



ESG REPORT 2024

*Where Ethics, Impact,
& Finance Converge*

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**Sabah Khalil
Almoayyed**
Chairperson

MESSAGE FROM THE LEADERSHIP

Dear Stakeholders,

We are pleased to present the inaugural ESG Report of Al Baraka Islamic Bank - Bahrain (“Al Baraka Islamic Bank”), a reflection of our unwavering commitment to sustainable and ethical banking solutions. This report acknowledges the visionary leadership of Shaikh Saleh Kamel, Chairman and Founder of Al Baraka Group (“ABG”). Widely recognized and revered internationally as a pioneer of Islamic banking and finance, Shaikh Saleh has set the highest standards in the field of Islamic economics. His exceptional dedication to philanthropy and community development has made a remarkable contribution toward enhancing economic development, creating jobs, and improving overall well-being.

As a trusted financial institution, we understand that Environmental, Social, and Governance (“ESG”) principles are essential for fostering long-term value, operational resilience, and trust in the financial services sector.

At Al Baraka Islamic Bank (“Al Baraka Islamic Bank”), we view sustainability as a cornerstone of our operations—not merely a regulatory requirement but a fundamental element of our strategy. We are dedicated to offering Sharia-compliant financial products that ensure transparency, fairness, and responsible financial growth. During 2024, we made significant strides toward enhancing our digital capabilities, improving customer service, and increasing operational efficiency, all while upholding the highest standards of governance.

Our employees, partners, and communities remain central to our mission. We strive to create a culture of innovation, responsibility, and continuous improvement, empowering our teams and fostering positive social impact. As we continue to integrate ESG factors into our business practices, including risk management and financial solutions, we remain committed to driving sustainable growth and supporting the economic well-being of the communities we serve.

Looking ahead, we are focused on further advancing our ESG strategy, adopting global best practices, and leading the way in sustainable banking. Together, we can create a more inclusive, resilient, and secure financial future for all.

Thank you for your continued trust and support.

Sabah Khalil Almoayyed

ABOUT THIS REPORT

Our inaugural ESG Report represents a significant milestone in embedding sustainability at the heart of Al Baraka Islamic Bank's operations. This report underscores our dedication to responsible banking practices, ethical risk management, and social responsibility, all while promoting transparency and enhancing our engagement with stakeholders.

ABOUT THE REPORT

01 | SCOPE AND COVERAGE

This report provides an overview of Al Baraka Islamic Bank's ESG performance for 2024, focusing on our environmental, social, and governance impacts across our banking operations.

02 | REPORTING PERIOD

This report covers the period from 1 January to 31 December 2024, unless otherwise stated.

03 | DATA COLLECTION & ACCURACY

The information presented is derived from internal reporting systems to ensure accuracy, reliability, and consistency in performance measurement.

04 | REPORTING STANDARDS & FRAMEWORKS

Our disclosures align with internationally recognized frameworks, including:

The Central Bank of Bahrain ("CBB") ESG Disclosure Guidelines.
The United Nations Sustainable Development Goals (SDG's).
The Global Reporting Initiative ("GRI") Framework.

05 | STAKEHOLDER ENGAGEMENT & FEEDBACK

We invite our stakeholders to share feedback and inquiries to help us improve future ESG reporting. Further details on engagement opportunities can be found on our website.

06 | EXTERNAL ASSURANCE

While this report has not undergone external assurance, we are dedicated to enhancing our verification processes in future reporting cycles. This report reflects Al Baraka Islamic Bank's continued commitment to sustainable banking practices, ensuring that ESG principles remain central to our long-term strategy.

Head Office

Al Baraka Tower, Bahrain Bay
P.O Box 1992 Manama, Kingdom of Bahrain

Head Office (Bahrain Bay Branch)
Muharraq Branch
Riffa Branch
Ramli Mall, A'ali

Tel: +973 17 535 300
Tel: +973 17 461 999
Tel: +973 17 768 600
Tel: +973 17 646 677

Fax: +973 17 533 993
Fax: +973 17 324 888
Fax: +973 17 490 003
Fax: +973 17 646 676



**AL BARAKA
ISLAMIC BANK**

AL BARAKA ISLAMIC BANK

Al Baraka Islamic Bank - Bahrain is part of Al Baraka Group ("the Group") - a pioneering international Islamic financial institution headquartered in the Kingdom of Bahrain. With a proud legacy built on the principles of ethical, inclusive, and Sharia-compliant banking, we serve as a trusted partner for individuals, businesses, and communities seeking financial solutions grounded in values and driven by impact.

As one of the contributors to Al Baraka Group's presence across 13 countries, our mission is to deliver comprehensive and innovative financial services that promote economic development, social responsibility, and sustainable prosperity. Our operations span retail banking, corporate banking, investment services, and treasury solutions, all structured in accordance with Islamic finance principles.

At Al Baraka Islamic Bank, we believe that banking is more than just transactions — it's a tool to empower people, uplift communities, and build a better future. Whether it's supporting entrepreneurs, financing responsible growth, or advancing digital inclusion, we are committed to creating long-term value for our clients and stakeholders.

VISION, MISSION AND VALUES



OUR VISION

To be a global leader in innovative participation finance, offering an agile ethical financial system built for the digital age.



OUR MISSION

To fulfill the financial needs of communities across the globe by conducting business through an ethical customer-centric approach tailored for the digital age, based on our core beliefs and aimed at sharing the mutual rewards with our partners in business success: our customers, our employees, our shareholders, and our communities at large.



OUR CORE VALUES

PARTNERSHIP

Our shared beliefs create strong bonds that form the basis of long-term relationships with customers and staff.

AGILITY

We are fleet-footed to adapt to the Digital Age to meet the fast changing customer behavior and needs in a dynamic and challenging environment.

INNOVATION

We recognize that an 'INNOVATION FIRST' culture is necessary to be able to serve our customers on a 'here and now' basis in a fast changing world.

TRUST

Our customers can experience peace of mind and rest assured that their financial interests are being managed by us to the highest ethical standards of participation finance.

DEVELOPMENT

By banking with our banking subsidiaries, our customers make a positive contribution to a better society - their growth and ours will sustain the greater good of society.

OUR GLOBAL REACH

As part of Al Baraka Group, Al Baraka Islamic Bank is instead connected to a wide network of banks across the Middle East, Africa, Asia, and Europe — providing a robust platform to support cross-border clients and promote Islamic finance globally. Al Baraka Islamic Bank continues to serve as a model of ethical banking where financial performance, social impact, and spiritual values go hand in hand.

OUR PRODUCTS AND SERVICES

At Al Baraka Islamic Bank, our financial services are built on a foundation of Sharia-compliant, ethical banking designed to contribute to sustainable economic and social development. Our offerings are structured to empower individuals, support businesses, and foster inclusive growth, while remaining fully aligned with our ESG commitments.

RETAIL & INCLUSIVE BANKING

We promote financial inclusion by offering accessible, values-based banking products that serve individuals and families across all income levels. These include:

- Ethical deposit accounts and savings plans.
- Affordable housing, vehicle, and renewable energy financing (e.g., solar energy solutions for individuals).
- Specialized products for Hajj planning and family savings.
- Digital banking tools that enable broader access, especially in underserved communities.

SME & CORPORATE FINANCE

We support responsible business growth through structured Islamic finance solutions that help organizations scale sustainably. Our services include:

- Financing for SMEs, agriculture, and youth-led enterprises.
- Trade finance solutions in support of halal, impact-oriented commerce.
- Asset leasing (Ijara) models.
- Cash management tools that enhance business efficiency and transparency.

INVESTMENT & TREASURY SERVICES

Our treasury and investment services offer Sharia-compliant alternatives to conventional instruments, enabling ethical capital allocation across:

- Sukuk investments and interbank Islamic financing.
- Liquidity management for financial institutions.
- Home remittance services supporting financial inclusion and diaspora engagement.

DIGITAL TRANSFORMATION

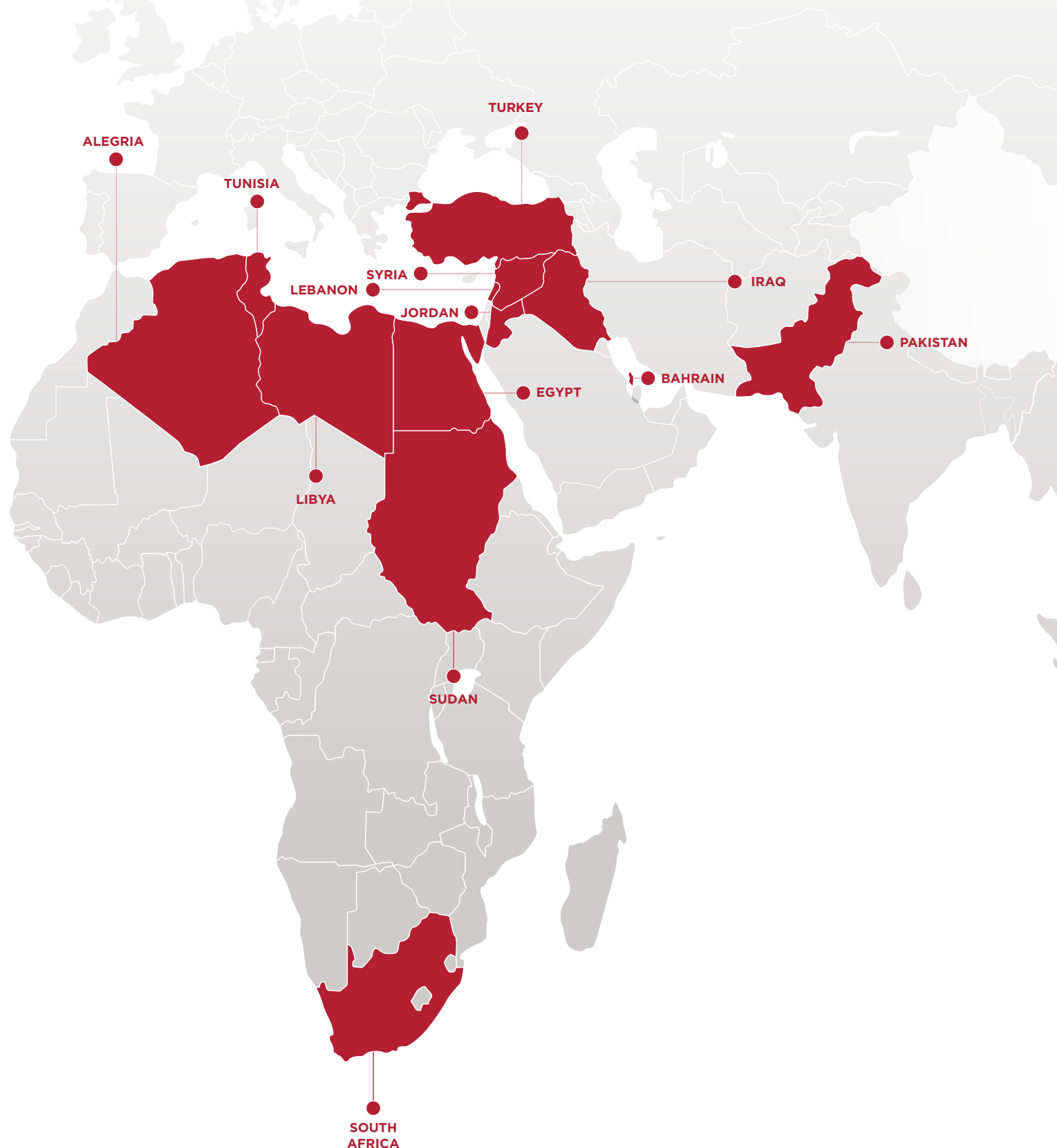
We continue to modernize our service delivery through secure and user-friendly digital platforms, expanding our ESG impact through:

- Paperless banking and e-statements.
- Online account opening and mobile banking services.
- Integration with national e-payment systems to reduce operational emissions.

