagement project and aims to provide a safe and enjoyable environment for citizens, while also mitigating against climate change and reducing pollution through the conservation of green spaces and the planting of trees.

JKB, through the development of the park, aims to raise awareness in the community about the importance of environmental conservation and discourage arbitrary waste disposal. The Bank will cover the project costs, ensure park maintenance, and provide quality services for visitors. Spanning 30 dunums, the park features green spaces, playgrounds, health units, facilities, and amenities to cater to the needs of visitors and promote public well-being.

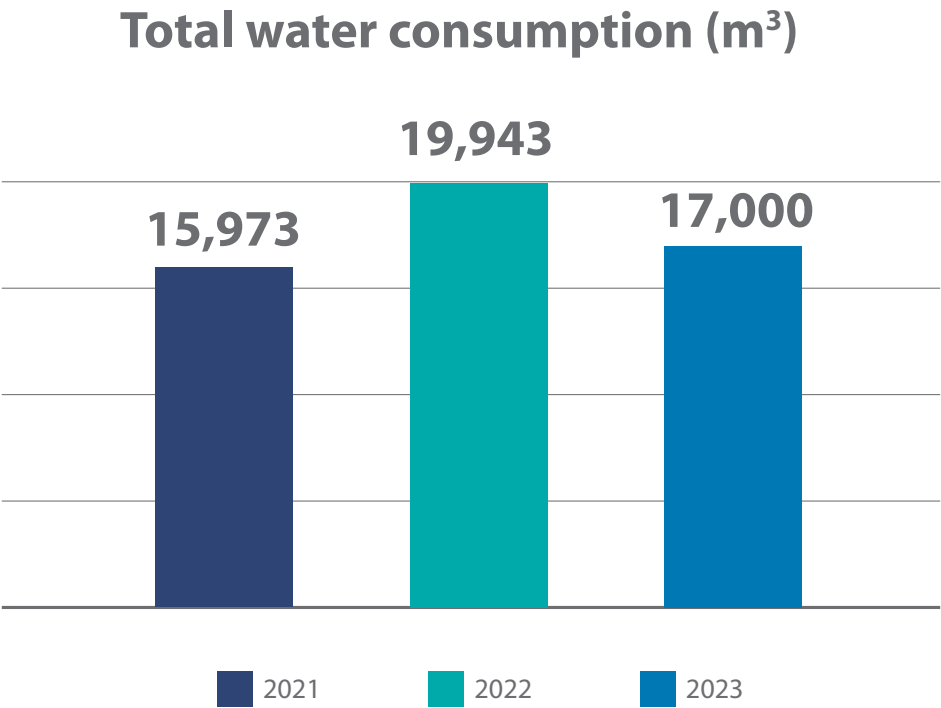


**Water Management**

Jordan is one of the world’s driest countries in the world and regularly experiences challenges related to water shortages. Water serves various purposes at JKB, including employee use, cleaning, and watering plants. Recognizing the importance of water conservation, JKB implemented several initiatives in the last three years to promote efficient water usage.

One significant measure taken by JKB is the implementation of greywater and rain harvesting systems, which efficiently collect and recycle water for reuse for non-potable purposes (i.e. cleaning, irrigation, etc.), and storage of AC condensation water. Additionally, automatic faucets were installed in headquarters’ restrooms to minimize water wastage by lowering faucet flow and reduction of flow time. As a result, JKB’s water consumption decreased by 15% compared to 2022.

**“15% decrease in water consumption compared to 2022”**



# Waste Management

JKB has implemented several waste management initiatives over the years to help minimize the impact the Bank has on the environment. These initiatives have ensured that the Bank’s operations across its headquarters and branches comply with regulations while also saving on costs.

JKB works on minimizing waste and maximizing recycling efforts, which includes selling waste to third-party recycling companies and having a specific agreement for selling paper quantities.

In 2023, JKB achieved a 4% reduction in paper consumption, attributing this success to the adoption of its paperless initiative. This initiative focuses on minimizing paper usage in branches and promoting digital transactions.

## “4% reduction in paper consumption”

Waste Generated	2021	2022	2023
Total paper consumption (Kilograms)	70,730*	75,229*	72,096
Total paper recycled (diverted from disposal) (Kilograms)	38,260	26,930	15,224

### Notes:

\*Restated due to change of calculation methodology.



