



MOVING TOGETHER TOWARDS  
**SUSTAINABILITY**





**HH Sheikh**  
**Mishal Al-Ahmad Al-Jaber Al-Sabah**  
Crown Prince of the State of Kuwait



**HH Sheikh**  
**Nawaf Al-Ahmad Al-Jaber Al-Sabah**  
Amir of the State of Kuwait

# Foreword

## Introduction

This report is Gulf Bank's first published sustainability report and covers the year 2020. It represents the baseline for Gulf Bank's sustainability performance and it outlines the resulting impacts, risks, and opportunities of our business activities with respect to Environmental, Social and Governance (ESG) criteria. The report context covers our corresponding management approach and measures and describes our key sustainability initiatives and activities carried out during the reporting period. Furthermore, we have referenced our contribution and alignment to international and national sustainability frameworks and enablers throughout our report, specifically our commitment to the Women Empowerment Principles (WEPs), as Gulf Bank is one of the first WEPs signatory banks in Kuwait.

The purpose of Gulf Bank's baseline sustainability report is to provide a consolidated view of how Gulf Bank has contributed to sustainability development in the financial sector and its plans to further progress its sustainability performance in the future. Gulf Bank's sustainability report is addressed to all our valued stakeholders and complements our annual report, in which more details on our corporate business strategy, financial performance, risk management approach, and governance disclosures can be found.

## Report Scope

Gulf Bank's sustainability report highlights and discusses our sustainability performance and impact regarding the identified material ESG issues and opportunities that concern our stakeholders the most.

The reporting scope covers our business operations within Kuwait.

Throughout this report, any mention of "the Bank", "our" or "we" refers to the Gulf Bank establishment.

## Reporting Period

This is Gulf Bank's first sustainability report and is for the year 2020. It covers the non-financial performance of the period from January 1, 2020 to December 31, 2020 unless stated otherwise.

## Global Reporting Initiative (GRI) Compliance

This report has been prepared in accordance with the Global Reporting Initiative (GRI) standards: Core Option. This involves considering Gulf Bank's operational activities, impacts, and the substantive expectations and interests of its key internal and external stakeholders. The GRI Content Index can be found on pages (128-135) of this report, with all GRI disclosures and statements referenced in accordance with their respective reported pages.


## Acknowledgement

Gulf Bank's sustainability report was developed with the support and supervision of RSM Kuwait's Sustainability Consulting team.

## Queries and Contact

As our valued stakeholders, your opinion matters to us and we welcome your feedback on this report and on any aspect of our sustainability performance. Please contact us via any of the following communication channels:

 Sustainability@gulfbank.com.kw

 gulf\_bank

 Gulf Bank

# TABLE OF CONTENTS

i. An Overview of Gulf Bank History and Business Operations	8
Strategic Directions	11
ii. Chairman's Statement	13
<b>1. Establishing Our Sustainability Baseline</b>	<b>19</b>
1.1 Highlights	20
1.2 ESG Inclusion at Gulf Bank	22
1.3 Assessing Our Material Issues	22
1.4 Our Contribution to International and National Frameworks	30
<b>2. Disclosing Our Governance</b>	<b>37</b>
2.1 Governance and Oversight	38
2.2 Business Conduct and Compliance	49
<b>3. Exhibiting Our Marketplace Excellence</b>	<b>57</b>
3.1 Tailored Products and Services	58
3.2 Customer Experience	70
3.3 Privacy and Security	72
3.4 Economic Impact	73
3.5 Investor Relations	75
3.6 Responsible Procurement	77
3.7 Stakeholders' Health and Safety in the Marketplace	78

**4. Acknowledging Our Workplace 84**

4.1 Diversified Workplace 84

4.2 Empowering Women 87

4.3 Talent Development and Retention 90

4.4 Performance Management 93

4.5 Employee Engagement 95

4.6 Digital Transformation at the Workplace 98

4.7 Stakeholders' Health and Safety at the Workplace 99

**5. Impacting Our Local Community 107**

5.1 Community Wellness 110

5.2 Youth Empowerment Initiatives 112

5.3 Social Events and Interactions 113

5.4 Social Engagement 114

**6. Reporting on Our Environmental Performance 119**

6.1 Carbon Emissions 120

6.2 Resources Management 122

**7. Annex 127**

7.1 Global Reporting Initiative (GRI) Content Index 128

7.2 Training Courses 136

7.3 Information and Cyber Security Policy Manual Areas 141

# An Overview of **GULF BANK**

## History and Business Operations

2020 marks a special occasion for Gulf Bank, as we celebrated 60 years since the Bank was established and since we first embarked on our commitment and dedication to our customers and various stakeholders. Over the past 60 years, Gulf Bank has operated with a wide portfolio of banking services, catering for a variety of customer segments and offering innovative and up-to-date banking solutions – ranging from consumer and wholesale banking, and treasury, to financial services offered to Small and Medium-sized Enterprises (SMEs), all through our large network of over 50 branches and digital platforms.

Our 60 years together coincided with the COVID-19 pandemic bearing witness to our resilience and robust operations, effective leadership competencies and strategic approach in decision-making. Most importantly, the crisis has reflected our long-term created value to our stakeholders and highlighted our stakeholders' loyalty and sustained relationship with us. A snapshot of our history is illustrated as follows.

On November 23, 1960, Gulf Bank was established when The Amir of Kuwait signed Amiri Decree No. (44) recognizing Gulf Bank as a shareholding company

After its founding, Gulf Bank commenced business operations in a rented flat on Fahad Al-Salem Street in the heart of Kuwait City with a total of 50 employees and a capital of 24 million Rupees, equivalent to KD 1.8 million

In 1961, Gulf Bank obtained permission to start building its Head Office, and the Bank hired architect Jean-Robert Delb, who was awarded the Deuxième Prix de Rome in 1957

In 1984, Gulf Bank was listed in Kuwait stock exchange

As of December 31, 2020, Gulf Bank is one of the leading conventional banks in Kuwait with over KD 6 billion in total assets



Gulf Bank operations are located in Kuwait, with 1,823 employees delivering services across 52 branches (5 branches for special needs customers), and 300+ Automated Teller Machines (ATMs) and 7 Interactive Teller Machine (ITMs). Our headquarters are in Kuwait City.

Our business model caters for diversified customer segments, and is built on 3 main services: Corporate Banking, Consumer Banking and Treasury and Investment.

### BUSINESS MODEL

CORPORATE  
BANKING

CONSUMER  
BANKING

TREASURY AND  
INVESTMENT

The Bank 2020 operating income reached KD 158 million, with an operating profit of KD 94 million, and net income of KD 29 million. This level of profitability enabled us to distribute a 5 fils cash dividend to our shareholders, a 50% payout ratio.

### GULF BANK K.S.C.P. "MAJOR SHAREHOLDERS AS OF 31/12/2020"

32.75%  
Alghanim Trading Co.

5.47%  
Behbehani Investment Co.

5.08%  
Public Institution for  
Social Security

56.67%  
Other Shareholders

### Strategic Directions

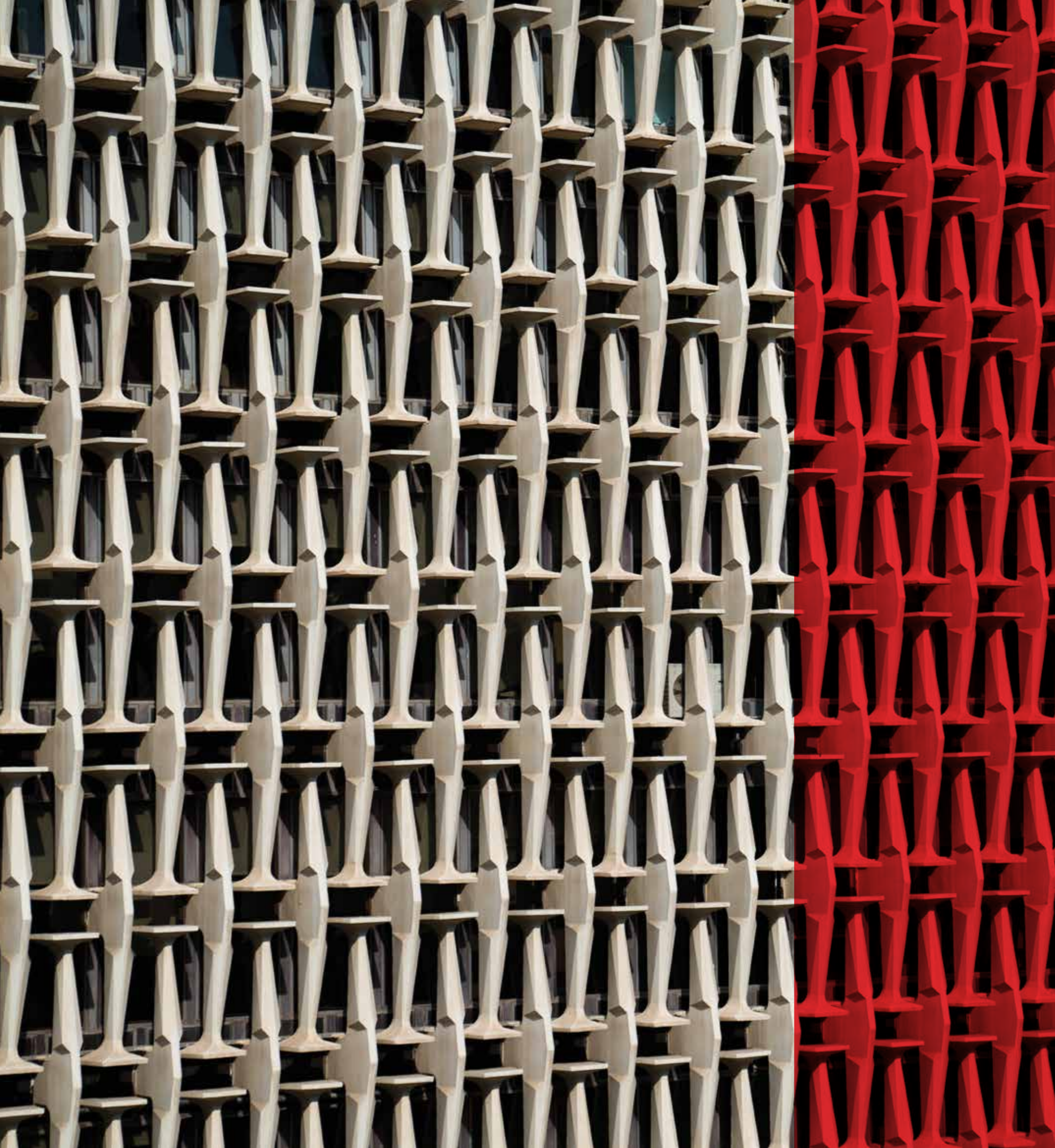
Gulf Bank's strategy for 2025 is to be the leading Kuwaiti Bank of the future by providing customers with simple and innovative services in order to enable sustainable growth.