Through these services, Al Baraka Islamic Bank aligns its financial offerings with its ESG values, supporting ethical wealth creation, inclusive prosperity, and environmental stewardship across all operations.

GEOGRAPHICAL REACH

Al Baraka Group operates in 13 countries through its subsidiary banking units and a representative office, offering retail, corporate, treasury, and investment banking services. These countries include Jordan, Egypt, Tunisia, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon, and Syria, in addition to maintaining two branches in Iraq and a representative office in Libya.



SUSTAINABLE FINANCE INITIATIVES

Al Baraka Islamic Bank has demonstrated a commitment to sustainable finance through various initiatives across its global operations.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Al Baraka Islamic Bank's approach to sustainability is deeply rooted in Islamic banking principles. Emphasizing ethical investments, avoiding sectors like alcohol, tobacco, and activities that harm society. The Bank's focus is on creating long-term economic growth by efficiently managing natural resources, developing human capital, and enhancing societal well-being.

PROMOTING SUSTAINABLE INVESTMENT INSTRUMENTS

Al Baraka Islamic Bank has been active in promoting Sukuk as tools for sustainable development. Through conferences and forums, the bank has highlighted the role of Sukuk in financing environmentally and socially responsible projects, such as renewable energy and green infrastructure. These initiatives reflect the Group's dedication to aligning its financial services with sustainable development goals, ensuring that its operations contribute positively to society and the environment.



SUSTAINABILITY FRAMEWORK

At Al Baraka Islamic Bank (AIB), we recognize that our responsibility extends far beyond financial performance. As a values-based Islamic financial institution, we are deeply committed to embedding Environmental, Social, and Governance (ESG) principles across all facets of our operations.

In 2024, we made significant strides in aligning our business strategy with global sustainability objectives, further reinforcing our role as a responsible, ethical, and Sharia-compliant financial services provider.

Our approach to ESG is anchored in transparency, accountability, and long-term impact. We uphold strong governance practices that promote integrity and ethical conduct, and we engage openly with all our stakeholders to foster trust and shared value.

Social and sustainable finance lie at the heart of our mission. Through our Sharia-compliant offerings, we actively support inclusive economic development, financial empowerment, and investment in sectors that contribute positively to environmental and social well-being – in line with both our faith-based values and global sustainability goals.

STAKEHOLDER ENGAGEMENT

At Al Baraka Islamic Bank, we view stakeholder engagement as a vital enabler of our long-term sustainability and a cornerstone of informed decision-making. Guided by our values and commitment to ethical finance, we understand that meaningful progress depends on our ability to actively listen to and integrate the evolving expectations of our stakeholders both internal and external.

Our key stakeholder groups include employees, customers, regulator, investors, partners, and local communities. We engage with these groups through structured and ongoing dialogue to ensure their perspectives are heard, respected, and reflected in our strategic direction.

Our approach is grounded in transparency, continuous feedback, and inclusive collaboration. We maintain regular engagement through various channels, such as stakeholder forums, employee surveys, customer consultations, investor briefings, regulatory meetings, and digital platforms. Initiatives like Al Baraka Day further reflect our commitment to community engagement and shared value creation.

Through these efforts, we cultivate strong, trust-based relationships and co-create solutions that align with our principles of Sharia compliance, social responsibility, and sustainable development. Our engagement practices not only support regulatory alignment and operational excellence but also reinforce our mission to serve as a values-driven financial partner in every market we operate.

| Stakeholder Group | Modes of Engagement | Purpose of Engagement |
|---|---|---|
| EMPLOYEES | <ul style="list-style-type: none"> Internal surveys and feedback forms Regular staff meetings Townhalls and training programs Intranet and internal newsletters | <ul style="list-style-type: none"> Understand employee needs Foster inclusive workplace culture Share updates on ESG and corporate strategy |
| CUSTOMERS | <ul style="list-style-type: none"> Digital channels and interactive mobile application ATMs and Branches interactions Contact center and online chat Customer satisfaction surveys Social media and mobile app feedback Complaint resolution mechanisms | <ul style="list-style-type: none"> Gauge service quality and trust Improve product offerings Build loyalty and trust in ethical banking |
| REGULATOR & SHARIA SUPERVISORY BOARD | <ul style="list-style-type: none"> Compliance reporting Regulatory consultations Sharia Board meetings Policy roundtables | <ul style="list-style-type: none"> Ensure alignment with Islamic finance principles Maintain legal and regulatory compliance Align ESG with national and international standards |
| COMMUNITY & CIVIL SOCIETY | <ul style="list-style-type: none"> CSR initiatives (e.g., Al Baraka Day) Donations and local partnerships Community dialogues and outreach Participation in social development programs | <ul style="list-style-type: none"> Promote financial inclusion Support sustainable community development Uphold ethical and social commitments |
| PARTNERS & VENDORS | <ul style="list-style-type: none"> Supplier evaluations and audits Joint initiatives and working groups Vendor code of conduct | <ul style="list-style-type: none"> Ensure ethical sourcing Foster shared ESG goals across the value chain |
| MEDIA & PUBLIC | <ul style="list-style-type: none"> Press conferences Media briefings and interviews ESG publications and reports | |

MATERIALITY ASSESSMENT

At Al Baraka Islamic Bank, we view materiality assessment as a foundational element of our sustainability strategy and reporting process. It enables us to identify and prioritize the ESG topics that are most relevant to our operations, stakeholders, and long-term value creation.

Material topics are those that significantly impact our ability to operate responsibly and deliver sustainable financial performance. These may include areas such as climate risk, ethical finance, financial inclusion, community engagement, governance, and regulatory compliance — all of which influence stakeholder trust and business continuity.

In line with Al Baraka Group's 2024 materiality assessment framework, we have aligned our local ESG priorities with the broader Group-level sustainability agenda. This ensures consistency, relevance, and strategic focus across all markets in which we operate.

Our materiality assessment process captures both internal insights and external stakeholder expectations, using tools such as stakeholder surveys, regulatory inputs, peer benchmarking, and market research. The outcome is a focused set of ESG priorities that guide our reporting, inform risk management, and shape our sustainability roadmap.

By embedding materiality at the heart of our decision-making, we ensure that our ESG efforts go beyond compliance — serving as a catalyst for innovation, resilience, and shared value creation.

MATERIALITY ASSESSMENT PROCESS

At Al Baraka Islamic Bank, we recognize that identifying and prioritizing material ESG topics is fundamental to shaping a sustainability strategy that is both impactful and stakeholder-driven. In 2024, we adhered to the structured materiality assessment process established by Al Baraka Group, ensuring full alignment with the Group's overarching sustainability framework and priorities.

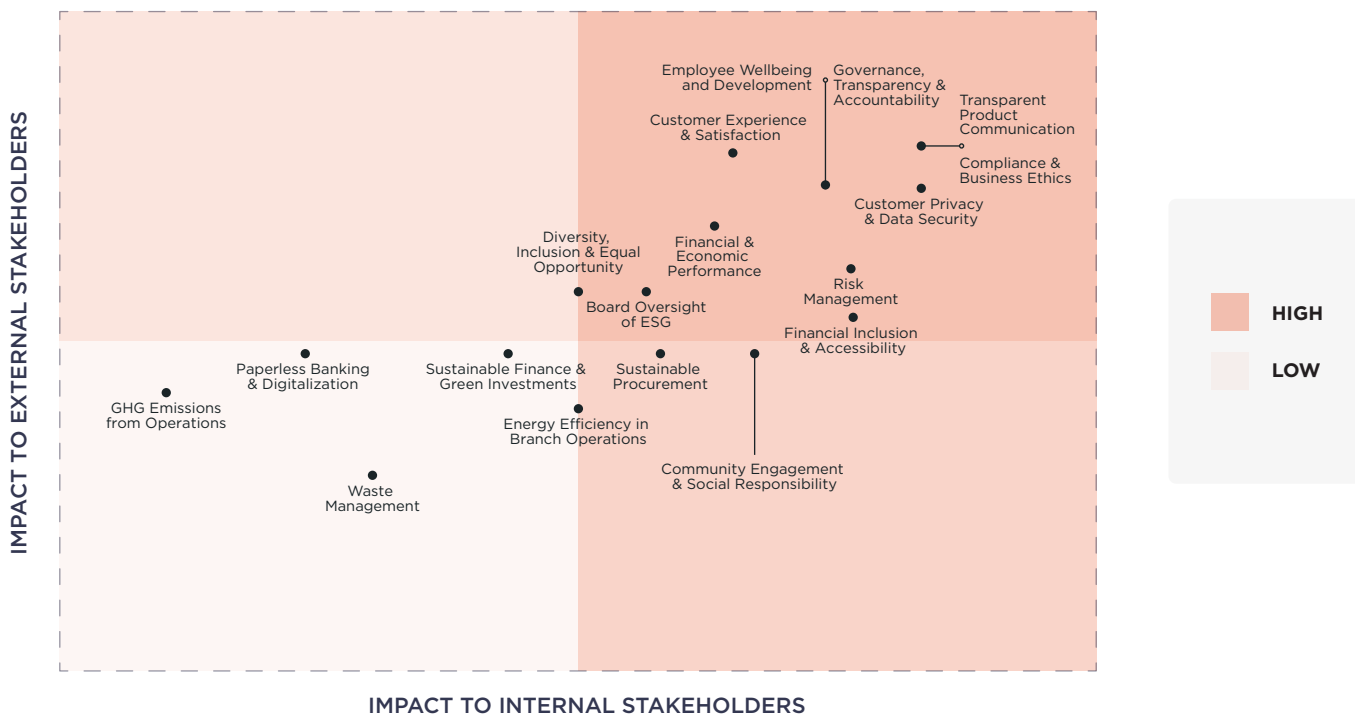
The assessment began with the development of a comprehensive list of Potential Material Topics (PMTs), guided by global ESG standards, industry-specific concerns, regulatory trends, and emerging sustainability challenges in the banking and financial services sector. This initial list was reviewed in close consultation with senior management to ensure strategic alignment and contextual relevance.