# Appendices

The background is a photograph of a mountain range. In the foreground, there are steep, green grassy slopes. In the middle ground, a prominent rocky peak with a flat top is visible. The background shows more distant, hazy mountain ranges. Overlaid on the image is a white geometric line pattern consisting of several interconnected, angular shapes that create a sense of movement and structure.



## Appendix A.

### Acronyms

AML	Anti-Money Laundering
API	Application Programming Interface
ASE	Amman Stock Exchange
ASEZA	Aqaba Special Economic Zone Authority
BSP	Billing and Settlement Plan
CASS	Cargo Accounts Settlement Systems
CBJ	Central Bank of Jordan
CDR	Content Disarm and Reconstruction
CEO	Chief Executive Officer
COBIT	Control Objectives for Information and Related Technologies
CSR	Corporate Social Responsibility
CTF	Counter-terrorist Financing
CX	Customer Experience
DEI	Diversity, Equity, and Inclusion
EIB	European Investment Bank
EIH	Ethmar International Holding
ESDD	Environmental and Social Due Diligence
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management System
FATF	Financial Action Task Force
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HCDS	Hashemite Commission for Disabled Soldiers
HR	Human Resources
IATA	International Air Transport Association
ICMA	International Capital Market Association
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
JEBA	Jordan Europe Business Association
JKB	Jordan Kuwait Bank
JLGC	Jordan Loan Guarantee Corporation
JOD	Jordanian Dinars
KIPCO	Kuwait Projects Company

LIBOR	London Interbank Offer Rate
MAP	Medical Aid for Palestinians
NPS	Net Promoter Score
PCI DSS	Payment Card Industry Data Security Standard
PO	Purchase Order
PSUT	Princess Sumaya University for Technology
RBA	Risk-Based Approach
RCM	Regulatory Compliance Management
RPA	Robotic Process Automation
SLA	Service-level Agreement
SME	Small and Medium-sized Enterprises
SOFR	Secured Overnight Financing Rate
SWIFT CSP	SWIFT Customer Security Program
UAE	United Arab Emirates
UFICO	United Financial Investments Company
UN PRB	UN Principles of Responsible Banking
UN SDGs	United Nations Sustainable Development Goals
UNGC	UN Global Compact
WEPs	Women Empowerment Principles

# Appendix B.

## Stakeholder Engagement

Regular engagement with stakeholders plays a pivotal role in shaping JKB’s sustainability roadmap, enabling the Bank to gain valuable insights into its aspirations, needs, and perspectives. With guidance and ongoing feedback from key stakeholder groups, JKB emphasizes advancing business objectives while championing corporate sustainability.

The Bank’s approach to stakeholder engagement is characterized by open and constructive dialogue, guided by best practices and high standards of corporate conduct and governance.

Stakeholder	Engagement method
Employees	Internal meetings, training sessions, and feedback surveys
Customers	Satisfaction surveys, social media engagement, and customer support
Shareholders and Investors	Annual general meetings, investor presentations, Annual reports
Government and Regulatory Bodies	Compliance reporting, policy consultations, and industry roundtables
NGOs	Joint projects, partnerships
Local Communities	public consultations, and support for local events and initiatives
Media and Opinion Leaders	Press releases, media interviews, and participation in industry conferences