The focus of Strategy 2025 is on:

- Promoting growth in the corporate banking segment by increasing product offerings and focusing on Small and Medium-sized Enterprises;
- Increasing the Bank's market share in the consumer banking sector, and targeting youth, women and affluent client segments; and
- Developing the Bank's digital banking platforms to increase competitiveness in the banking industry

To ensure the success of this strategy, Gulf Bank has set the foundation to foster a performance driven culture, introduce new technology solutions and adopt world-class risk management practices. This is facilitated through new Core Values of being 'Ambitious' in providing the best solutions, engaging our 'People' to provide customer excellence and to serve the community, by individually taking 'Ownership' to stand up to our challenges and by removing unnecessary complexities to make our banking enjoyable with 'Simple', efficient and elegant solutions.





---

## **CHAIRMAN'S** STATEMENT



# CHAIRMAN'S STATEMENT



**Jassim Mustafa Boodai**

Chairman

**Dear Stakeholders,**

On behalf of Gulf Bank and the Board of Directors, I am pleased to present Gulf Bank's very first sustainability report for the year 2020—titled: "Moving Together Towards Sustainability."

The year 2020 marks a special occasion for Gulf Bank, as it represents 60 years of operations, where we have managed to adapt and evolve both commercially and sustainably, over the course of time. We are proud of our long history that reflects our commitment to our local community. Throughout the years, we are proud to have made an impact from a societal and economic perspective, where we have created employment and businesses opportunities, built innovative financial services and much more.

As we celebrate our anniversary, we are also starting to embrace sustainability as a means of catering to our range of valued stakeholders now and into the future, in which our first act is to publicly disclose and share our sustainable growth and achieved performance.

At Gulf Bank, we are strategically aiming to address sustainability issues that matter the most to our stakeholders and the marketplace trends, with an ambition to promote a culture in which sustainability / ESG issues are transparently discussed, handled and acted upon responsibly. The scope of sustainability, with regards to this report, covers the 4 sustainability dimensions of Workplace, Marketplace, Community, and Environment, as well as the 3 elements of ESG, namely Environment, Society, and Governance.

We believe that integrating sustainability / ESG considerations into our practices and activities, will enable Gulf Bank to further strengthen our customer's experience, offer us resilience to the everchanging marketplace conditions and demands and position us among financial institutions towards driving and impacting the sustainability / ESG development agenda.

**Establishing a Sustainability Baseline**

This is the Bank's first sustainability report of this nature, marking it as our baseline to continuously assess and report our sustainability performance. Our report has been built on a foundation of a number of sustainability-related frameworks through alignment and relevant disclosure—namely Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs), and Kuwait Boursa sustainability disclosures. In line with GRI practice, we have furthermore conducted a materiality assessment to look at what is significant to our stakeholders, and accordingly ensure adequate disclosure depending on the significance.

**Disclosing Our Governance**

This sustainability report outlines various governance aspects at Gulf Bank, in which we recognize the importance of disclosing the Bank's directions of robust governance and our approach in controlling and managing risks and maintaining our valued stakeholders' confidence and rights.

At Gulf Bank we have established various standards of governance practices that aim at ensuring the principles of accountability, ethical and corporate responsibility. The structure of our corporate governance entails unique agility and ensures oversight of the Bank's higher management and key persons on financial and non-financial issues. Additionally, the Bank's governance practices allow our business operations to be conducted in a responsible and ethical manner, that serves the best interests of our customers, shareholders, employees, and other respected stakeholders.

In our first sustainability report we have disclosed details on Gulf Bank's governance practices including the Board of Directors, compliance with regulations, our risk management approach and business continuity plan, adopted policies, among several others.

**Exhibiting Our Marketplace Excellence**

Our customer interactions and our overall marketplace-related performance are key areas to focus on in ensuring sustainable growth, whether financially or non-financially. This is why we have products and services tailored to our customers, and keep track of and enhance our customer experience and satisfaction. In support of our marketplace activities, we ensure privacy and security, sustainable financing, positive relations with our investors, responsible procurement practices, and health and safety to our stakeholders. Note that our stakeholders' health and safety has especially been a focus point in 2020 as we directed our attention to overcoming the COVID-19 challenges together.

**Acknowledging Our Workplace**

Our employees are a crucial stakeholder group. We continuously invest our efforts to positively engage with and manage our workforce sustainably. Therefore, in our report, we acknowledge a number of workplace aspects that include, among others, diversity, women empowerment, training, retention, performance management, engagement, related technology use, and, of course, occupational health and safety.

**Impacting Our Local Community**

The Community is one of the 4 sustainability dimensions and the "S" in ESG—signifying its value in demonstrating a comprehensive picture of our sustainability performance. In 2020, our impacts on our community were in the form of community wellness initiatives, youth empowerment initiatives, and social engagement, as well as other social events and interactions.

---

### Reporting on Our Environmental Performance

Gulf Bank reports its environmental performance in line with Environment being the “E” in ESG, and one of the 4 sustainability dimensions. Our environmental impacts come mainly from our management of energy, water, resources and waste. We also use greenhouse gas (GHG) emissions as indicators of our carbon footprint, broken down into different GHG emission scopes.

### Closing Remarks

On behalf of Gulf Bank and the Board of Directors, we would like to express our gratitude to HH the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, and HH the Crown Prince, Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, for their wise leadership and vision. I would also like to thank our range of internal and external stakeholders for their loyalty over the years.

Gulf Bank is proud to be celebrating its 60th Anniversary in 2020 with the initiation of our first baseline sustainability report and we are looking forward to continuing on this global reporting trend now and into the future.

**Jassim Mustafa Boodai**  
Chairman



---

**Establishing**  
Our Sustainability  
Baseline

## 1.1 Highlights

### MARKETPLACE



Active users of Mobile App banking



Active users of Online banking



Number of data loss / leakage incidents



Procurement expenditures

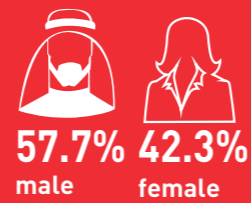


Across different locations in Kuwait to serve customers



That cater our diverse range of customers

### WORKPLACE



Gender diversity in workplace



Kuwaitization in workplace



Kuwaitization in management



Females in managerial positions



Employee turnover



Employees awarded at Gulf Bank Heroes event

### COMMUNITY



Sawa'ed Al Khaleej Program



Special needs employees



Fresh graduates recruitment



Internship



Contributed to CBK's Coronavirus Fund

### ENVIRONMENT



Paper savings through ATM paperless initiative



Paper consumption reduction



Greenhouse Gas (GHG) Emissions – scope I



Greenhouse Gas (GHG) Emissions – scope II



Water consumption reduction

## 1.2 ESG Inclusion at Gulf Bank

Gulf Bank's first sustainability report is considered a standpoint of the Bank's performance progression in sustainability and ESG related topics and criteria. Such holistic practice will further transparently communicate and address all Gulf Bank's stakeholders' concerns relating to social, environmental and economic areas.

We believe that the adoption of such dynamic and strategic practice will aid Gulf Bank to further advance in integrating sustainability within the daily practices and operations both at a corporate level and business scale – within the upcoming 60 years and beyond. Having an inclusive ESG integration will provide Gulf Bank with accountability and assurance for its provided services and products that ultimately strengthens our influential reputation and brand image in the competitive market, on a local and international scale.

Gulf Bank has established strategic plans as part of our Strategy 2025 development with key sustainability issues and concerns raised as part of the inclusivity. At Gulf Bank our vision is to strengthen our commitment to sustainability through integrating the 4 sustainability dimensions: the workplace, community, marketplace and the environment - and through embedding ESG criteria within our business operations, where we aim to:

- Develop credit policies for sustainable financing to encourage sustainable business practices and promote green banking and responsible investments
- Adopt international best practices in assessing and managing environmental and social risks (i.e. IFC Performance Standards, Equator Principles, etc.)
- Reduce Gulf Bank's operational carbon footprint by adopting the principles of "Reduce, Reuse and Recycle"
- Encourage "green" businesses through preferential procurement policy (e.g. buying from suppliers who use recycled materials)
- Engage with the community to educate and promote sustainability via our Corporate Social Responsibility (CSR) initiatives

## 1.3 Assessing Our Material Issues

This report is the first published sustainability report for Gulf Bank. From this starting point, we aim to look ahead to the next 60 years' journey and beyond as we seek excellence in our non-financial performance and as we drive an influential and impactful role in the marketplace and its development in ESG-related issues.

Therefore, establishing a clear identification of our sustainability material issues is imperative and sets the foundation to further advance in such practices.

Gulf Bank's approach towards the identification of sustainability material issues was carried out by implementing the following steps:

- Identifying Gulf Bank's main internal stakeholders who will be involved in the entire approach
- Engaging with Gulf Bank's main internal stakeholders to identify key material issues and related concerns to sustainability and ESG criteria within each stakeholder's area of work, Gulf Bank's operations and to identify the concerns raised by external stakeholders
- Assessing the identified key material issues by conducting materiality analysis workshops to rate the material topics according to their impact and importance to Gulf Bank internal stakeholders and the Bank's operations - within the context of the 4 sustainability dimensions: the workplace, marketplace, community and the environment
- Conducting a benchmarking analysis with best practices in the banking sector against Gulf Banks's identified material topics
- Developing the materiality matrix that plots the results of the rated material topics as per Gulf Bank's internal stakeholders and the conducted benchmarking analysis

Further details on Gulf Bank's approach towards establishing our sustainability baseline, for the reporting year 2020, are presented in the following sections.

### 1.3.1 Stakeholders' Engagement and Analysis

Gulf Bank is committed to having effective engagement with our valuable stakeholders, as we believe it is key to our business success, performance progress, sound decision-making and towards meeting evolving marketplace demands. In 2020, the emphasis on engaging with the Bank's stakeholders was heightened as a result of the COVID-19 pandemic.

In 2020, we were keen to ensure that all our stakeholders were promptly informed and updated regarding any changes or pressing issues concerning the Bank's operations or the safety of our stakeholders. The COVID-19 restrictions have demonstrated Gulf Bank's resilience and readiness against the pandemic, in terms of having a proactive response to unprecedented events and maintaining open communication with stakeholders - especially during the nationwide lockdown and the imposed curfews.

Our stakeholder engagement remained solid, where we made sure that each individual stakeholder could access the Bank's provided services in a safe manner. All our employees were equipped with the necessary digital tools and access that allowed them to promptly respond to any inquiries raised by either our customers, suppliers, or investors – and that their concerns were addressed in a timely manner.