In line with the Group's process, we mapped and engaged key internal and external stakeholders, including employees, customers, regulators, and community partners. A targeted online survey was distributed to capture a broad range of perspectives, allowing us to assess which ESG issues are considered most significant from a stakeholder standpoint.

The feedback received was synthesized into a materiality matrix, which was then reviewed by the bank's executive leadership. This exercise enabled us to identify and prioritize the ESG topics most relevant to our operations and our stakeholders — topics that influence our ability to manage risk, drive performance, and create long-term value.

As we continue our ESG journey, we remain committed to transparently reporting on these material topics and using them to guide our actions, monitor progress, and enhance sustainability outcomes across all areas of our business.

MATERIALITY MATRIX



LIST OF MATERIAL TOPICS

The scores in this materiality table represent the relative importance and impact of each ESG topic to Al Baraka Islamic Bank and its stakeholders. A higher score (closer to 3.0) indicates that the topic is considered highly material, meaning it has a stronger influence on business performance, stakeholder decision-making, and long-term sustainability. Lower scores suggest comparatively less material, though still relevant, ESG priorities.

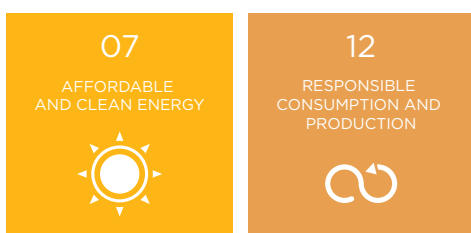
| Material Topic | Impact Score |
|---|--------------|
| Transparent Product Communication | 3.00 |
| Compliance and Business Ethics | 3.00 |
| Customer Privacy & Data Security | 2.96 |
| Customer Experience & Satisfaction | 2.94 |
| Employee Wellbeing and Development | 2.93 |
| Governance, Transparency and Accountability | 2.93 |
| Risk Management | 2.85 |
| Financial and Economic Performance | 2.83 |
| Financial Inclusion and Accessibility | 2.81 |
| Board Oversight of ESG | 2.72 |
| Community Engagement & Social Responsibility | 2.71 |
| Diversity, Inclusion & Equal Opportunity | 2.69 |
| Sustainable Procurement | 2.68 |
| Sustainable Finance & Green Investments | 2.63 |
| Energy Efficiency in Branch Operations | 2.61 |
| Paperless Banking & Digitalization | 2.54 |
| GHG (Green House Gas) Emissions from Operations | 2.44 |
| Waste Management | 2.44 |

SUSTAINABILITY GOVERNANCE

At Al Baraka Islamic Bank, our sustainability governance framework is aligned with the broader Group's approach, ensuring strong oversight, strategic direction, and accountability. Sustainability is embedded into our operations through clear roles and responsibilities at both the Board and Executive Management levels. A dedicated Board-level committee oversees the Social & Sustainable Finance Program, setting strategic priorities and ensuring alignment with our core values, Sharia principles, and the UN Sustainable Development Goals (UN SDGs). Executive Management is responsible for implementing this strategy through actionable plans, while employees play a vital role in delivering on-the-ground impact and engaging with local communities.

ALIGNMENT WITH UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

ENVIRONMENT



SOCIAL



GOVERNANCE





**OUR COMMITMENT
TO OUR PLANET**

At Al Baraka Islamic Bank, we are committed to minimizing our environmental impact through responsible and sustainable practices. We actively monitor and manage our energy consumption, carbon emissions, and water usage, striving for greater efficiency across our operations. By adopting technology-driven solutions, we continue to reduce resource use and explore environmentally friendly alternatives. Beyond our own operations, we aim to support the broader transition to sustainability by encouraging green practices within the financial sector and the communities we serve.

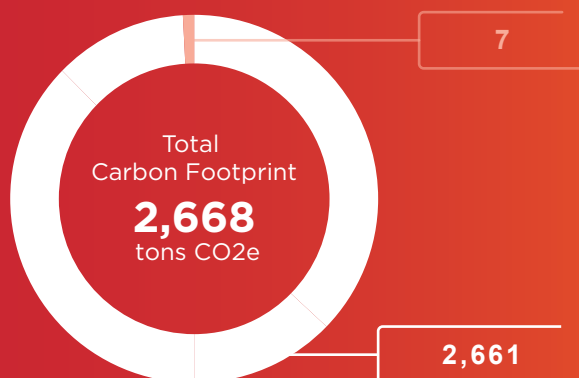
| | |
|-------------------------|------------------------------|
| Total Emissions | Carbon Intensity |
| 2,668 Tons CO2e | 17 Tons CO2e/employee |
| Energy Intensity | Water Consumption |
| 119 GJ/employee | 2,039 m3 |

In 2024, Al Baraka Islamic Bank undertook its first carbon assessment to evaluate our environmental impact and establish a foundation for targeted emission reduction strategies. Our total emissions amounted to 2,668 tons CO2e, with the majority stemming from Scope 2 emissions related to electricity consumption in our offices. The remaining was attributed to Scope 1 emissions, primarily from fuel use by third-party vehicles. Acknowledging the importance of supply chain emissions, we began measuring these impacts starting with the most accessible categories. Going forward, we are committed to strengthening our carbon accounting practices to support our sustainability objectives and reduce our overall environmental footprint.

7 tons CO2e
Scope 1 Emissions

2,661 tons CO2e
Scope 2 Emissions

0 tons CO2e
Scope 3 Emissions



CARBON EMISSIONS INTENSITY

Carbon emissions intensity reflects the volume of carbon dioxide equivalent (CO₂e) released in relation to a specific measure of organizational activity, offering insight into how efficiently we manage our environmental impact. Tracking both total emissions and intensity helps us assess our performance and align our actions with sustainability objectives.

In 2024, we measured our emissions intensity relative to our total employee count, enabling a consistent and scalable benchmark as the Bank grows. This approach allows us to understand the environmental implications of our expansion and supports the development of targeted strategies to ensure responsible, low-carbon growth.

| Total Employees | Total Emissions (Scope 1,2 & 3) | Emissions Intensity/employee |
|-----------------|---------------------------------|------------------------------------|
| 159 | 2,668 | 17 tons CO ₂ e/employee |

ENERGY MANAGEMENT

At Al Baraka Islamic Bank, we are committed to enhancing energy efficiency across our operations by actively managing and reducing energy consumption within our facilities. This includes implementing energy-saving measures like LED light installations and integrating smart technologies to optimize performance and build on existing initiatives.

In 2024, our total energy consumption amounted to 18,909 GJ (gigajoule). Of this 154 GJ was direct energy consumed while 18,755 GJ was indirect energy consumed. To gauge operational efficiency, we calculated our energy intensity based on headcount, resulting in 119 GJ per employee.

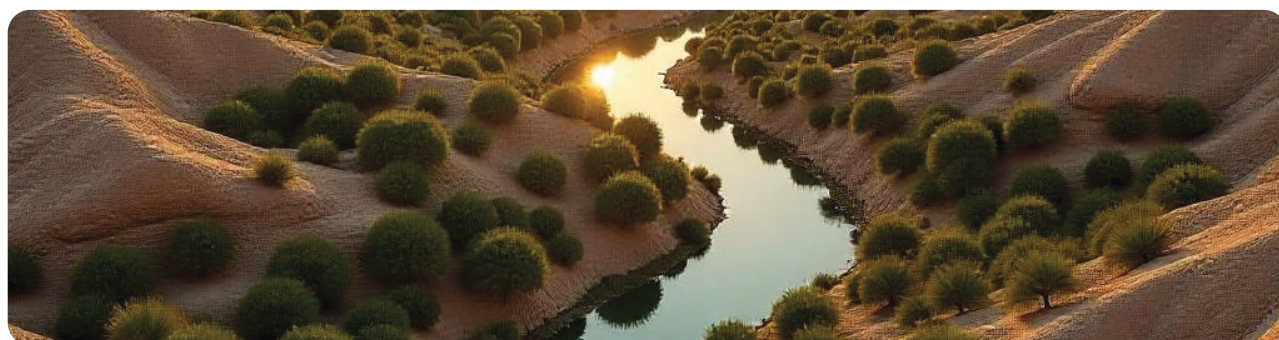
By continuously monitoring our energy use and adopting best practices, we aim to reduce our environmental impact and contribute to a more sustainable future through responsible energy management.



WATER MANAGEMENT

At Al Baraka Islamic Bank, we recognize the importance of addressing water scarcity and are committed to using water resources responsibly across our operations. Our water is supplied through government networks and is primarily used for cleaning and facility maintenance. We actively monitor consumption to ensure efficient usage and minimize waste.

In 2024, our total water consumption reached 2,039 cubic meters (2,039,000 liters) across our office locations. As part of our broader sustainability efforts, we continue to assess water-saving technologies and explore efficiency improvements to further reduce our environmental impact.



WASTE MANAGEMENT

At Al Baraka Islamic Bank, we are committed to reducing our environmental footprint by actively minimizing waste generation across our operations. Our approach focuses on using resources efficiently to limit waste and ensuring proper disposal through a structured waste management process. By promoting responsible consumption and sustainable disposal practices, we aim to lessen our impact on the environment and support long-term resource conservation.

Total weight of food/general waste generated in 2024:

2,600 kilograms

Food waste: **760 kilograms** General waste: **1,840 kilograms**

Total weight of paper consumed in 2024:

5,243 kilograms



Waste Segregation Initiative

As part of our ESG strategy and commitment to sustainable operations, Al Baraka Islamic Bank, in collaboration with Licensed Treatment and Recycling Companies in the Kingdom of Bahrain, is planning to accommodate a waste segregation initiative across its main building and branch network.