## Appendix C.

### Material Topics Definitions

Material topics	Definitions
Emission Management and Environmental Impact	Refers to the strategies aimed at reducing the Bank's environmental footprint, focusing on lowering GHG emissions, cutting energy consumption, and adopting sustainable practices in waste and water management.
Governance and Accountability	Refers to the structure and functions of the Board of Directors, its committees, and that of the executive management. This includes ensuring diverse Board composition, ongoing training for Board members, and effective committee structures. These efforts are designed to enhance accountability and transparency, thereby fostering trust and upholding the Bank's commitment to integrity and responsible governance.
Responsible Investing and Financing	Refers to the principles and practices adopted by the Bank to align our investment and financing activities with ESG criteria. This includes integrating sustainability considerations into investment and financing decisions, such as assessing environmental and social risks associated with projects and clients and promoting environmental protection and social impact.
Sustainable Procurement	Refers to the approach that the Bank adopts to manage its procurement processes with a focus on environmental, social, and economic sustainability. It includes initiatives such as working with local suppliers, adhering to best practices, screening suppliers on environmental and social criteria, and leveraging technology to streamline processes.
Risk Management	Refers to the processes and strategies employed by the Bank to identify, assess, and mitigate risks to ensure a safe working environment and secure operations. It involves continuous monitoring of operational indicators and safety risks. It aims to safeguard the Bank against potential threats and ensure compliance with industry standards and regulations.
Ethical Conduct	Refers to adhering to legal and ethical standards, fostering accountability, and maintaining transparency. It includes an Ethical Code of Conduct, Whistleblowing Policy, and measures to combat bribery, corruption, and fraud with the aim to build trust and promote responsible business practices among employees.
Compliance	Refers to procedures, systems, and capabilities to ensure a secure financial environment. This includes updating policies in line with regulations and implementing new screening systems. The focus is on adhering to anti-financial crime regulations, preventing money laundering, and combating terrorism financing.
Data Security and Privacy	Refers to protecting sensitive customer information from security threats. This includes implementing cybersecurity measures such as automated business continuity management systems, cloud-based services adherence to standards, and regular security updates.



Material topics	Definitions
Talent Growth and Retention	Refers to strategies aimed at attracting and retaining high-quality individuals within the Bank, emphasizing recruitment techniques, supportive onboarding, and fostering a positive work environment. Additionally, it involves investing in employees' skills and knowledge through digital learning initiatives, partnerships with educational institutions, and diverse training programs tailored for career advancement.
Community Development	Refers to the Bank's commitment to positively impact society and promote economic progress in the regions it serves. This includes various initiatives aligned with the UN SDGs, aimed at empowering individuals and communities, and engaging in activities such as financial contributions, sponsorships, and donations to address societal needs and foster sustainable development, in addition to encouraging employee volunteerism.
Financial Inclusion and Literacy	Refers to the effort to provide tailored and affordable financial services to meet the diverse needs of individuals and SMEs, with a focus on underserved segments like women and youth. Financial literacy complements inclusion by educating individuals to make informed financial decisions, improving their financial well-being, and enabling them to achieve their goals.
Customer Satisfaction	Refers to the level of fulfillment experienced by customers with the products, services, or interactions offered by the Bank. Also refers to the efforts made by the Bank to enhance the customer experience through initiatives and measures to address customer complaints and inquiries and maintain high standards of service delivery.
Digital Innovation	Refers to the strategic utilization of digitalization and technological advancements to achieve various objectives of the Bank. This involves the digitalization of the Bank's operations and products and services to cater to customer needs effectively while also reducing environmental impact.
Diversity and Inclusion	Refers to the policies, practices, and initiatives implemented within the Bank to foster a culture of diversity, equity, and inclusion. These initiatives aim to embrace individual differences, including but not limited to age, gender, disabilities, or nationality, and leverage the collective talents and experiences of employees.
Employee Wellbeing	Refers to the approach taken by the Bank to ensure the physical and mental health, safety, financial security, and sense of belonging of its employees. This includes measures such as occupational health and safety compliance and initiatives to support overall wellbeing and sustain a high level of employee engagement.
Economic Performance	Refers to enhancing the Bank's profitability, market share, and exploration of new markets. These efforts align with the goal of creating value for shareholders and investors while contributing to the productivity, resilience, and stability of Jordan's economic system.