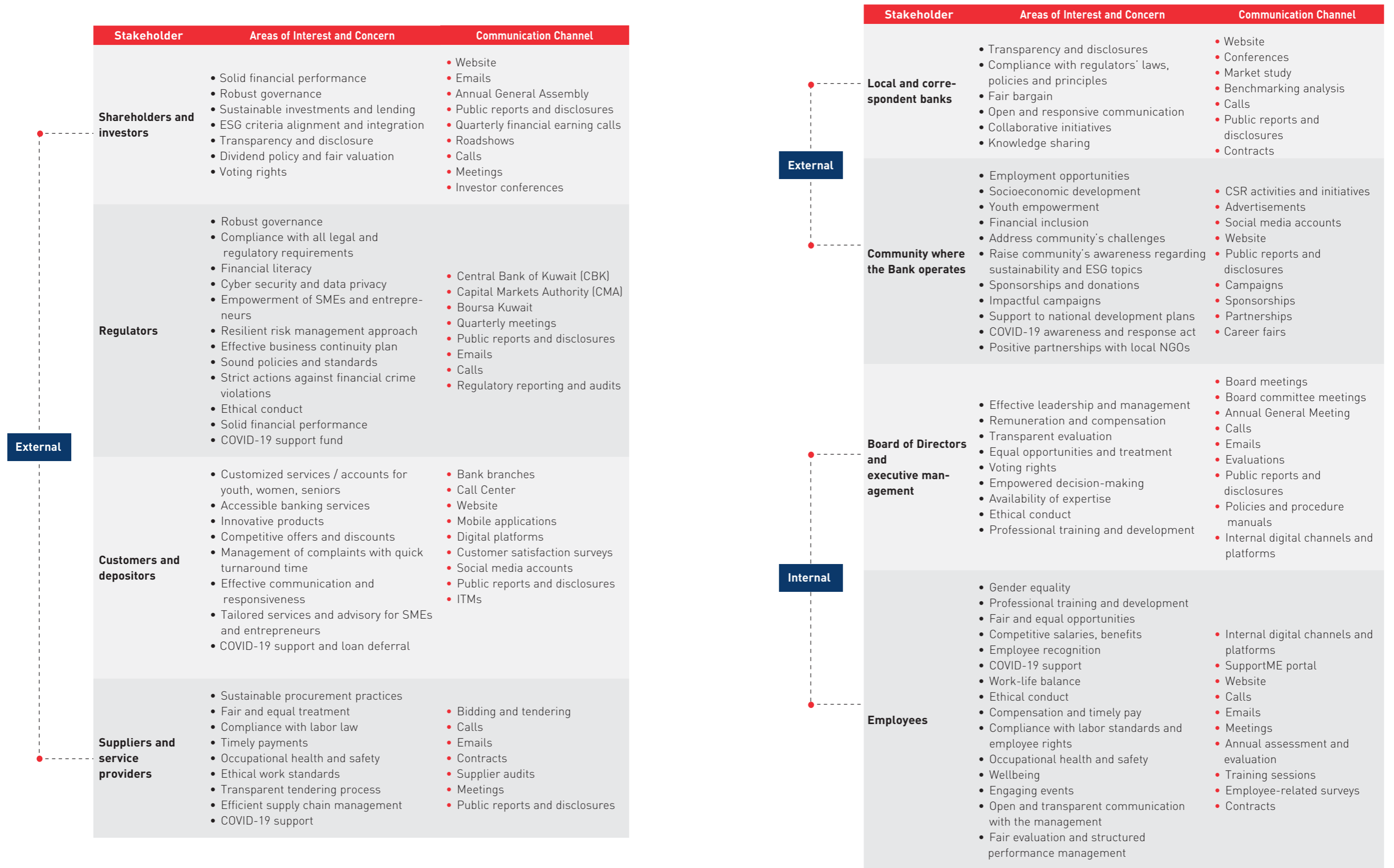
Gulf Bank defines its stakeholders as "a party that has an interest in Gulf Bank and can either affect or be affected by the business" – and they include:

- Shareholders and investors
- Regulators
- Customers and depositors
- Suppliers and service providers
- Local and correspondent banks
- Community where the Bank operates
- Board of Directors and executive management
- Employees

For Gulf Bank to better understand and meet the expectations of our stakeholders, we must first identify their needs and interests and map them to the relevant concerned Bank operations, through providing efficient and accessible communication channels. This takes into account that the interests of Gulf Bank's stakeholders range from topics covering economic issues to others related to governance aspects, or environmental and social concerns. Furthermore, the frequency of our correspondence varies from one stakeholder to another, whereas the Bank's communication channels are tailored per each stakeholder group characteristics.

**Figure 1.3.1** provides more details regarding Gulf Bank's stakeholders' interests and the engagement channels offered for each stakeholder – categorized by internal and external stakeholders.

Figure 1.3.1: Gulf Bank Stakeholders' Engagement and Interests



### 1.3.2 Materiality Matrix

Following the identification of our main stakeholders is the identification and assessment of the most significant sustainability material topics that impact Gulf Bank’s operations and concern our stakeholders, while making an effective contribution to sustainability and ESG criteria. By implementing such a strategic approach, Gulf Bank will be able to focus on what matters the most for the business performance and stakeholders, and ultimately benchmark the progress and target achievements to the identified sustainability material topics.

With this in mind, Gulf Bank has conducted a comprehensive materiality assessment approach that is in accordance with standards set out in the GRI framework. Our materiality assessment approach for the first reporting year, 2020, consisted of the following steps:

- Identify Gulf Bank’s main internal stakeholders to be involved in the materiality assessment process. The identified stakeholders should cover the Bank’s main operational areas and functions, have extensive and comprehensive knowledge of Gulf Bank, play a key role in their function and must exhibit responsive action and transparent communication through the whole process
- Form a project steering committee that consists of the identified internal stakeholders of the project, the project manager and the acting focal point responsible for all communications and project execution
- Conduct business understanding meetings with the project steering committee to identify the most significant issues raised or practices implemented by Gulf Bank in 2020 that have an impact on sustainability in areas concerning the marketplace, community, workplace and the environment
- Conduct a materiality assessment workshop for the steering committee to rate the identified key sustainability material topics, through completing the prepared “Materiality Assessment Survey”
- Conduct a benchmarking analysis against the identified material topics with the best practices of the banking sector
- Analyze and consolidate the survey and benchmarking results and plot them into the materiality matrix
- Share the materiality matrix final results with Gulf Bank’s steering committee as part of Gulf Bank’s sustainability management approach

The final identified material topics for Gulf Bank’s first sustainability report are listed in **Figure 1.3.2a**. For 2020, Gulf Bank identified 21 material topics that provide a holistic representation of the Bank’s non-financial performance and impact all 4 sustainability dimensions, namely the marketplace, workplace, community and environment, and that are in line with ESG criteria.

**Figure 1.3.2a: Gulf Bank’s Identified Material Topics**

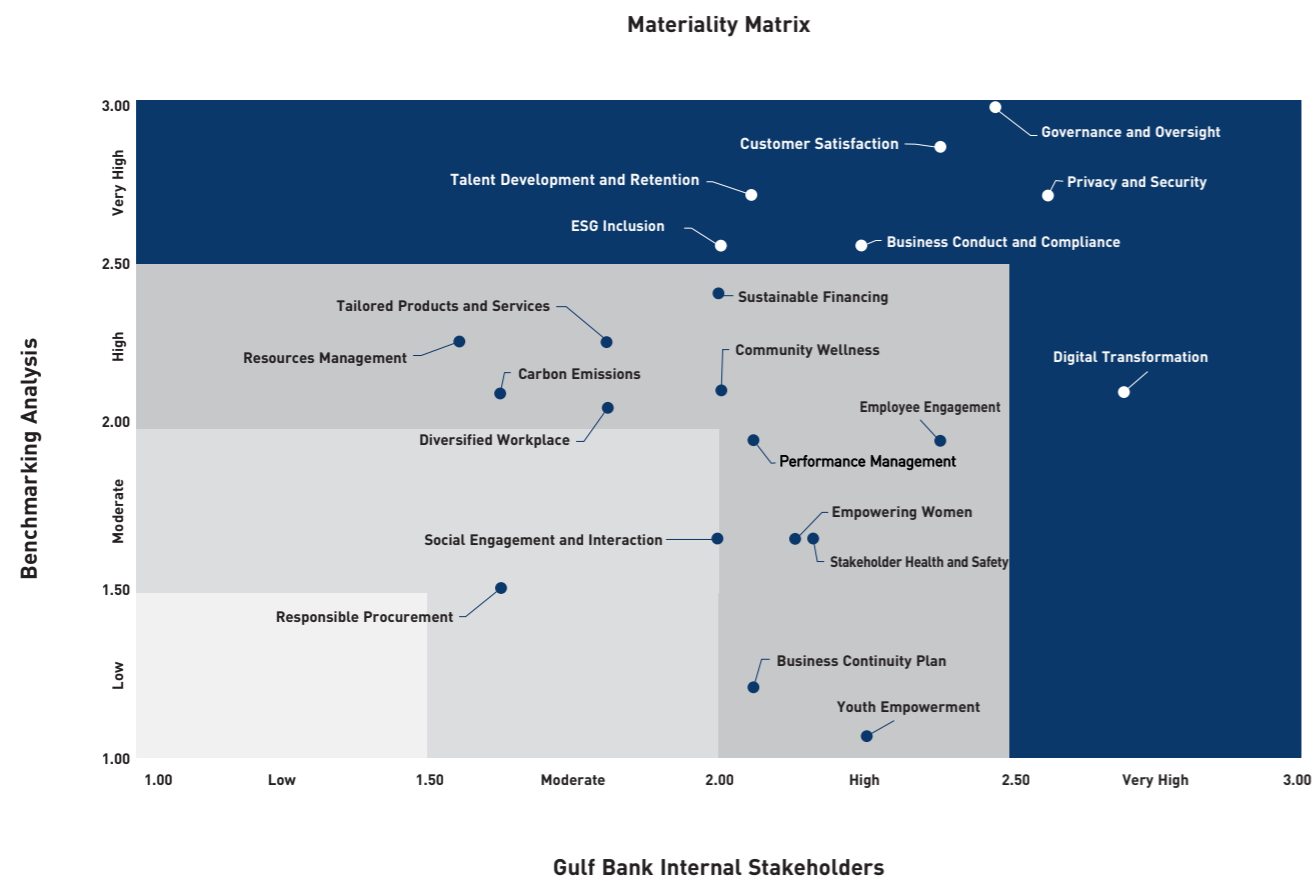
Material Topic
1. Digital Transformation
2. Governance and Oversight
3. Business Conduct and Compliance
4. Diversified Workplace
5. Empowering Women
6. Stakeholder Health and Safety
7. Employee Engagement
8. Talent Development and Retention
9. Performance Management
10. Carbon Emissions
11. Resources Management
12. Responsible Procurement
13. Youth Empowerment
14. Community Wellness
15. Social Engagement and Interaction
16. Business Continuity Plan
17. Sustainable Financing
18. Privacy and Security
19. Customer Satisfaction
20. Tailored Products and Services
21. ESG Inclusion

The material topics were then aligned with international and national sustainability frameworks and enablers, as mentioned later on in section 1.4. Please note that Gulf Bank's material topics represent the core content of this report.

Regarding the conducted benchmarking analysis, Gulf Bank's identified material topics were benchmarked against high ESG-performing best practices of the banking sector, all of which have been rated with high ESG ratings and been actively reporting their sustainability performance. The benchmarks were selected from 2 international, 2 regional and 1 local banks.

The end results of Gulf Bank's materiality assessments, the Materiality Matrix are presented in **Figure 1.3.2b**. Gulf Bank's Materiality Matrix indicates the relative positioning of our 21 material topics, in terms of their significance and impact for the Bank's project's steering committee and against the selected benchmarks.