The Bank will install segregated waste bins to facilitate proper disposal of various waste streams such as paper, plastic, metals, and e-waste. This effort aims to enhance waste sorting at source, reduce landfill contribution, and ensure environmentally responsible treatment of waste through authorized recycling partners.

This initiative supports the Kingdom of Bahrain's national sustainability objectives and aligns with best practices in corporate environmental responsibility.



**INVESTING IN
OUR PEOPLE**

INVESTING IN OUR PEOPLE

At Al Baraka Islamic Bank, we recognize that our employees are central to our success and continued growth. Their commitment and capabilities empower us to deliver high-quality financial services and build long-term value for our clients.

We are dedicated to nurturing a workplace culture founded on integrity, inclusivity, and fairness. By focusing on employee well-being, continuous learning, and equal opportunity, we aim to create an environment where our people can thrive, contribute meaningfully, and uphold the ethical standards that define our operations.

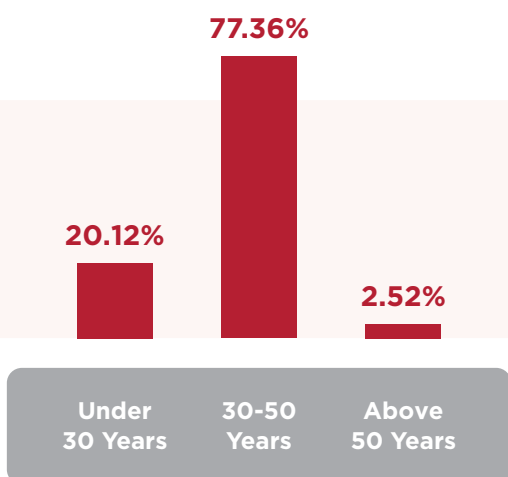
| Women in Workforce | Employee Turnover | Fatalities at Work | Training per Employee |
|--------------------|-------------------|--------------------|-----------------------|
| 34% | 26% | Nil | 3 hours |

EMPLOYEE PROFILE

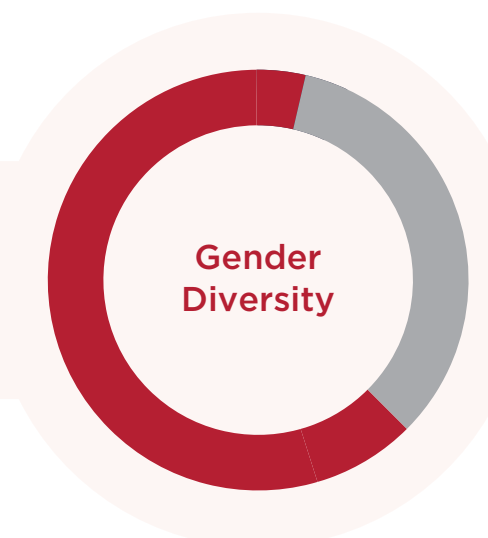
At Al Baraka Islamic Bank, we are committed to cultivating an inclusive and supportive workplace where employees can grow and succeed. Our people development strategy emphasizes employee engagement, continuous learning, career progression, and a safe, respectful work environment. We believe that empowering our workforce is key to driving both individual fulfillment and organizational performance.

As of 31 December 2024, our team consisted of 159 employees, with 100% in permanent positions, 0% working part-time, and 15 serving as interns. We continue to invest in development opportunities and foster a culture that enables our employees to thrive and make meaningful contributions.

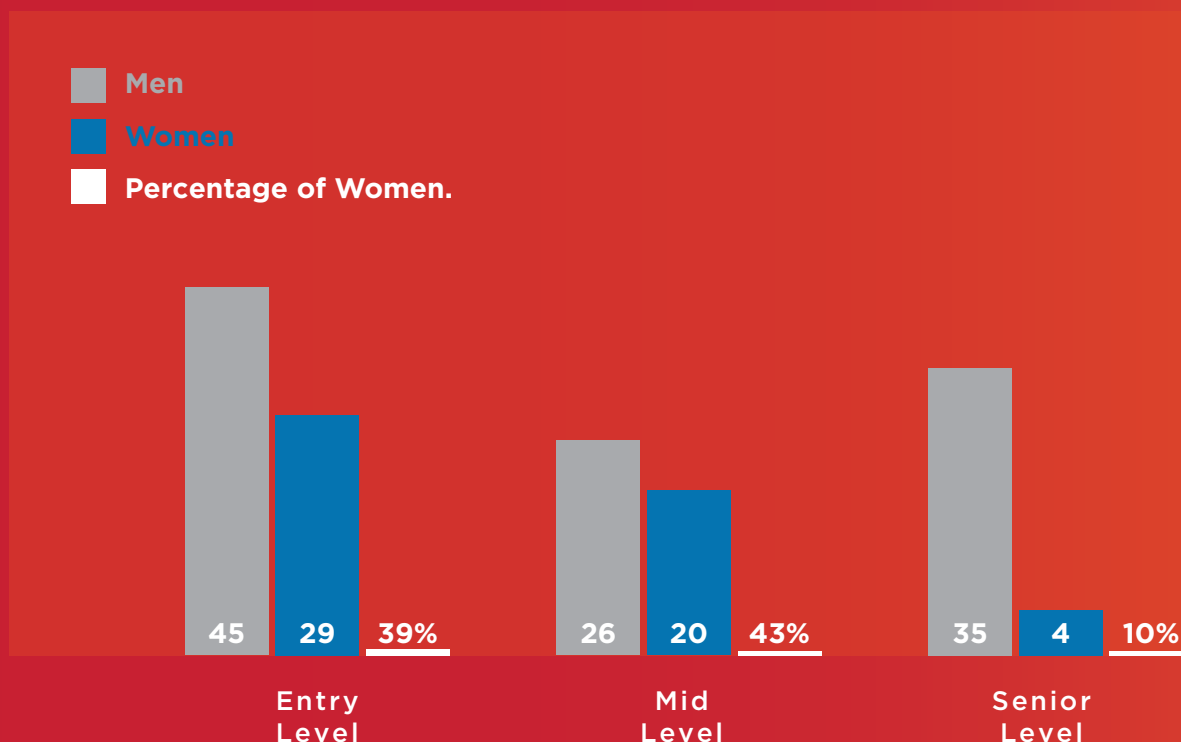
Total workforce:
159



Men: 66%
Women: 34%



GENDER DIVERSITY (EMPLOYMENT TYPE)



OUR COMMITMENT TO OUR PEOPLE

At Al Baraka Islamic Bank, our people are at the heart of everything we do. As part of our Environmental, Social, and Governance (ESG) commitment, we prioritize creating a supportive, inclusive, and empowering workplace where every employee can thrive. We invest in the growth, well-being, and development of our teams, fostering a culture rooted in respect, collaboration, and shared values. Our commitment extends beyond professional development to ensure a healthy work-life balance, equitable opportunities, and a strong sense of purpose aligned with our ethical and Sharia principles. By valuing our people, we strengthen our foundation for sustainable success and long-term impact.

Median total compensation for women compared to men:

0.8:1

Code of Conduct

The Code of Conduct and Ethics (COCE) of Al Baraka Islamic Bank outlines the Bank's unwavering commitment to integrity, ethical behavior, and compliance with Islamic Sharia, laws, and regulations. It sets expectations for all employees and board members, regardless of rank, to act with honesty, transparency, and professionalism, while avoiding conflicts of interest and protecting the Bank's reputation. The COCE promotes adherence to internal policies, banking secrecy, and accurate public disclosures, and requires internal reporting of violations. It must be acknowledged annually by all staff and is enforced through disciplinary action for any breaches, in line with HR policies and the Central Bank of Bahrain's guidelines.

NON-DISCRIMINATION

Al Baraka Islamic Bank is committed to fostering a respectful, inclusive, and equitable workplace for all employees. The Bank emphasizes fair treatment, dignity, and care for employee well-being, with a strong stance against any words or actions that may offend personal beliefs or compromise individual dignity. While not explicitly labeled as a “non-discrimination” policy, these principles are embedded in the Bank’s approach to employee relations and ethics. The Bank promotes a harassment-free environment and encourages employees to report any inappropriate or unethical behavior, reinforcing a culture of accountability, equality, and mutual respect across the organization.

CHILD LABOR

Al Baraka Islamic Bank maintains a strict policy against child labor, fully complying with Bahraini labor laws by requiring all employees to be at least 18 years old at the time of employment. This policy reflects the Bank’s commitment to ethical labor practices and the protection of fundamental human rights, ensuring that underage individuals are not engaged in any form of employment within the organization.

EMPLOYEE RECRUITMENT & TRAINING

As part of its broader ESG commitment, Al Baraka Islamic Bank places a strong emphasis on building a skilled, ethical, and inclusive workforce through strategic recruitment and continuous learning. Al Baraka Islamic Bank adheres to transparent and merit-based hiring practices, prioritizing Bahraini nationals in support of national employment goals, while ensuring diversity and fairness in candidate selection. Clear guidelines and policies are in place to eliminate bias, prevent conflicts of interest, and uphold integrity throughout the recruitment process.

Beyond hiring, Al Baraka Islamic Bank is deeply committed to the professional growth and development of its employees. Comprehensive training programs-delivered both locally and internationally-are designed to enhance technical competencies, leadership capabilities, and alignment with the Bank’s ethical and Sharia-compliant principles. These programs cater to employees at all levels and are tailored to meet both current operational needs and future strategic objectives. By investing in talent and creating opportunities for personal and professional advancement, Al Baraka Islamic Bank cultivates a work environment that promotes long-term employee engagement, operational excellence, and sustainable growth.

Average hours of training per employee:

3 HOURS

Average hours of training per male employee:

3 HOURS

Average hours of training per female employee:

2 HOURS

NATIONALIZATION

Al Baraka Islamic Bank is fully aligned with the Kingdom of Bahrain's Bahrainization policy and takes pride in maintaining a predominantly Bahraini workforce across our operations. We are deeply committed to empowering local talent through strategic investments in training, skills development, and long-term career progression. Currently, we employ 150 Bahraini nationals, representing 94.34% of our workforce in the region. This approach not only fosters individual professional growth but also contributes to the broader advancement of Bahrain's national economy. By nurturing local capabilities and leadership, we are helping to build a resilient, future-ready workforce that supports the sustainable development of the financial sector.