## Appendix D.

### GRI Content Index

Statement of use	Jordan Kuwait Bank has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. . This service was performed on the English version of the report.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION AND/OR DIRECT ANSWER	OMISSION
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	8-13	
	2-2 Entities included in the organization's sustainability reporting	3	
	2-3 Reporting period, frequency and contact point	3	
	2-4 Restatements of information	44, 75	
	2-5 External assurance	This report was not externally assured	
	2-6 Activities, value chain and other business relationships	9, 10	
	2-7 Employees	50, 51	
	2-8 Workers who are not employees	50	
	2-9 Governance structure and composition	30, 31	
	2-10 Nomination and selection of the highest governance body	Please refer to <a href="#">2023 Annual Report</a> page 20	
	2-11 Chair of the highest governance body	30	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 30 and please refer to <a href="#">2023 Annual Report - Corporate Governance Guide</a> page 12	
	2-13 Delegation of responsibility for managing impacts	Please refer to <a href="#">2023 Annual Report - Corporate Governance Guide</a> page 7	
	2-14 Role of the highest governance body in sustainability reporting	15	
	2-15 Conflicts of interest	Please refer to <a href="#">2023 Annual Report - Corporate Governance Guide</a> page 32	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION AND/OR DIRECT ANSWER	OMISSION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	35, 36	
	2-17 Collective knowledge of the highest governance body	Please refer to <a href="#">2023 Annual Report</a> page 215-232	
	2-18 Evaluation of the performance of the highest governance body	Please refer to <a href="#">2023 Annual Report</a> page 248, 256	
	2-19 Remuneration policies	Please refer to <a href="#">2023 Annual Report</a> page 248	
	2-20 Process to determine remuneration	Please refer to <a href="#">2023 Annual Report</a> page 248, 261	
	2-21 Annual total compensation ratio		Confidentiality constraints due to concerns about competitive sensitivity, and privacy of employees
	2-22 Statement on sustainable development strategy	4, 5	
	2-23 Policy commitments	28, 31, 34-38, 46, 49, 52-54, 56, 57, 59	
	2-24 Embedding policy commitments	28, 31, 34-38, 46, 49, 52-54, 56, 57, 59	
	2-25 Processes to remediate negative impacts	35, 36, 52	
	2-26 Mechanisms for seeking advice and raising concerns	35, 36, 52	
	2-27 Compliance with laws and regulations	34-38	
	2-28 Membership associations	12	
	2-29 Approach to stakeholder engagement	79	
	2-30 Collective bargaining agreements	The Bank complies with the laws and regulations applied in Jordan in relation to collective bargaining agreements.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION AND/OR DIRECT ANSWER	OMISSION
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17	
	3-2 List of material topics	17	
Emissions Management and Environmental Impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	71-75	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	72	
	302-3 Energy intensity	72	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	74	
	303-5 Water consumption	74	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	72	
	305-2 Energy indirect (Scope 2) GHG emissions	72	
	305-4 GHG emissions intensity	72	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	75	
	306-3 Waste generated	75	
	306-4 Waste diverted from disposal	75	
Data Security and Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 32	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	21	
Diversity and Inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	49-52	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	50, 51	
	405-2 Ratio of basic salary and remuneration of women to men	51	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	52	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION AND/OR DIRECT ANSWER	OMISSION
Talent Growth and Retention			
GRI 3: Material Topics 2021	3-3 Management of material topics	52-54	
	401-1 New employee hires and employee turnover	53	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	54	
	401-3 Parental leave	56, 57	
	404-1 Average hours of training per year per employee	53	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	52, 53	
	404-3 Percentage of employees receiving regular performance and career development reviews	52	
Employee Well-Being			
GRI 3: Material Topics 2021	3-3 Management of material topics	54-57	
	403-1 Occupational health and safety management system	55, 56	
	403-2 Hazard identification, risk assessment, and incident investigation	55	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	54-56	
	403-5 Worker training on occupational health and safety	55	
	403-6 Promotion of worker health	54, 55	
	403-8 Workers covered by an occupational health and safety management system	55	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION AND/OR DIRECT ANSWER	OMISSION
Economic performance			
	3-3 Management of material topics	13	
GRI 3: Material Topics 2021	201-1 Direct economic value generated and distributed	13	
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	No Financial assistance was received from the government.	
Community Support and Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	59-68	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62-68	
Ethical Conduct			
GRI 3: Material Topics 2021	3-3 Management of material topics	34-36	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	35	
Sustainable Procurement			
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 39	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	39	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	39	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	39	
Compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 38	
GRI 417: Marketing and labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	36	

## Topics in the applicable GRI Sector Standards determined as not material

Topics		
Responsible Investing and Financing		
GRI 3: Material Topics 2021	3-3 Management of material topics	25-29
Financial Inclusion and Literacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	41-43
Digital Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	45-47
Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 33
Customer Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	43, 44
Governance, Accountability, and Transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	30, 31



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