**Figure 1.3.2b: Materiality Matrix**



**MATERIAL TOPIC**

- Digital Transformation
- Governance and Oversight
- Business Conduct and Compliance
- Diversified Workplace
- Empowering Women
- Stakeholder Health and Safety
- Employee Engagement
- Talent Development and Retention
- Performance Management
- Carbon Emissions
- Resources Management
- Responsible Procurement
- Youth Empowerment
- Community Wellness
- Social Engagement and Interaction
- Business Continuity Plan
- Sustainable Financing
- Privacy and Security
- Customer Satisfaction
- Tailored Products and Services
- ESG Inclusion



**RATING**

Very high
Very high
Very high
High
High
High
High
Very high
High
High
High
Moderate
High
High
Moderate
High
High
Very high
Very high
High
Very high



## 1.4 Our Contribution to International and National Frameworks

Gulf Bank is committed to having a significant role and contribution in the marketplace by exhibiting exceptional services and products, and operational performance progression that ultimately have an impact towards international and national goals for respected sustainability frameworks and enablers. We believe that our performance should extend beyond finance and should emphasize our non-financial performance and contribution to the 4 sustainability dimensions and our integration of ESG criteria within our daily practices and initiatives.

The following sections provide further details on Gulf Bank's contribution and alignment to international and national frameworks and enablers, including:

- Women's Empowerment Principles (WEPs)



- United Nations Sustainable Development Goals (SDGs)



- Kuwait National Development Plan (KNDP)



- Bursa Kuwait



### 1.4.1 Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs) is a joint initiative of the United Nations Global Compact and UN Women that was developed in 2010 to provide a holistic framework to empower women in the workplace, marketplace and community.

The 7 WEPs principles aim to strengthen the gender dimension of corporate sustainability, in terms of equality and providing equal and fair treatment, empowering women in leadership positions and through initiatives and advocacy.

Gulf Bank was one of the first Kuwaiti entities to endorse the UN's Women's Empowerment Principles (WEPs) and has been a signatory since 2019. As a WEPs signatory bank, Gulf Bank is required to take action and contribute to the 7 principles, and, moreover, to communicate the Bank's progress towards the 7 principles. The principles provide Gulf Bank with guidance on how to advance and empower Gulf Bank's female employees not only in the workplace, but also in the marketplace and local community.

### The 7 WEPs principles include:



Throughout Gulf Bank's sustainability report, we have linked each of the WEPs principles to the respected areas that we significantly contribute to and have a significant impact on.

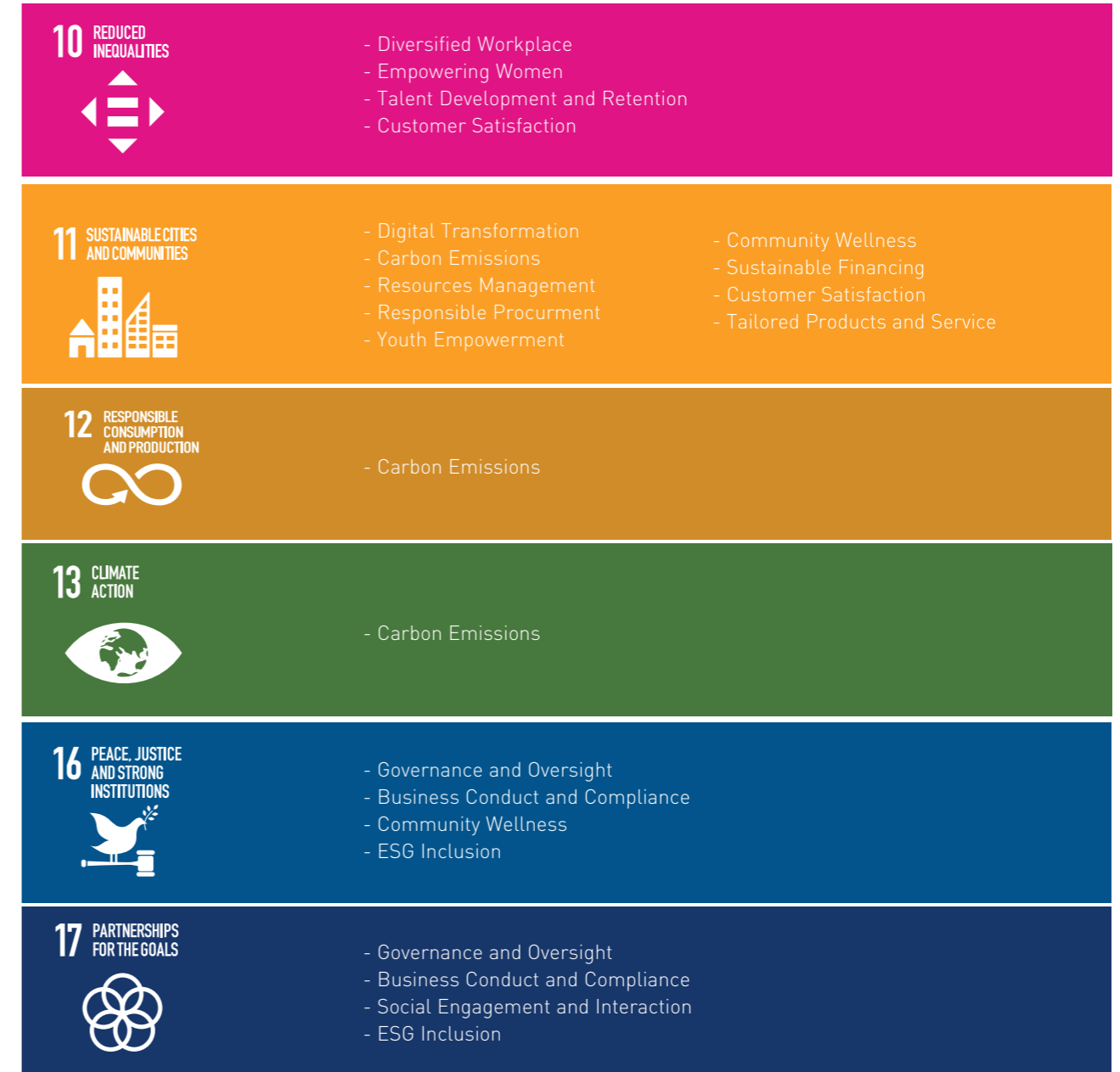
### 1.4.2 United Nations' Sustainable Development Goals (SDGs)

In 2019, Gulf Bank's corporate social responsibility initiatives were aligned to the 17 United Nations' Sustainable Development Goals (SDGs). Such action was initiated in order to highlight Gulf Bank's contribution to the SDGs and to signify the Bank's influential role in the community.

We are proud that our first sustainability report continues and advances this practice, where we have aligned and mapped our identified material topics for the year 2020 with each goal that we have an impact on or contribute to through the Bank's initiatives, products, services, actions and operations, among others.

The following **Figure 1.4.2** shows Gulf Bank's material topics mapped against SDGs-related goals, with further details provided in their respective sections .

Figure 1.4.2: Material Topics Alignment to SDG



**1.4.3 Kuwait National Development Plan (KNDP)**

The Kuwait National Development Plan (KNDP) aspires to transform the country into a financial and trade hub that is attractive to investors. Under the new plan, the private sector leads the national economy, creating competition and promoting production efficiency. The development plan aims to drive governmental institutions forward while safeguarding cultural values and protecting social identities.

At Gulf Bank, we are aware of the impact that our operations and actions have on Kuwait's Vision 2035. We continue to actively collaborate with relevant stakeholders in both the public and private sectors in order to transform Kuwait into the financial and commercial center that we aspire it to be.

It is worth noting that Gulf Bank has funded multiple projects that are within the KNDP plan. These projects include the Jaber Al Ahmad Al Jaber Al Sabah Hospital, the Opera House at Sheikh Jaber Al-Ahmad Cultural Center, the new Kuwait University construction project, and the Sheikh Jaber Causeway, among others.

In addition to our project funding, we have mapped Gulf Bank's 2020 sustainability material topics against the respected KNDP goals that we impact and contribute to. **Figure 1.4.3** shows the material topics mapping, with further details provided in the respective sections.

Figure 1.4.3: Material Topics Alignment to KNDP

Goal	Material topic
Global positioning 	<ul style="list-style-type: none"> <li>Digital Transformation</li> <li>Governance and Oversight</li> <li>Business Conduct and Compliance</li> <li>Empowering Women</li> <li>Stakeholder Health and Safety</li> <li>Employee Engagement</li> <li>Performance Management</li> <li>Youth Empowerment</li> <li>Social Engagement and Interaction</li> <li>Sustainable Financing</li> <li>Privacy and Security</li> <li>Customers' Satisfaction</li> <li>Customer Satisfaction</li> </ul>
Creative human capital 	<ul style="list-style-type: none"> <li>Governance and Oversight</li> <li>Diversified Workplace</li> <li>Empowering Women</li> <li>Employee Engagement</li> <li>Talents Development and Retention</li> <li>Talent Development and Retention</li> <li>Youth Empowerment</li> </ul>
High quality healthcare 	<ul style="list-style-type: none"> <li>Stakeholder Health and Safety</li> <li>Community Wellness</li> <li>Business Continuity Plan</li> </ul>
Sustainable living environment 	<ul style="list-style-type: none"> <li>Digital Transformation</li> <li>Carbon Emissions</li> <li>Resources Management</li> <li>Responsible Procurement</li> </ul>
Sustainable diversified economy 	<ul style="list-style-type: none"> <li>Digital Transformation</li> <li>Governance and Oversight</li> <li>Business Continuity Plan</li> <li>Sustainable Financing</li> <li>Tailored Products and Services</li> </ul>
Effective government administration 	<ul style="list-style-type: none"> <li>Governance and Oversight</li> <li>Business Conduct and Compliance</li> <li>Diversified Workplace</li> <li>Performance Management</li> <li>Youth Empowerment</li> <li>Privacy and Security</li> <li>ESG Inclusion</li> </ul>

1.4.4 Bursa Kuwait

Bursa Kuwait has aligned its long-term business directions with Kuwait's 2035 vision, as a means of reaffirming its commitment to contributing to the Kuwait National Development Plan (KNDP). Bursa Kuwait has a significant role in promoting and advancing corporate sustainability practices in capital markets and encouraging sustainable investment practices, especially to those who are listed. With this in mind, in 2017, Bursa Kuwait developed a voluntary "Sustainability Disclosure Guide" for Bursa Kuwait listed issuers - with the aim to support listed issuers reporting on their ESG performance and addressing their stakeholders' concerns and expectations.

This guide proposes an initial set of 26 sustainability indicators that are in line with the State of Kuwait's sustainable development ambitions as set out by the Kuwait Vision 2035. This guide is further aligned with the recommendations of the Sustainable Stock Exchanges Initiative (SSEI) and the World Federation of Exchanges (WFE).

Since Gulf Bank is a key contributor to ESG and is listed under the premier market at Bursa Kuwait, we have aligned our material topics with the voluntary sustainability indicators provided in Bursa Kuwait's disclosure guide, as represented in Figure 1.4.4.