Nationalization

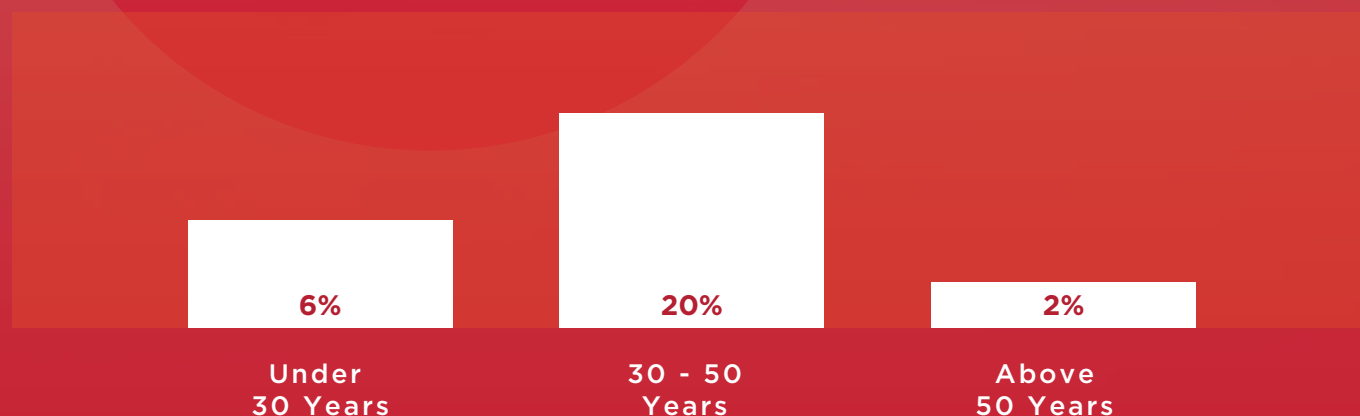
- Bahraini Employees: 150
- Non-Bahraini Employees: 9



EMPLOYEE TURNOVER

At Al Baraka Islamic Bank, we take pride in our strong employee retention, which reflects our commitment to cultivating a supportive, inclusive, and engaging workplace. By offering meaningful professional development opportunities and implementing employee-centric policies, we have maintained a turnover rate of 28%. Departed the organization, 19% of male employees and 9% of female employees departed, relative to their respective gender populations. The age distribution of departures closely mirrors the overall workforce composition: 6% were under 30 years, 20% were between 30 and 50 years, and 2% were over 50 years old. These figures underscore our focus on building a stable, diverse, and resilient team that drives long-term success.

Employee Turnover By Age



EMPLOYEE SAFETY & WELL-BEING

Al Baraka Islamic Bank is committed to ensuring the safety and well-being of all employees in the workplace. The Bank takes all necessary measures to protect employees from work-related hazards and illnesses. The responsibility for implementing these measures lies with the Head of Security and General Services.

KEY MEASURES INCLUDE:

- Clearly displaying warnings about workplace hazards and safety precautions in visible areas, along with instructions to be followed.
- Prohibiting smoking in all work areas, except for designated and clearly marked smoking zones.
- Providing employee training on the proper use of safety equipment and protective gear supplied by the Bank.
- Ensuring the availability of fire extinguishers and preparing emergency exits for use during crises.
- Maintaining cleanliness in all work areas and ensuring disinfectants are readily available.
- Providing access to clean drinking water and washing facilities.
- Ensuring that sufficient and hygienic restroom facilities are available to staff.

These measures are part of the Bank's broader commitment to a healthy, safe, and compliant work

Lost Time due to Injury:

ZERO

Facilities:

ZERO

EMPLOYEE BENEFITS

At Al Baraka Islamic Bank, we are committed to supporting the holistic well-being of our employees by offering a comprehensive and competitive benefits package. These benefits are designed to promote financial security, work-life balance, and professional development, while aligning with the Bank's values and regulatory standards.

Annual
Leave

Parental
Leave

Bonus

Employee
Savings Plan

Medical
Insurance

End of Service
Benefits

Life
Insurance

Financial
Compensation

SUSTAINABILITY & SOCIAL RESPONSIBILITY

Al Baraka Islamic Bank places strong emphasis on Social and Societal Responsibility (SSR), ensuring that its operations are fully aligned with established SSR principles. This commitment is deeply valued by our customers and plays a key role in the lasting trust and loyalty they have towards our institution. The total amount invested by the Bank in 2024 in Corporate and Social Responsibility Initiatives totaled BHD102K.

Guided by our commitment to the United Nations Sustainable Development Goals (SDGs), we actively engage in initiatives that promote education, environmental awareness, youth empowerment,



AL BARAKA DAY - GIVING BACK GLOBALLY

Each year, Al Baraka Islamic Bank participates in the Annual Al Baraka Day, a Group-wide initiative dedicated to community service. In 2024, Baraka Day focused on SDG 4: Quality Education. Employees from the Bank and the Group hosted 40 orphans from two local charities for a day of learning and fun, including a science-themed entertainment show. The initiative also led to the establishment of two dedicated children's libraries in kindergartens, further reinforcing our belief in education as a catalyst for change.

EMPOWERING YOUTH THROUGH INJAZ BAHRAIN

Our long-standing partnership with INJAZ Bahrain, a member of Junior Achievement Worldwide, continues to support youth development. Through this collaboration, Al Baraka Islamic Bank staff volunteer their time and expertise at youth camps and workshops, helping students from primary school to university build skills in leadership, entrepreneurship, and career readiness. We also sponsor INJAZ events and provide venues to ensure the success of these impactful programs.

BRINGING JOY TO CHILDREN IN HOSPITALS

As part of our community outreach efforts, Al Baraka Islamic Bank organizes an annual Eid visit to the pediatric wards of the Salmaniya Medical Complex. Staff members distribute gifts and spend time with young patients, sharing in the joy of the holiday season and reinforcing our commitment to supporting the healthcare sector and local families.

ENVIRONMENTAL ADVOCACY AND CLIMATE ACTION

We proudly support the Supreme Council for Environment by sponsoring key events that raise awareness around climate change and environmental issues. By providing venues and promoting stakeholder engagement, we contribute to national dialogue and action on sustainability challenges.

SUSTAINABLE CARD INITIATIVE UNDER THE BANK'S ESG COMMITMENT

As part of our ongoing commitment to environmental stewardship and social inclusion, the Bank is proud to announce the upcoming launch of an ESG-aligned Sustainable Card Program aimed at reducing plastic waste and promoting accessibility. Under this initiative:

- We have finalized the deployment of a 100% Recycled Plastic Debit Card for our Retail banking customers. This effort is expected to significantly reduce plastic consumption across our operations. In conjunction with this, we are also introducing an inclusive "Notch Card" design tailored to the needs of our visually impaired debit cardholders, enabling easy identification and independent card usage.
- For our credit card customers, we are launching a 90% Recycled Plastic Credit Card, along with the Notch Card accessibility feature for our visually impaired credit cardholders. This version maintains durability while furthering our plastic waste reduction goals.

This dual-purpose initiative (targeting both plastic waste minimization and universal design principles) reflects our holistic ESG strategy. By integrating circular economy principles into our core product offerings, we are reducing our environmental footprint while ensuring that financial tools remain accessible and inclusive for all segments of society.

This program represents a significant milestone in our broader waste management agenda, which seeks to align our operations with national sustainability goals and global environmental best practices.

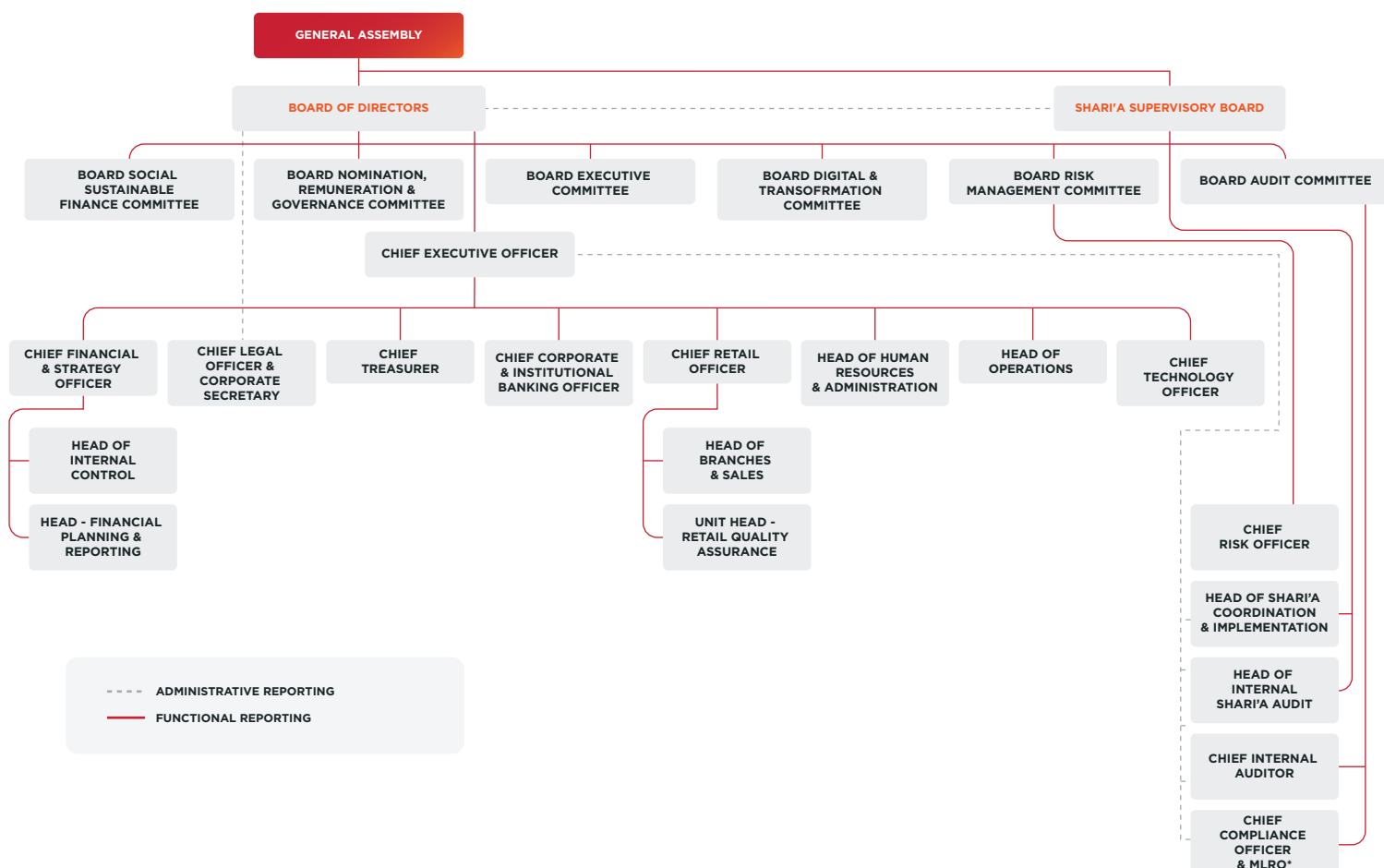


**OUR ETHICAL
GOVERNANCE**

OUR ETHICAL GOVERNANCE

At Al Baraka Islamic Bank, ethical governance is the cornerstone of our commitment to responsible banking. We uphold the highest standards of integrity, transparency, and accountability across all levels of our operations. Guided by our Sharia-compliant principles, our governance framework ensures that decision-making processes align with ethical values, stakeholder interests, and long-term sustainability goals. Through robust policies, regulatory compliance, and a strong culture of accountability, we strive to foster trust, mitigate risks, and create lasting value for our stakeholders and the communities we serve.

| Board Members | Board Diversity | Board Independence Ratio | Data Breaches |
|---------------|-----------------|--------------------------|---------------|
| 9 | 11% | 44% | 0 |

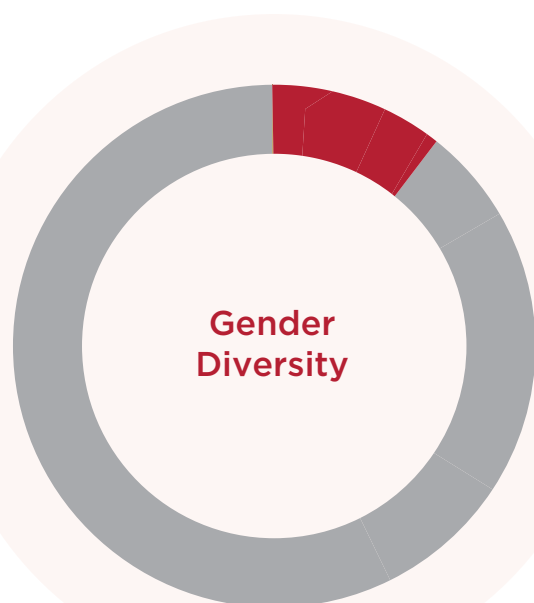


BOARD COMPOSITION

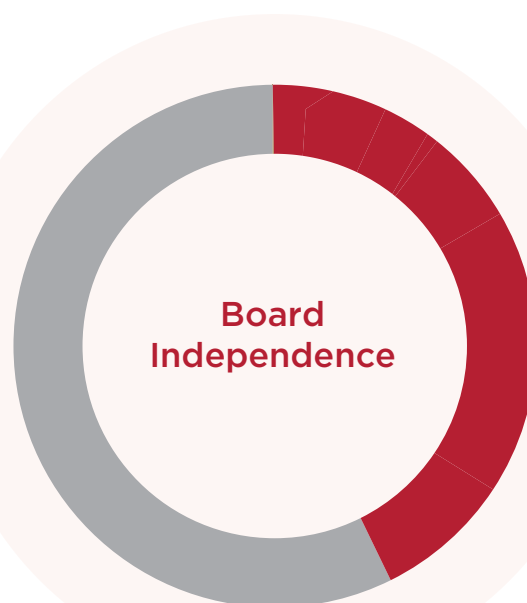
The Board of Directors of Al Baraka Islamic Bank plays a pivotal role in shaping the Bank's strategic direction and ensuring sound governance. It is responsible for setting overarching policies, overseeing effective risk management, and upholding regulatory compliance. The Board also ensures that the Bank's operations are aligned with its long-term vision and the interests of its stakeholders, reinforcing its commitment to ethical and sustainable banking.

| MEMBER | POSITION | CATEGORY |
|-----------------------|---------------|---------------|
| Sabah Almoayyed | Chairperson | Independent |
| Akram Yaseen | Vice Chairman | Independent |
| Housseem Ben Haj Amor | Member | Executive |
| Dr. Khalid Ateeq | Member | Non-Executive |
| Abdulrahman Al Sayed | Member | Independent |
| Adnan Al Bassam | Member | Independent |
| Masood Al Bastaki | Member | Non-Executive |
| Abdulla Edham | Member | Non-Executive |
| Abdulmalek Mezher | Member | Executive |

BOARD DIVERSITY & INDEPENDENCE



Gender
Diversity



Board
Independence

■ Male: 89%
■ Female: 11%

■ Independent: 44%
■ Non-Independent: 56%

BOARD RESPONSIBILITIES

Al Baraka Islamic Bank's Board of Directors are responsible for upholding the highest standards of ethical conduct and legal compliance, in line with the Commercial Companies Law, the CBB Rulebook, and other relevant regulations. They oversee the Bank's strategic direction, risk management, and ensures alignment with stakeholder interests.

To fulfill its fiduciary duties, the Board must maintain a composition of independent and non-executive members with appropriate financial, business, and governance expertise. It may delegate responsibilities to specialized committees—such as Audit, Risk Management, Nomination, Remuneration & Governance, and Executive Committees—without diminishing its overall accountability

The Board is tasked with ensuring a sound balance between financial performance and responsible risk-taking. It must approve incentive policies with shareholder input, oversee remuneration systems independently from management, and support a strong internal audit function, including regular reviews of internal controls.

BOARD COMMITTEE

| BOARD COMMITTEE | MANDATE | MEMBER |
|---|--|--|
| SOCIAL SUSTAINABLE FINANCE COMMITTEE | <p>Advises and assists the Board of Directors in adopting Social Sustainable Finance strategies that balance financial growth with social and environmental responsibility.</p> <hr/> <p>Supports the integration of sustainability into the Group's financial decision-making processes.</p> <hr/> <p>Oversees the implementation of guidelines and measures related to sustainable development, as issued by the Central Bank of Bahrain under the SDG Module.</p> <hr/> <p>Ensures that social and environmental interests are preserved alongside the Group's economic objectives.</p> | <p>Masood Al Bastaki</p> <p>Dr. Khalid Ateeq</p> <p>Abdulmalek Mezher</p> |
| EXECUTIVE COMMITTEE | <p>Considers specific matters delegated by the Board and makes recommendations accordingly.</p> <hr/> <p>Takes decisions on matters where authority is specifically delegated by the Board.</p> <hr/> <p>Approves certain credit and investment proposals as authorized by the Board.</p> | <p>Dr. Khalid Ateeq</p> <p>Masood Al Bastaki</p> <p>Abdulla Edham</p> <p>Housseem Ben Haj Amor</p> |
| AUDIT COMMITTEE | <p>Monitoring and assessing the integrity of the consolidated financial statements, along with disclosures of the financial condition, results of operations, and cash flows.</p> <hr/> <p>Monitoring processes that ensure the existence of an appropriate internal control system, including compliance with legal and regulatory requirements.</p> <hr/> <p>Monitoring the activities and performance of the internal audit function.</p> | <p>Akram Yaseen</p> <p>Adnan Al Bassam</p> <p>Abdulmalek Mezher</p> |

| BOARD COMMITTEE | MANDATE | MEMBER |
|---|---|---|
| <p>RISK MANAGEMENT COMMITTEE</p> | <p>Ensures that sound risk management policies, frameworks, and practices are in place to address and manage material risks, and reports the Committee's activities to the Board of Directors.</p> <hr/> <p>Ensures that day-to-day operations are conducted within the parameters defined by the business strategy, risk strategy, and risk appetite; any breaches of the risk appetite trigger immediate action at the appropriate management level.</p> <hr/> <p>Ensures that Executive Management understands and accepts its responsibility for identifying, assessing, and managing risk.</p> <hr/> <p>Periodically reviews and monitors risk mitigation processes and reports to the Board of Directors on:</p> <ul style="list-style-type: none"> • The magnitude of all material business risks. • The adequacy of processes, procedures, and controls to manage those risks. • The overall effectiveness of the risk management process. | <p>Sabah Almoayyed</p> <p>Akram Yaseen</p> <p>Abdulrahman Al Sayed</p> <p>Adnan Al Bassam</p> |
| <p>NOMINATION, REMUNERATION & GOVERNANCE COMMITTEE</p> | <p>Evaluating the performance of the Board of Directors and individual Directors.</p> <hr/> <p>Overseeing succession planning for the Board and Executive Management.</p> <hr/> <p>Approving, monitoring, and reviewing the remuneration system to ensure it functions as intended.</p> <hr/> <p>Recommending Board member remuneration based on attendance and performance, in accordance with the Commercial Companies Law No. (21) of 2001 and Article (188).</p> <hr/> <p>Advising the Board and monitoring the implementation of a robust governance framework in collaboration with Executive Management and the Sharia Supervisory Board.</p> | <p>Abdulrahman Al Sayed</p> <p>Sabah Almoayyed</p> <p>Abdulla Edham</p> |

| BOARD COMMITTEE | MANDATE | MEMBER |
|--|--|--|
| <p>DIGITAL & TRANSFORMATION COMMITTEE</p> | <p>Oversees the end-to-end digital delivery of the Group's products and services.</p> <hr/> <p>Receives regular reporting on the Group's digital ecosystem.</p> <hr/> <p>Provides oversight of the Group's IT function, including IT strategy, enterprise architecture, and alignment with business objectives.</p> <hr/> <p>Monitors system stability, information security, and related IT operations.</p> <hr/> <p>As of December 11, 2024, the Board of Directors reassigns the duties and responsibilities of the Digitalization Committee to the Board Executive Committee and dissolves the Digitalization Committee to streamline governance and reduce costs.</p> | <p>Sabah Almoayyed</p> <p>Abdulla Edham</p> <p>Abdulmalek Mezher</p> |



OUR COMPLIANCE POLICIES

CONFLICT OF INTEREST



Directors, officers, and employees of Al Baraka Islamic Bank are expected to act in ways that support the Bank's financial success, uphold its reputation, and strengthen client relationships. To maintain objectivity and integrity, they must avoid situations that could create actual or perceived conflicts between personal interests and the Bank's interests. Conflicts of interest can arise when personal gain interferes with professional duties or compromises decision-making. Individuals are required to proactively disclose any potential conflicts and take reasonable steps to prevent them. Examples include holding a second job, engaging with competitors, misusing confidential information or Bank resources, having inappropriate financial dealings, or being involved in decisions that could benefit themselves or close relations.