Figure 1.4.4: Material Topics Alignment to Kuwait Bursa

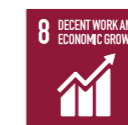
#	Material Topic	Bursa Kuwait Sustainability Indicator
1	Governance and Oversight	21. Board independence 22. Risk management committee at the board level 23. Non-audit Fees 24. Voting Results 25. Links between executive pay and performance 26. Compliance with the CMA's Corporate Governance regulatory requirements
2	Business Conduct and Compliance	19. Code of ethics 26. Compliance with the CMA's Corporate Governance regulatory requirements
3	Diversified Workplace	4. Full time employees 12. Kuwaitisation 13. Youth employment 15. Women in the workforce
4	Empowering Women	15. Women in the workforce
5	Stakeholder Health and Safety	14. Injury rate
6	Talent Development and Retention	5. Employee wages and benefits 16. Training hours per employee 17. Employee turnover
7	Performance Management	5. Employee wages and benefits 19. Code of ethics 25. Links between executive pay and performance
8	Carbon Emissions	8. Carbon emission
9	Resources Management	7. Energy use 9. Water use 10. Waste generated 11. Waste recycled
10	Responsible Procurement	3. Local procurement spending
11	Youth Empowerment	13. Youth employment 20. Community investment
12	Community Wellness	20. Community investment
13	Social Engagement and Interaction	20. Community investment
14	Business Continuity Plan	22. Risk management committee at the board level 26. Compliance with the CMA's Corporate Governance regulatory requirements
15	Privacy and Security	19. Code of ethics
16	Customer Satisfaction	26. Compliance with the CMA's Corporate Governance regulatory requirements



## Disclosing Our Governance

Throughout our 60 years, we have focused on governance as an area to ensure that the internal management of Gulf Bank runs smoothly for both internal and external concerned stakeholders, with governance further being a relevant topic in sustainability. Accordingly, we report in this section on governance and oversight aspects that include our Board of Directors, executive management, and our management of risks, including our business continuity plan. Moreover, we report on our business conduct and compliance, which encompasses our policies and ethical behavior.

**Gulf Bank's governance oversight and disclosures in 2020 contributed to the following SDGs:**



Scan the QR code for more information on Gulf Bank's published annual reports and governance practices

# Disclosing Our Governance

This chapter covers Gulf Bank's response to the following material topics:



## MATERIAL TOPIC

- 2 Governance and Oversight
- 3 Business Conduct and Compliance
- 16 Business Continuity Plan
- 21 ESG Inclusion

## 2.1 Governance and Oversight

Having a solid and sound corporate governance framework is essential in managing and monitoring a company's success and in preserving the interests and rights of both internal and external stakeholders. It sets the company's foundation by which businesses can be effectively operated and regulated, through a set of policies, procedures, ethical conducts, risk management and much more.

Gulf Bank has a well-defined corporate governance framework and structure that protects and works for the benefit of all our valued stakeholders' rights and for the reputation of the Bank. It promotes economic growth by reinforcing the trust and confidence that our stakeholders place in us, while adhering to prevailing laws and regulations issued by the Central Bank of Kuwait (CBK) and other accepted ethical standards and best practices.

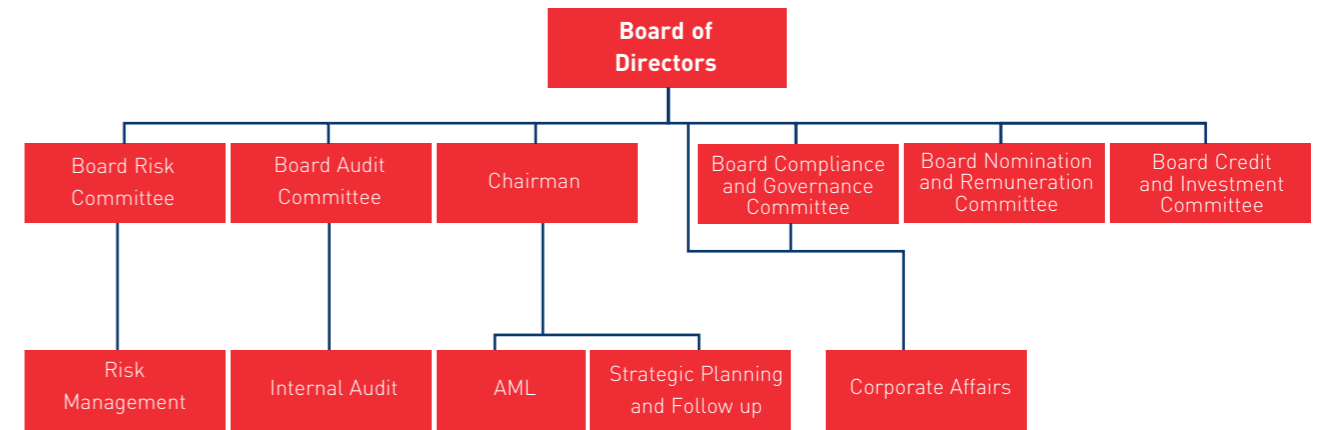
Gulf Bank's corporate governance structure sets clear boundaries and responsibilities for the operation of the Board of Directors, Board Committees, Executive Committees and the supporting Management Committees. Aligned with our strategic objectives and driven by proactive risk management policies, it stresses the engagement of the Board of Directors in monitoring the performance of the executive management and the overall activity of the Bank.

Our corporate governance framework is reviewed on a regular basis and is in line with CBK's 9 pillars for sound governance. It includes procedures for reconciling conflicts of interest, transparent disclosure practices, policies, manuals and guidelines that are aimed at being fully compliant with the 9 pillars.

Gulf Bank has also developed a "Corporate Governance Manual" that defines the Board's, executive management's and committees' respective roles and outlines a view of the Bank's policies, standards and procedures related to corporate governance. The manual also clearly defines the roles of the Chairman, Chief Executive Officer (CEO), Chief Risk Officer (CRO), General Manager, Corporate Affairs, Chief Internal Auditor (CIA) and Chief Financial Officer (CFO).

The Bank has additionally established an organization-wide governance structure, aimed at providing a clear segregation of duties and an independence of opinion and action in areas regarding Anti-Money Laundering (AML), legal, compliance, internal audit and risk management. The governance structure adheres to CBK's regulatory instructions and follows a 3-tier approach, namely: The Board level; the Board Committees' level; and the executive management level, guided through several committees – as represented in **Figure 2.1**.

Figure 2.1: Governance Organization



Additionally, Gulf Bank has 5 principles of sound corporate governance, that are embedded within our practices:

- Rights and equitable treatment of shareholders
- Interests of other stakeholders
- Role and responsibilities of the Board and executive management
- Integrity and ethical behavior
- Disclosure and transparency

### 2.1.1 Board of Directors

Gulf Bank's Board of Directors is responsible for the overall setting, overseeing and implementation of the Bank's strategic objectives, risk strategy, corporate governance and the oversight of executive management. Gulf Bank's Board of Directors is committed to adopting and adhering to sound governance practices that ensure transparent engagement with stakeholders and maintain accountability and ethical conduct – leading to a sustainable and responsible banking experience and operation.

Our Board of Directors consists of 11 members, where the percentage of independent members accounts for 18% and the term of membership to the Board of Directors is 3 years, renewable. The membership tenure of the independent members cannot exceed 2 terms, and the frequency of nominating / electing Gulf Bank's directors is once every 3 years. More details are provided in **Figure 2.1.1a**.

During 2020, there were changes in Gulf Bank's Board composition. In March 2020, Mr. Jassim Mustafa Boodai was appointed as Chairman of the Board of Directors, 3 Board members resigned and the Extraordinary General Assembly approved the increase of Gulf Bank's Board composition to be 11 members instead of 9. On October 31, 2020, the Ordinary General Assembly elected 3 complementary members and 2 independent members for the current tenure (2018 – 2020).



**Figure 2.1.1a: Gulf Bank Board of Directors**

	Name of Board member	Independence status	Gender	Attendance rate
Gulf Bank Board of Directors	Mr. Jassim Mustafa Boodai	Member	Male	100%
	Mr. Ali Morad Behbehani	Member	Male	100%
	Mr. Sayer Bader Al Sayer	Member	Male	100%
	Mr. Omar Hamad Al Essa	Member	Male	100%
	Mr. Abdullateef Abdulazeez AlSharekh**	Member	Male	100%
	Mr. Fawaz Mohammad Al Awadhi	Member	Male	100%
	Mr. Bader Nasser Al-Kharafi	Member	Male	100%
	Mr. Ali Ibrahim Abdullah**	Independent Member	Male	100%
	Mr. Ahmad Mohammad Al Bahar **	Independent Member	Male	100%
	Dr. Adnan Ahmad Shihab-Eldin**	Member	Male	100%
	Mr. Barrak Abdulmohsen AlAsfour**	Member	Male	100%

\*\* Joined the Board in November 2020

Gulf Bank's Board of Directors meets at least 6 times a year. In 2020, 8 board meetings were conducted and 26 Board Committees meetings were held to discuss and oversee key issues that concern Gulf Bank's operations and stakeholders. Such discussions and concerns were related to financial crime (i.e. AML, fraud, corruption and bribery), customers' complaints and satisfaction, operational efficiency among others.

One key topic of concern raised, discussed and overseen in 2020 was the COVID-19 pandemic and its implications and impact on Gulf Bank, the local community and stakeholders. Updates on the pandemic were raised in almost each Board meeting in 2020 and the appropriate actions were implemented.

In terms of the criteria used in nominating or selecting the highest governance bodies (i.e. Chairman, Board members), this is conducted in the General Assembly Election meetings and as determined in the CBK document on the "Rules and Regulations for the Experience Required for Members and Executives."

Moreover, the highest governance bodies at Gulf Bank undergo a comprehensive performance evaluation annually through the Board Effectiveness Assessment, which is conducted by the Board Nomination and Remuneration Committee. The evaluation is conducted in accordance with professional standards and covers a wide range of topics, and includes an assessment of the individual Board member's performance, skills and expertise at Board level, succession planning, development of the Bank's strategy, and the form and content of management information provided to the Board.

The evaluation also addresses the training requirements of the Board. In 2020, the Board received professional development training in several areas that covered various topics, including:

- Information and cyber security
- IFRS9
- Corporate governance
- Risk management

Such training requirements aim at enhancing the governance culture across the different Bank business units, and at increasing awareness campaigns and providing updates and insights on corporate governance practices that are in line with global best practices and local regulatory requirements.

Gulf Bank's Board of Directors comprises members who have a background and diverse knowledge, professional skills and wide experience in areas including insurance, finance, legal, compliance and regulatory affairs, audit, research and risk management – who can contribute to the Board through the independence of their decisions and adequate advancement for ESG topics.

Within this context, the Board of Directors have core responsibilities that they are obliged to execute and carry out, which include the following:

- Monitoring the Bank's business, financial soundness and compliance with regulatory and legal requirements
- Setting out the Bank's strategic objectives and overseeing the performance of the executive management
- Preserving the interests of shareholders, depositors, creditors, employees, and other stakeholders
- Approving the internal control framework and ensuring its proper implementation
- Ensuring that transactions with related parties are properly reviewed and vetted prior to being carried out
- Ensuring that the Bank has adequate policies and processes in place for all areas of its activity
- Disclosing reliable and timely information to shareholders with regard to the Bank's performance and forecasts
- Setting criteria for the evaluation, compensation and succession for key management roles
- Carrying out a periodic review of the corporate governance practices to ensure their effectiveness

The Chairman of the Board plays a crucial role in the proper functioning of the Board and is responsible for sustaining the mutual trust and transparent engagement among the Board members and executive management. He is considered the main ultimate owner of the corporate governance practices and is responsible for embedding the sound and robust governance culture within Gulf Bank including all its internal stakeholders. The Chairman also carries out the following responsibilities:

- Ensuring that Board decisions are made on a sound and well-informed basis
- Overseeing the implementation of the Whistle Blowing Policy and Program for the Bank
- Building a constructive relationship between the Board and executive management
- Ensuring a high level of corporate governance in the Bank
- Creating a culture during Board meetings that promotes constructive criticism in case of divergent views and encourages discussion and voting in such cases

Gulf Bank's Board has 5 standing committees that are in line with CBK's governance regulations and each has a written bylaw. These standing committees are illustrated in **Figure 2.1.1b** as follows.

**Figure 2.1.1b: Gulf Bank Standing Committees**



The Board expects that its key responsibilities and action plans are to be executed and accomplished through its relevant committees. Each committee is requested to report to the Board on a regular basis, summarizing the committee's actions and raising any significant issues. Such reporting is not required if all committee members are present at the committee meetings.

The composition of each of Gulf Bank's committees shall be no fewer than 3 members, in which each member must fulfill their role and the governance requirements that are set out in the relevant committee bylaw. Please note that a committee member may serve on more than 1 committee.

The following **Figure 2.1.1c** gives further details on Gulf Bank's 5 committees, including the chair of each Board Committee. Additionally, further details regarding each committee's significant key achievements, meeting frequency and any changes can be found in our 2020 Annual Report.

Figure 2.1.1.c: Gulf Bank Committees

Name of committee	Representative of each Board committee	Description of committee main responsibilities
<b>Board Compliance and Governance Committee</b>	Mr. Jassim Moustafa Boodai	The Board Compliance and Governance Committee (BCGC) oversees the overall structure of corporate governance in the Bank and ensures compliance with relevant CBK instructions on corporate governance. The Committee ensures that the depositors' and shareholders' interests are protected, and shareholders' obligations are met, taking into account the interest of the other stakeholders by implementing and monitoring processes to report any conflict of interest and related party transactions.
<b>Board Audit Committee</b>	Mr. Ali Ibrahim Abdullah	The Board Audit Committee has been authorized to provide oversight and reasonable assurance on the financial reporting process and highlight the accounting issues of material impact on the financial statements, the integrity and adequacy of the Bank internal control and risk management system, internal and external audit processes, effectiveness and assessment of performance, the Bank process for monitoring compliance with laws, regulations and code of conduct, and the Internal Audit function. The Board Audit Committee appraises the performance of the General Manager/Chief Internal Auditor and recommends to the Board of Directors the nomination, termination, appointment and remuneration of the external auditors. Since its effectiveness is directly linked to that of the Board of Directors, the Board Audit Committee works closely with executive management to obtain any information required to enhance the performance of the Board. The Board Audit Committee includes at least 1 financial expert.
<b>Board Risk Committee</b>	Mr. Ahmad Mohammad Al Bahar	The main duties of the Board Risk Committee (BRC) are to provide oversight of the Bank's risk management, ensure autonomy of the risk management function and enhance the effectiveness of the Board of Directors' monitoring of risk issues facing the Bank. The Committee reviews significant risk exposures and provides the Board with an update on the Bank's current and future risk strategy and appetite and oversees the executive management's implementation of the risk strategy. The Committee evaluates the risk exposure, concentration and tolerance limits and has authority to approve the aggregate transactional and trading limits for extraordinary or new risks. Furthermore, the Committee reviews, on a quarterly basis, credit risks rated 6 or worse and exposures which constitute more than 10% of the Bank's capital. In addition, the Committee can review any specific transaction or risk exposures and the impact analysis of any potential risks or changes in external environment that it deems relevant for the management of the risks facing the Bank and has authority to accept such risks or to instruct actions to be taken to mitigate and manage risks to ensure conformity to the Bank's risk appetite.

Name of committee	Representative of each Board committee	Description of committee main responsibilities
<b>Board Nomination and Remuneration Committee*</b>	Mr. Ahmad Mohammad Al Bahar	The Board Nomination and Remuneration Committee (BNRC) ensures that all components of granting financial remuneration are compliant with the framework for enhancing the effectiveness and management of the Bank's risk management. It also submits recommendations to the Board of Directors on the nomination of Board members. The Committee reviews the nominated members' skills, capabilities and qualifications in accordance with the Bank's approved policies and standards, while adhering to CBK's instructions. The Committee conducts an annual review of the Board of Directors' structure and draws up recommendations on the changes that can be made in line with the best interest of the Bank. Furthermore, this Committee ensures that the Board members are consistently informed about the latest banking updates and vet the soundness of the principles and practices upon which remuneration is granted. The Committee, with the Board Risk Committee, reviews the compensation and benefits of members of the executive management (as specified by CBK), including the principles and criteria used to assess their annual performance. This also includes an evaluation of the authority of the Board members and their leadership characteristics. In conducting its role, the BNRC annually prepares and reviews a Remuneration Grading Policy for the Board of Directors.
<b>Board Credit and Investment Committee</b>	Mr. Jassim Moustafa Boodai	The overall purpose and scope of the Board Credit and Investment Committee (BCIC) is to review, approve, reject or modify or conditionally approve credit proposals exceeding the authority delegated to the Executive Credit Committee and up to the legal lending limit of the Bank, with the exception of credit facilities extended to the Bank's Board members as per CBK guidelines. BCIC is also empowered to approve all investments or divestments above the delegated authority of lower level committees and discounts for settlements and write-offs for abandonment and discounts exceeding the authority delegated to the Executive Credit Committee. BCIC has also the authority to grant a credit delegation to the Executive Credit Committee.

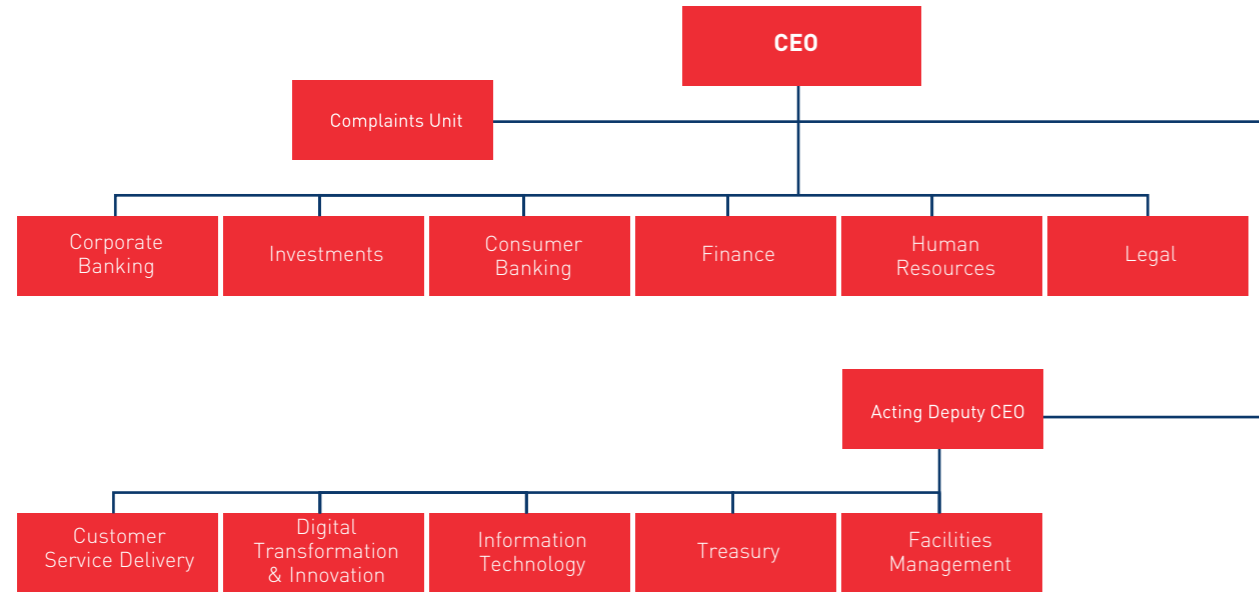
\*Keynote: Regarding the "Board Remuneration" the BNRC Committee level recommended to the Board of Directors, subject to the approval of the shareholders at the Annual General Assembly Meeting (AGM) that the total remuneration of the Board of Directors not to exceed 10% of Gulf Bank's profits. In 2020, the aforementioned accounted for KD 113,542 thousand (2019: KD 135,000).

## 2.1.2 Executive Management

Gulf Bank's executive management is appointed by the Board of Directors. The Board oversees the executive management to ensure that they are carrying out their assigned roles, working towards ensuring the fulfilment of the Bank's targets and objectives as well as the implementation of the Bank's approved policies.

The executive management team includes the CEO, his deputies, assistants, and any other key individual who may be considered valuable to the successful running of Gulf Bank operations – as illustrated in **Figure 2.1.2a**.

**Figure 2.1.2a: Gulf Bank's Executive Management Organization**



Gulf Bank's executive management team have various academic qualifications and have extensive relevant experience, with interpersonal skills that have contributed to Gulf Bank's 60-year journey of success. Each member practices adequate control over their key respective department teams and is responsible for managing risks and safeguarding the interests of the Bank, related to their workstream. Our executive management team comprises 12 members of which 16.7% are female executives [2 female executive managers] – as shown in **Figure 2.1.2b**.

**Figure 2.1.2b: Gulf Bank's Executive Management**

Name of Executive	Position / Title	Gender	Date of joining
Antoine Daher	Chief Executive Officer	Male	7 July, 2013
Kevin Smith	Chief Financial Officer	Male	12 August, 2015
Raghunandan Menon	Acting Deputy Chief Executive Officer	Male	15 May, 2016
Farhan Mahmood	Chief Risk Officer	Male	29 June, 2014
Hussam Mustafa	Chief Internal Auditor	Male	10 August, 2014
Ahmed AlDuwaisan	GM - Corporate Banking	Male	1 September, 2001
Mohammad AlQattan	GM - Consumer Banking	Male	19 August, 2014
Sami Mahfouz	GM - Treasury	Male	6 March, 2018
Mona Mansour	GM - Customer Service Delivery	Female	15 August, 2004
Salma AlHajjaj	GM - Human Resources	Female	1 February, 2013
Dari Al Bader	GM - Corporate Affairs	Male	21 October, 2019
Shahzad Anjum	Acting Chief Information Officer	Male	1 August, 2019

In order to achieve the Bank-wide objectives and directions, Gulf Bank's executive management are requested to primarily contribute through their personal conduct, accountability, transparency and leadership towards developing a culture which is compliant with Gulf Bank's risk management appetite, approved policies and corporate governance framework – through assigning tasks to their respective employees.

In addition, the executive management are responsible for procuring, installing and implementing any systems, solutions or controls that are in line with the Board's direction – and that ultimately will enhance the Bank's management of both financial and non-financial risks. Furthermore, each executive manager has to provide the Board of Directors with financial and administrative reports on their performance on a regular basis. The reports are to comply with the principles of transparency and objectivity set out by Gulf Bank – and each executive management department's operation and performance should exercise its activities in accordance with the Bank's code of conduct, ethical standards, staff handbooks, credit committee standards and corporate governance rules, etc. Regarding the financial reports and statements, these are to be prepared by the executive management in accordance with the International Financial Reporting Standards (IFRS), CBK instructions and any other approved standards issued in this regard.