WHISTLEBLOWING POLICY



Al Baraka Islamic Bank is committed to maintaining a transparent and ethical workplace built on the principles of integrity, accountability, and trust. To support this, the Board has approved a comprehensive whistleblowing policy that empowers employees at all levels to report concerns related to legal or financial misconduct, including violations of the Bank's Code of Conduct or Code of Ethics. The policy outlines clear procedures for raising such concerns with designated officials, ensuring that appropriate remedial actions are taken. Al Baraka Islamic Bank guarantees that all reports made in good faith are treated confidentially and that employees are protected from any form of retaliation. Concerns or complaints can be submitted directly, either in person, via telephone, or by email, to the Chief Internal Auditor or the Chief Executive Officer.

ANTI-MONEY LAUNDERING & ANTI-TERRORISM FINANCING POLICY



Al Baraka Islamic Bank has established robust policies and procedures to prevent money laundering and the financing of terrorism. These include comprehensive guidelines for customer identification, account activity monitoring, and the reporting of suspicious transactions. The Compliance Department has strengthened verification measures, particularly for non-face-to-face account openings, to prevent illegal use. The Money Laundering Reporting Officer (MLRO) oversees daily compliance with anti-money laundering (AML) and counter-terrorist financing (CTF) regulations. Additionally, the Human Resources and Administration Department conducts annual training to ensure employees are well-informed on AML and CTF practices. The Bank is committed to adhering not only to the regulatory requirements of each jurisdiction it operates in, but also to applying higher internal standards where applicable, provided they do not conflict with local regulations.

GRIEVANCE POLICY



Al Baraka Islamic Bank upholds the principles of fairness, transparency, and accountability through a well-defined grievance mechanism available to all employees. This system allows staff to formally raise concerns or appeal decisions they believe are unjust, without fear of retaliation. Grievances are first submitted to immediate supervisors and are reviewed objectively within a specific timeframe, typically within two weeks. If the grievance concerns the direct supervisor, employees have the right to escalate it to a higher authority. The Bank ensures that all grievances are handled confidentially and in accordance with its internal policies and labor laws. This process not only supports ethical governance and employee wellbeing, but also reinforces a culture of trust, respect, and continuous improvement across the organization.

COLLECTIVE BARGAINING



Al Baraka Islamic Bank does not engage in collective bargaining, as employee relations and workplace policies are managed through direct communication and internal engagement frameworks.

COMPLIANCE



Compliance at Al Baraka Islamic Bank is a shared responsibility across all levels and functions. The Bank has established a comprehensive compliance governance structure supported by a clearly defined organizational framework.

The Board of Directors holds ultimate responsibility for overseeing compliance risk and policy approval. It ensures compliance is a recurring topic on the Board's agenda and that relevant policies are reviewed every two years. The Audit Committee supports the Board by approving the compliance framework, ensuring independence of the compliance function, and overseeing the resolution of any identified breaches without interference or conflict of interest. Senior Management is tasked with operationalizing the compliance framework and embedding it throughout the organization.

The Compliance Function supports the Bank by identifying relevant laws and regulations, assessing compliance risk, monitoring controls, and coordinating self-assessments and remediation plans with various departments. Meanwhile, the Internal Audit Function operates independently, providing assurance on the effectiveness of compliance and control environments.

AL BARAKA ISLAMIC BANK FOLLOWS THE THREE LINES OF DEFENSE MODEL:

First Line of Defense:

Business units and departments are responsible for managing compliance risks within their operations, ensuring proper controls and addressing deficiencies.

Second Line of Defense:

The Compliance function oversees and monitors the effectiveness of controls, supports risk management practices, and ensures the framework is implemented consistently.

Third Line of Defense:

The Internal Audit function provides independent assurance to the Board and senior management on the effectiveness of governance, compliance, and internal controls.

| | 1 LINE OF DEFENSE | 2 LINE OF DEFENSE | 3 LINE OF DEFENSE |
|----------------|--|---|---|
| | BUISNESS UNITS | COMPLIANCE | INTERNAL AUDIT |
| KEY ACTIVITIES | Management of risk within assigned limits of risk exposure and are responsible and accountable for identifying, assessing and controlling the risks of their business. | Compliance function in close relationship with the business units, ensures that risks in the business units have been appropriately identified and managed. The Compliance functions work closely to help define strategy, implement bank policies and procedures and collect information to create a bank wide view of compliance risks. | The internal Audit function that independently assess the effectiveness of the controls over the processes created in the first and second lines of defense and provides assurance on these processes. The responsibility for internal control does not transfer from one line of defense to the next line. |
| OUTCOME | Satisfactory Control of Compliance Risk | Design & Monitor of Compliance Risk | Assurance & Oversight through System & Process Audits |

INFORMATION SECURITY & DATA PROTECTION

Al Baraka Islamic Bank recognizes information as a strategic asset and has developed a comprehensive Information Security Policy Framework aligned with international standards such as ISO 27001:2013, NIST Cybersecurity Framework, and the Central Bank of Bahrain's (CBB) Operational Risk Management Guidelines (OM 5.5). These policies aim to safeguard the confidentiality, integrity, and availability of information assets and ensure resilience across operations.

KEY OBJECTIVES

- Protect customer and organizational data from internal and external threats.
- Ensure legal and regulatory compliance in information security practices.
- Enable proactive risk management and business continuity planning.
- Promote a culture of cybersecurity awareness across all stakeholders.

POLICY HIGHLIGHTS

- **Information and Cybersecurity Policy**
Establishes protection principles for all data systems, emphasizes confidentiality, integrity, and availability, and mandates board-level oversight.
- **Awareness and Training**
Mandatory cybersecurity training and phishing simulations for all employees and vendors, with role-specific modules for key teams.
- **Data Loss Prevention (DLP)**
Controls for securing data at rest, in motion, and in use; strict removable media policies; and monitoring mechanisms for sensitive data flows.
- **Access Management**
Enforces least privilege access, two-factor authentication, and strict control over data center and remote access, including vendor access.
- **Asset Classification and Control**
Information is categorized (public, internal, confidential) and handled according to defined security controls and labeling procedures.
- **Remote Working Policy**
Secure VPN access, endpoint protection, and clear desk/screen policies to protect information accessed remotely.
- **Supplier Security**
Defines information security obligations in vendor contracts, risk assessments prior to outsourcing, and regular SLA reviews.
- **Incident and Risk Management**
Annual risk assessments, real-time incident reporting, and clearly defined risk acceptance protocols are implemented to reduce exposure.
- **Disaster Recovery**
Annual testing of DR plans, alternate processing sites, and backup mechanisms to ensure business continuity.
- **Audit and Compliance**
Internal audits are conducted periodically to ensure adherence to security policies, with oversight by the Chief Information Security Officer (CISO).

GOVERNANCE AND ACCOUNTABILITY

Al Baraka Islamic Bank's Board and executive management are actively involved in reviewing cybersecurity performance, with compliance monitored through KPI's, KRI's, and internal audits. Security is treated not just as a control function but as a shared responsibility and strategic enabler across the Bank.

PERSONAL DATA PROTECTION FRAMEWORK

Al Baraka Islamic Bank has developed a robust Personal Data Protection Framework in line with the Bahrain Personal Data Protection Law (PDPL) and aligned with the EU General Data Protection Regulation (GDPR). This framework ensures that personal data of employees, customers, and third parties is processed lawfully, transparently, and securely.

Key Objectives and Scope

The framework aims to:

- Protect personal and sensitive data from unauthorized access or misuse.
- Define clear roles and responsibilities for data controllers, processors, and the Data Protection Guardian (DPG).
- Apply to all departments, systems, and vendors handling personal data within Al Baraka Islamic Bank.

Governance and Roles

- Board and Executive Management: Oversee compliance and appoint the Data Protection Guardian.
- Data Protection Guardian: Ensures implementation of the framework, handles data subject requests, monitors risks, and reports to authorities.
- Data Controllers: Implement safeguards, perform Data Protection Impact Assessments (DPIA), and maintain data accuracy.

Core Policies

- Lawful Processing: All data processing must have a valid legal basis, such as consent, contract, legal obligation, or legitimate interest.
- Data Subject Rights: Individuals have the right to access, rectify, erase, object to processing, and withdraw consent. Al Baraka Islamic Bank has a defined process to respond to these requests.
- Data Transfers: Strict protocols govern data sharing with third parties and cross-border transfers, including compliance with Bahrain PDPA's whitelist or obtaining prior authorization.
- Data Security: Technical and organizational measures (encryption, access controls, VAPT, etc.) are enforced to protect data integrity and confidentiality.
- Retention and Disposal: Personal data is retained only as long as necessary and securely deleted thereafter.
- Training and Awareness: Regular training is conducted to build awareness among employees on data protection practices.

Incident and Breach Management

Al Baraka Islamic Bank maintains a detailed process for identifying, reporting, and addressing data breaches. The Data Protection Guardian ensures timely notifications to the Bahrain PDPA and impacted data subjects where required.

Compliance Monitoring

Internal audits, DPIAs (Data Protection Impact Assessment), and departmental reviews are regularly conducted to ensure adherence to the framework. All processing activities are documented in a Record of Processing Activities (RPA) maintained by the DPG.

VENDOR MANAGEMENT

Vendor management is a critical aspect of the Al Baraka Islamic Bank administration process. It involves the establishment of guidelines for selecting new vendors, as well as procedures for renewing and termination of contracts. Effective vendor management ensures that the Al Baraka Islamic Bank collaborates with reliable partners and maintains optimal performance throughout the duration of the contracts.