In the case of unforeseen circumstances, Gulf Bank has a succession plan which is reviewed and approved by the Board Nomination and Remuneration Committee (BNRC) and the Board of Directors. The plan provides a process for senior management to ensure transparency and satisfactory alignment with Bank strategy, with the purpose of identifying critical roles across the organization that if not filled in a timely fashion would potentially place the organization at risk. Succession planning identifies a minimum of 1 successor for each key role. Additionally, the BNRC is also responsible for reviewing the links between executive pay and KPIs performance at Gulf Bank and these are approved in line with the BNRC rules, in which a remuneration policy is in place that has been prepared / reviewed by BNRC and approved by the Board. The succession plan also sets out that the qualifications and requirements of the occupants of such positions must be met and fulfilled.

### 2.1.3 Risk Management and Business Continuity Plan

Gulf Bank adopts world-class risk management practices to protect the Bank against various significant risks and ensure that adequate returns and mitigation measures are applied. This is achieved by independently and proactively monitoring, verifying, and reporting viability of Bank-wide controls, identifying breaches in approved thresholds, and recommending appropriate mitigations and interventions where needed. These initiatives work together with the Bank's solid governance.

The existence of specialized control functions, such as Compliance, Risk Management and Internal Audit, further strengthen the Bank's sound risk culture – where our processes are consistent with the "Three lines of Defense" principle, as follows:

**1 First Line of Defense:**  
Is the business line whose functions and activities underly potential risks to the Bank. Hence, it is the business line's responsibility to assess and manage such risks.

**2 Second Line of Defense:**  
Includes Risk Management and Compliance Function teams, whereby the Risk Management function is independent in order to enhance and support the function of the first line of defense by monitoring and reporting to the management and Board Risk Committee (BRC) as well as overseeing the Bank's risks by assessing them independently from the first line of defense. The Second Line of Defense also includes the Compliance Function, which controls the Bank's compliance with the laws, regulatory instructions and governance principles. This function is independent from that of the First Line of Defense.

**3 Third Line of Defense:**  
Is the Internal Audit Function, which is independent from the First and Second Lines of Defense. Internal Audit assesses adequacy and effectiveness of internal controls of the Bank, compliance with policies and procedures, regulatory guidelines through a risk-based-audit approach.



Gulf Bank believes that applying such informed and proactive risk practices are fundamental in ensuring long-term operational success and resilience, in which the year 2020 has tested the effectiveness of Gulf Bank's risk appetite against the COVID-19 crisis and our capabilities in mitigating our exposure to unprecedented risks.

We have a formulated Risk Appetite document, which enables close monitoring of various risks on an ongoing basis against the set internal thresholds. On a quarterly basis, a risk related dashboard is presented and discussed with the Executive Risk Committee and Board Risk Committee. The Risk Appetite document is periodically reviewed by the Executive Risk Committee and the Board Risk Committee, and is amended in line with market and economic factors. Gulf Bank's risk appetite is approved by the Board and is closely linked to the overall strategy of the Bank. Our risk appetite is consistent with our culture and capacity to manage risks embedded in the business activities.

Gulf Bank has a set of defined risk management policies, approved by the Board which aim at providing the necessary framework on our risk management approach, objectives, management and organization structure. The risk management policies and procedures are periodically reviewed and, where necessary, modified and enhanced to reflect ongoing market needs – noting that, as per the Bank's Policy & Procedure Standards, all policies and procedures including those of risk management are mandatorily reviewed every three years.

Gulf Bank's Board Risk Committee (BRC), as mentioned elsewhere in the report, is responsible for enhancing the effectiveness of the Board's monitoring of risk issues, provides oversight of the Bank's risk management on a holistic basis, and ensures the autonomy and independence of the risk function of the Bank. The BRC is also responsible for reviewing and providing recommendations on all risk related management policies and risk appetite for approval by the Board of Directors.

Additionally, the Bank's Risk Management Department is headed by the Chief Risk Officer (CRO) who reports to the Board Risk Committee. The Bank has also constituted an Executive Risk Committee (ERC), co-chaired by the Chief Executive Officer (CEO) and the CRO, which is the apex committee for risk governance at the senior management level. The Risk Management Department of the Bank provides regular reports to the BRC and ERC so that the committee members are well informed of all risk exposures of the Bank, in a transparent and engaging manner.

Gulf Bank ensures the oversight of its higher management body and key persons are in place pertaining addressing risk management related topics. Risk issues are highlighted in the Bank's monthly Chairman's report, covering key achievements, issues and actions, if any are required to remediate and mitigate the identified issues. The CRO has direct access to the Chairman to escalate any significant risk concerns that need Chairman's oversight. The Board Risk Committee and Risk Management prepare and present a quarterly report to the Chairman and the Board of Directors, which covers the quarterly performance summary of Gulf Bank's risk management function.

Additionally, Gulf Bank's risk management function follows several standards and international frameworks, namely:

- The Central Bank of Kuwait's (CBK) Capital Adequacy Standard - Basel III for local conventional banks
- International Financial Reporting Standards (IFRS)-9
- The Central Bank of Kuwait's (CBK) Cybersecurity Framework
- Payment Card Industry's Data Security Standard 3.2.1 (PCI-DSS)
- ISO 27001
- SWIFT Customer Security Program CSP

Further details on Gulf Bank's effective risk management function and resilience are presented in this section, along with our risk registers, reporting frequency and the Bank's Business Continuity Plan (BCP).

### Stress Testing

The Bank undertakes stress testing to assess its impact on capital and liquidity. The internal methodology to undertake risk assessment and stress testing is approved by the Board of Directors. Impact to Profit, Asset Quality, Balance sheet items are assessed and the impact of these under various scenarios on capital and liquidity are evaluated to understand the stress and provide remedial and mitigation actions. The Board, risk committee and senior management are involved in the formulation of the stress test framework, as well as in the implementation / review and approval of the stress testing results on an ongoing basis. Under normal circumstances, Gulf Bank undertakes stress tests on a quarterly basis. Stress

Test results are reported to CBK twice a year. During unusual periods and unprecedented events, such as the COVID-19 crisis, the frequency of conducted tests may increase based on the ever-changing scenarios and risks outlook.

Additionally, Gulf Bank emphasizes having a suitable control environment as part of our overall risk management framework. The controls are wide-ranging and are embedded within the Bank's Business processes. The Bank focuses on preventive, detective and corrective controls and continuously conducts assessments to weigh on its efficiency and effectiveness, and when necessary and required, further adds additional controls wherever needed.

We ensure that our risk management, control environment, and risk management practices are done in compliance with and reporting to the various authorities, including Semi-Annual Reports are provided to CBK concerning the Bank's assessment of current conditions and issues, risks and challenges, ICAAP, and stress testing results based on CBK CIRCULAR /2/105/12717 dated 11th October 2009. Also, a total of 47 reports were submitted to CBK in 2020.

Gulf Bank has a credit policy that provides a structure around which banking businesses must be based and ensures a consistent approach to all its lending activities. The policy further ensures adherence to CBK's guidelines and best practices governing credit exposure and the management of credit risk. The credit policy segmentation includes Wholesale Banking (ie. Corporate and International Banking), Treasury and Consumer banking.

**Figure 2.1.3** illustrates Gulf Bank's frequency of conducted periodic risk monitoring, categorized per type of potential occurring risks. For transparency and disclosure, in 2020, Gulf Bank had a total of 4 risk registers, however; the credit and health and safety related risk registers were recorded as 0 registers.

**Figure 2.1.3: Gulf Bank's Risk Monitoring**

Risk / Category	Monitoring Frequency
Enterprise-Wide Risks	The Bank's Executive Risk Committee and Board Risk Committee monitors this risk on a quarterly basis, ensuring oversight of enterprise-wide risks through key risk indicators spanning all risk types impacting the Bank. The risk monitoring and review are conducted in accordance with the BoD approved thresholds and appetites.
Capital	Monitored regulatory capital under Business As Usual (BAU) on a monthly basis against internal thresholds and triggers. Bank undertakes internal capital adequacy assessment on a quarterly basis and results are monitored against the Board's set appetites and are discussed at senior management and the Board Risk Committee level.
Market and Liquidity Risk	Market and Liquidity risks are managed with CBK regulatory guidelines, the Bank's risk appetite and internal limits set by the Risk committees. Interest rate, currency and liquidity risk exposures and limits are monitored constantly and regularly reviewed at Asset & Liability Committee (ALCO).
Operational	Operational Risks are reported and monitored to the Bank's Internal Control and Governance Committee on a quarterly basis. Reporting involves key incidents, key risk indicator breaches, and any significant operational risks in the Bank. The Operational Risks Management (ORM) team does continuous monitoring of the operational risks through the process of risk and control self-assessments, key risk indicators and operational risk incident reporting.
Technology	Technology Risks are reported and monitored through the Bank's Technology Risk and Information Security Committee (TRISCom) on a quarterly basis. Technology risks are monitored on a continual basis through risk assessments and key indicators.
Fraud	Fraud related monitoring is based on various business products/transactions and the frequency ranges from real-time, daily etc. For instance, the Bank has a real-time fraud management system for monitoring cards-related fraud, while specific branch related transactions are reviewed daily through batch reports.

Risk / Category	Monitoring Frequency
Consumer Credit	Consumer Credit Risk is monitored on a monthly basis through the Consumer Credit Committee and quarterly to the Bank's Executive Risk Committee and Board Risk Committee. Performance is monitored closely to be in line with risk appetite and budget, and include loans, cards, and portfolio purchase criteria, ensuring credit quality is adhered, and collections of overdue amounts.
Wholesale Credit	The monitoring system for credit risk ensures on an ongoing basis that the bank understands the current financial condition of the borrower, monitor compliance with existing covenants; assess, where applicable, collateral coverage relative to the obligor's current condition; identify contractual payment delinquencies and classify potential problem credits on a timely basis; and promptly take corrective action for problem accounts. The Bank's Executive Risk Committee and Board Risk Committee monitors the credit risk related to credit concentrations, problem/difficult accounts, exceptions to policy, sector exposures, portfolio rating, portfolio changes and other credit metrics on a quarterly basis. It also monitors and ensures that the bank complies with all the regulatory ratios specified by the central bank.
Information and Cyber Security	Information and Cyber Security Risks are reported and monitored through the bank's Technology Risk and Information Security Committee on a quarterly basis. Continuous monitoring takes place on the Information and Cyber Security environment through security technology systems, assessments, and key risk indicators.
Reputational	The Bank's approach of managing Reputation Risk is by ensuring to have sound controls to reduce reputation risk in those functions which are potential sources of Reputation Risk. The Bank has laid down approved policies and procedures in respect of interaction and communication with customers, counter-parties, shareholders, investors, other stakeholders including regulators. The Bank has engaged with specialist Cyber Reputation Risk Management firms to ensure that the bank's reputation on social media, Deep/Dark Web, and fake websites is managed quickly and efficiently.
Strategic	The Bank follows a 5-year strategic plan life-cycle. The Bank's Board and Senior Management engage itself in formulation of strategy of the Bank in keeping with economic development and business requirements. Reporting of status of key strategic projects is done to ERC on a quarterly basis
Legal	All legal and contractual documentation is reviewed and approved by Legal Department of the Bank. A summary of legal cases/exposure against the Bank is reviewed periodically at ERC and BRC.