CBB INDEX

| Pillar | KPIs | Page No. |
|--|--|----------------|
| E.1: Environmental Oversight Unit: Statement /Description | <ol style="list-style-type: none"> 1. A statement on how the company addresses its environmental impact (e.g., explain whether senior management and/or the board address sustainability issues in meetings or have dedicated committees to do so.) 2. A statement of purpose and approach of the board/management towards sustainability matters. <ol style="list-style-type: none"> 3.1 A description of the following (where applicable): Policies 3.2 A description of the following (where applicable): Commitments 3.3 A description of the following (where applicable): Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 A description of the following (where applicable): Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.) 3.5 A description of the following (where applicable): Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes. | Page 13 |
| E.2: Energy Consumption Unit: megawatt hours (MWh) or gigajoules (GJ) or multiples | <ol style="list-style-type: none"> 1. Report total energy consumed and breakdown by type; 1.1 Indirect energy consumed in the form of electricity, heating, cooling (i.e., total of energy purchases) 1. Report total energy consumed and breakdown by type; 1.2 Direct energy consumed, classified by renewable and non-renewable sources. 2. State the standards, techniques, assumptions, and/or calculation tools utilised. | Page 21 |
| E.3: Energy Intensity Unit: gigawatt-hours (GWh) per million BHD/USD or multiples | <ol style="list-style-type: none"> 1. Report total energy consumed during the year divided by the selected scaling factor (e.g., sales, revenue etc.). 2. State the standards, techniques, assumptions, and/or calculation tools utilised. | Page 21 |
| E.4: Energy Mix Unit: Percentage (%) | <ol style="list-style-type: none"> 1. Report the percentage of energy used by source, as part of total energy consumption. 2. Report the percentage of renewable and non-renewable energy used, as part of total energy consumption. | Page 21 |
| E.5: Green House Gas (GHG) Emissions Unit: metric tons of CO2 or equivalent | <ol style="list-style-type: none"> 1. Report total absolute emissions by scope; <ol style="list-style-type: none"> 1. Total amount, in CO2 equivalents, for Scope 1 1. Report total absolute emissions by scope; <ol style="list-style-type: none"> 2. Total amount, in CO2 equivalents, for Scope 2 1. Report total absolute emissions by scope; <ol style="list-style-type: none"> 3. Total amount, in CO2 equivalents, for Scope 3 (if applicable). 2. State the standards, techniques, assumptions, and/or calculation tools utilised. <p>Note: GHG emissions should be calculated in line with the GHG Protocol4 methodology to allow for aggregation and comparability across</p> | Page 19 |

| Pillar | KPIs | Page No. |
|---|---|----------------|
| E.6: Emission Intensity Unit: metric tons of CO2 or multiples per unit of scaling factor | 1. Report total annual GHG emission during the year divided by the selected scaling factor. | Page 20 |
| | 2. State the standards, techniques, assumptions, and/or calculation tools utilised. | |
| E.7: Climate Risk Mitigation Unit: Statement / Description and monetary value in BHD/USD | 1. Describe how your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks). | Page 13 |
| | 2. Report the amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation). | |
| E.8: Water Usage Unit: cubic meters (m ³) or equivalent | 1. Report the total annual amount of water consumed by the organisation. | Page 21 |
| | 2. Report the total annual amount of water withdrawn by the organisation. | |
| | 3. Report the total annual amount of water recycled/reclaimed by the organisation. Note: Companies should refer to CDP term definitions of water withdrawal, consumption and recycling. | |
| E.9: Waste Generation Unit: Statement /Description and weight in metric tons or equivalent. | 1. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste (hazardous and non-hazardous). | Page 22 |
| | 2. Description of the company's waste disposal method(s). | |
| | 2.1 Description of the company's sustainable waste management practices (such as recycling initiatives and waste reduction strategies). | |
| | 3. State the standards, techniques, assumptions, and/or calculation tools utilised. | |
| E.10: Emission Targets Unit: Statement/Description | 1. A statement on how the company addresses its total emission. | Page 19 |
| | 2. A statement of the board/management approach towards its total emissions, including whether it is subject to any country, regional, or industry-level emissions regulations and policies. | |
| | 3. A description of the following (where applicable): 3.1 Policies | |
| | 3. A description of the following (where applicable): 3.2 Commitments | |
| | 3. A description of the following (where applicable): 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) | |
| | 3. A description of the following (where applicable): 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer; Board committees etc.) | |
| | 3. A description of the following (where applicable): 3.5 Specific actions, such as processes, projects, programs, initiatives, and frequency at which the board is informed about emission targets and process. | |

| Pillar | KPIs | Page No. |
|---|---|-------------------|
| S.1: Total Workforce by sex, age-group, and employment type Unit: Amount and Percentage (%) | 1. Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: 1.1 By sex, as percentage of the total workforce | Page 24-25 |
| | 1. Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: 1.2 By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old), as a percentage of the total workforce. | |
| | 1. Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: 1.3 By employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce. | |
| S.2: Child and Forced Labour Unit: Statement/Description | 1. A statement on how the organisation addresses prohibition of child and or/forced labour. | Page 26 |
| | 2. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies. | |
| | 3. A description of the following (where applicable): 3.1 Policies | |
| | 3. A description of the following (where applicable): 3.2 Commitments | |
| | 3. A description of the following (where applicable): 3.3 Goals and targets | |
| | 3. A description of the following (where applicable): 3.4 Responsibilities 3. A description of the following (where applicable): 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about any issues concerning child and or/forced labour relating to the company. | |
| S.3: Employee Turnover Unit: Amount and Percentage (%) | 1. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, as per the below categories: 1.1 By sex | Page 28 |
| | 1. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, as per the below categories: 1.2 By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old). | |
| S.4: Gender Pay Ratio Unit: Ratio | 1. Report the median total compensation for women compared to the median total compensation for men (as a ratio). | Page 25 |
| S.5: Health and Safety Unit: Amount and Description | 1. Report on the total number of injuries and fatalities occurred in each of the past three years including the reporting year. | Page 29 |
| | 2. Report lost days due to work injury in each of the past three years including the reporting year. | |
| | 3. A description of occupational health and safety measures adopted, and how they are implemented and monitored. | |
| S.6: Non-Discrimination | 1. A statement on how the organisation addresses harassment and discrimination matters. | Page 26 |
| | 2. A statement of the board/management approach, including whether it is subject to any country, regional, or industry-level regulations and policies. | |

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| S.7: Nationalisation Unit: Amount and Statement/Description | 1.A statement of the board/management approach to increase nationalisation, including whether it is subject to any country regulations and policies. | Page 27 |
| | 2.Report the number and percentage of national employees, as part of the total workforce. *Note: Applicable to Bahrain only. | |
| S.8: Community Investment Unit: Description and Percentage (%) | 1.Report the amount invested in the community as a percentage of company revenues. | Page 30-31 |
| | 2.Provide a description of the scope and impact of its community investment initiatives. | |
| S.9: Human rights Unit: Statement /Description | 1. A statement on how the organisation addresses human rights. | Page 25 |
| | 2. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies. | |
| | 3. A description of the following (where applicable): 3.1 Policies | |
| | 3. A description of the following (where applicable):3.2 Commitments | |
| | 3. A description of the following (where applicable): 3.3 Goals and targets | |
| | 3. A description of the following (where applicable): 3.4 Responsibilities | |
| S.10: Management Composition/ Diversity Unit: Percentage (%) | 1. Report percentage of male to female metrics, as per the below categories: 1.1 Entry-level | Page 25 |
| | 1. Report percentage of male to female metrics, as per the below categories: 1.2 Mid-level | |
| | 1. Report percentage of male to female metrics, as per the below categories: 1.3 Senior/Executive level positions | |
| S.II: Development and Training Unit: Percentage (%) | 1. Report average hours of training, as per the below categories: 1.2 By Employee category (Full-time, part-time, internship etc.) | Page 26 |
| | 1. Report average hours of training, as per the below categories: 1.1 By Sex | |
| G.I: Board Composition Unit: Statement/ | 1. Report board size | Page 33-35 |
| | 2. Report female board directors by number and percentage of the Board size. | |
| | 3. Report composition of the board and its committees by: 3.1 Executive or non-executive. | |
| | 3. Report composition of the board and its committees by: 3.2 Independence. | |
| | 3. Report composition of the board and its committees by: 3.3 Tenure. | |
| | 3. Report composition of the board and its committees by: 3.4 Representation (appointed or elected) | |
| | 3. Report composition of the board and its committees by: 3.5 Details of non-compliance with regulations, as well as a description of the corrective actions taken. | |

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| G.2: Collective Bargaining Unit: Description and amount | 1. Report total enterprise headcount covered by collective bargaining agreements (Unions) (if applicable). | Page 41 |
| | 2. Provide a description of the process by which employees negotiate their contracts with the organisation to determine their terms of employment (e.g., compensation, benefits, hours, leave, occupational health and safety standards, initiatives to balance work and family etc.) Note: Companies should refer to International Labour Organisation (ILO) Convention 1545 term definition of 'Collective Bargaining'. | |
| G.3: Whistleblowing Unit: Statement / Description | 1. Provide a description of internal and external mechanisms for seeking advice and reporting concerns on organisational integrity. | Page 40 |
| | 2. Provide a description on awareness initiatives conducted by the organisation. | |
| G.4: Data privacy Unit: Statement / Description | 1. Provide a description of the company's Data Privacy policy. | Page 43 |
| | 2. Provide a statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules. | |
| G.5: Disclosure Practices Unit: Statement / Description | 1. Report if the company provides its sustainability data to sustainability supporting organisations such as the Global Reporting Initiative (GRI) Secretariat, United Nations (UN), CDP etc. | Page 4 |
| | 2. Report if the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress. | |
| | 3. State whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures. | |
| G.6: Conflict of interest Unit: Statement / Description | 1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1.1 Cross-board membership | Page 40 |
| | 1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to 1.2 Cross-shareholding with suppliers and other stakeholders | |
| | 1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to 1.3 Existence of controlling shareholders | |
| | 1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to 1.4 Related parties, their relationships, nature, transactions, and outstanding balances. | |
| G.7: Supplier Code of Conduct Unit: Statement / Description and Percentage (%) | 1. Provide a description of the company's Supplier Code of Conduct. | Page 45 |
| | 2. Report the percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism. Note: A Supplier Code of Conduct refers to a set of principles and standards that outline the company's expectations for responsible business practices by its supplier. | |

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| G.8: Incentivised Pay Unit: Statement / Description | 1. Report if executives are formally incentivised to perform on sustainability. . | Page 17 |
| | 2. Report the percentage of executive compensation tied to ESG performance metrics | |
| | 3. Provide a description of other links between executive performance and sustainability performance (if any). | |
| G.9: Ethics & Anticorruption Unit: Statement / Description and | 1. Report if your company follows an Ethics and/or Anti-Corruption policy. | Page 40 |
| | 1.1 If you have an Anti-corruption policy, report the percentage of the workforce that has formally certified its compliance with the policy (provide description of certification and process). | |
| | 2. Provide a statement of the company's commitment towards its ethics and/or anti-Conuption policy/position. | |
| G.10: Assurance Unit: Statement / Description | 1. Provide a description of the process by which sustainability disclosures are assured or validated. 1.1 Report if the company's sustainability disclosures are assured or validated by an independent third party. | Page 4 |