### Business Continuity Plan (BCP)

A key factor of having a robust risk management framework is a well-established Business Continuity Plan (BCP), which enables the delivery of uninterrupted services and readiness against unforeseen circumstances and crises. Therefore, Gulf Bank has a well-defined Business Continuity Policy and Crisis Response Procedures. In line with BCP Policy, Gulf Bank's BCP team performs Business Impact Analysis (BIA) exercise on a regular basis, covering all business units of the Bank. As for the Disaster Recovery (DR) testing, our team organizes BCP Testing, IT DR Testing & Tabletop exercises to test the readiness of the Bank to respond to crisis situations on regular basis.

The Bank's Business Continuity Policy is approved by the Board, whereas the Internal Controls Governance Committee (ICGC) is the governing committee for the BCP, in which the BCP team provides regular updates to the ICGC on all aspects of BCP. In addition, the Executive Risk Committee and Board Risk Committee are provided with updates on Gulf Bank's BCP on a yearly basis, and as means of ensuring transparent communication with our employees we continuously communicate the Bank's BCP with our internal stakeholders via email and during the relevant conducted training sessions.

### 2.2 Business Conduct and Compliance

Compliance with laws, policies and regulations is one of the most important factors for the accountability, reliability and credibility of financial institutions. It ensures stakeholders' rights are preserved, their data privacy is safeguarded, and protects them against legal sanctions related to financial crime – all of which impacts the level of their satisfaction and experience with Gulf Bank.

At Gulf Bank our adherence and compliance to the regulations cycle starts with our Board of Directors, executive management, senior management and ends with all our employees – as each respective individual operates ethically according to the powers and tasks entrusted to them. Such compliance cycle applied internally guarantees the safety of our external stakeholders (i.e. shareholders, customers and investors) against unforeseen circumstances or in the event of unethical / financial violations.

To this end, Gulf Bank has a well-defined and structured Compliance and Disclosure Unit, in which it monitors and ensures the process of the Bank's compliance with laws, regulations, and instructions issued by the Central Bank of Kuwait (CBK), Capital Markets Authority (CMA), Boursa Kuwait and the Kuwait Ministry of Commerce and Industry, in addition to compliance with the resolutions and directives issued by the Board.

The Unit and its activities are subject to independent checks by internal audits on a regular basis, whereas the main duties and responsibilities of the Unit are the following (but are not limited to);

- Develop and maintain a repository of knowledge and documentation including all relevant compliance laws, regulations, instructions (and all amendments thereof) etc. relating to the Bank's operations and activities
- Update senior management of the Bank on all applied compliance regulations and policies, and latest developments covering all operations and activities of the Bank including compliance training
- Monitor, identify and assess the compliance risks associated with the Bank's business activities including the verification of all guidelines in the policy manuals and procedures applied in the Bank to ensure their conformity with all regulations and instructions, along with prompt follow-up on deficiencies, and, where necessary, formulating proposals for amendments
- Review all forms and contracts used by all departments and divisions of the Bank, as well as advertising and promotion forms, to ensure their conformity regulatory instructions. This is in addition to the responsibility of the Legal department to determine the Bank's obligations stemming from those forms and contracts and that they will enable the Bank to fulfill its future commitments
- Review and advise on all existing (as need be) and new banking products to ensure adherence to statutory requirements
- Liaise with external auditors, internal auditors, legal and regulatory authorities towards the implementation and maintenance of appropriate control procedures to ensure regulatory compliance. The implementation of changes in procedures and controls recommended by external auditors, internal auditors, legal and regulatory authorities are the responsibility of the concerned Division Heads. However, the compliance function will provide their knowledge and guidance in conformity with the local regulatory requirements and practices

Gulf Bank's Compliance and Disclosure Unit is considered as the communication and engagement point within the Bank for all employees' and stakeholders' queries related to compliance. Therefore, the Unit has developed a "Compliance Manual" with the purpose of communicating Gulf Bank's policies, procedures and responsibilities needed to comply with CBK and CMA regulations – safeguarding the Bank's reputation and its stakeholders against a full spectrum of compliance risks. This manual serves as a guiding document for the various activities undertaken by the Compliance Unit and it has been developed to enhance the compliance culture and standardize compliance processes across Gulf Bank.

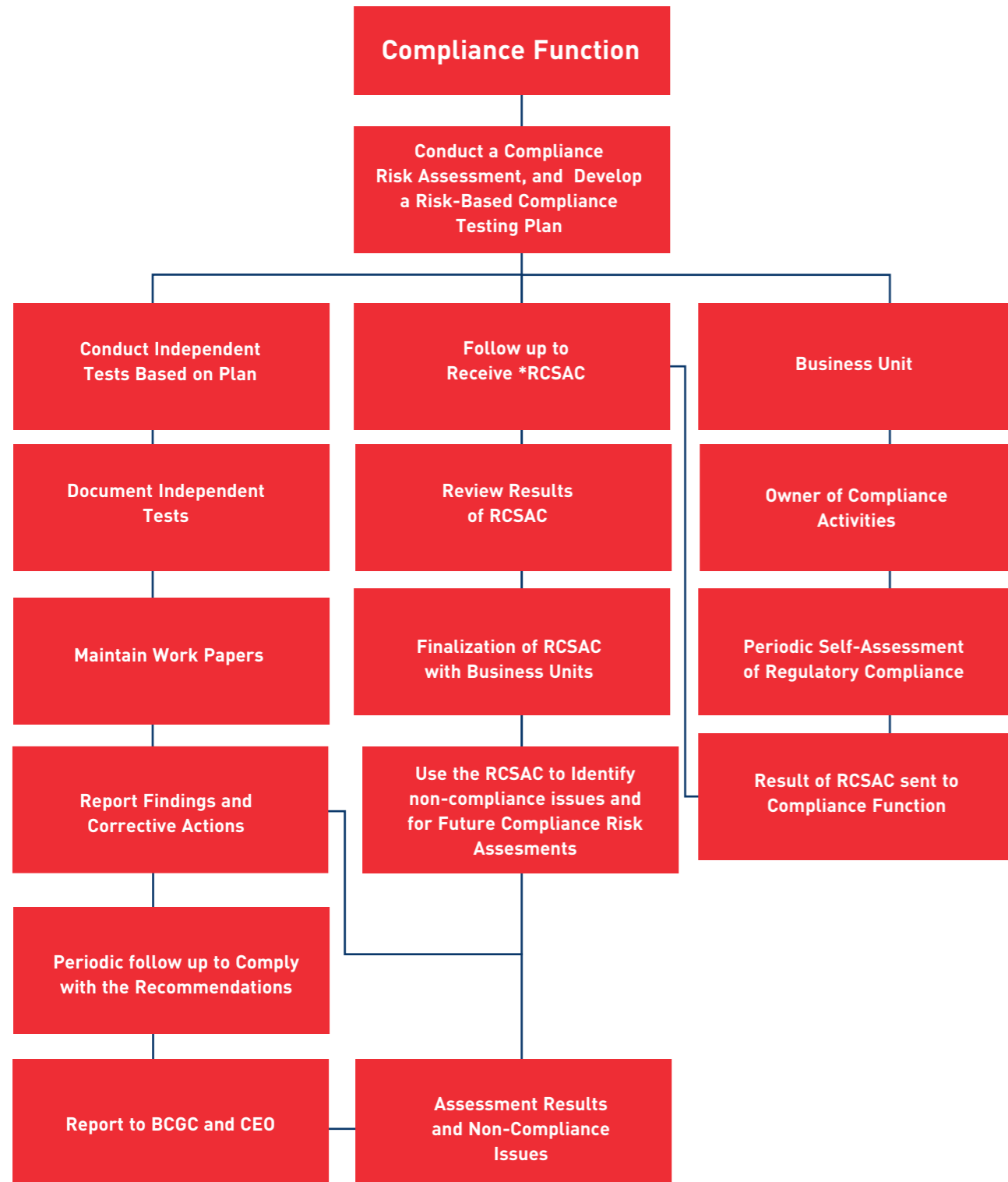
The manual also includes Gulf Bank's compliance framework, which is the set of compliance management processes and tools used for managing / monitoring Gulf Bank's compliance risks. The framework consists of and addresses the following components:

- Compliance Risk Assessment
- Risk-Based Compliance Testing Program
- Compliance Universe / Database
- Compliance Key Risk Indicators

More details on Gulf Bank's compliance are given in **Figure 2.2**.



Figure 2.2: Compliance Chart



\*RCSAC: Regulatory Compliance Self-Assessment Checklist

2.2.1 Policies

To ensure the adequacy of our comprehensive corporate governance framework and the adherence and compliance to regulations and standards, Gulf Bank has developed a set of bank-wide related policies and procedures that are in line with the instructions issued by the regulatory authorities. The implementation of such policies and procedures further reinforces Gulf Bank’s disclosures accountability and due diligence.

Gulf Bank’s policies and procedures ensure transparency with all our stakeholders, whether they are shareholders, depositors, employees, customers or market participants. They fully comply with the laws and regulations issued by the State of Kuwait, including the regulations of CBK.

The Bank has adopted a Disclosure and Transparency Policy setting forth the details of disclosure requirements and corporate responsibilities in that respect, which includes all the required information that should be disclosed in a timely manner and in the manner set out by law, regulations, resolutions, and CBK’s instructions and regulations.

As part of our stakeholders’ transparent engagement, at Gulf Bank we use our Internal Communications Unit to communicate any changes or announcements related to policies, processes, etc. The processes used for communication are through Gulf Bank’s social media employee account, the intranet web page, and official employee announcements, among others. Additionally, we ensure that Gulf Bank’s highest governance bodies and Board members and executive management are updated on new regulations issued from CBK / CMA through circulating the regulations via email, once received.

Figure 2.2.1 gives a summarized list of some of Gulf Bank’s adopted and implemented policies and procedures. Noting that, our compliance and disclosure manuals are reviewed every 3 years, as per Gulf Bank’s policy.

Figure 2.2.1: Gulf Bank’s Policies and Procedures

1. Corporate Governance Manual
2. Disclosure and Notification Manual
3. Risk Appetite Document
4. Whistle Blowing Policy and Procedure Manual
5. Conflict of Interest Policy
6. Related Party Transactions Policy
7. Customer Complaint Handling Policy and Procedures
8. Internal Audit Charter
9. Human Resources Manual
10. Policy and Procedure Standards
11. Compliance Manual
12. Confidentiality Policy
13. Shareholders’ and Stakeholders’ Rights Policy
14. Information and Cyber Security Policy
15. Supply Chain and Third Party Risk Policy

### Gulf Bank's shareholders have the right to:

- Vote on major issues
- Transfer ownership
- Access Shareholders Register and records (as applicable)
- Access General Assembly minutes
- Sue for wrongful acts

Gulf Bank's voting confidentiality is processed under the supervision of the Ministry of Commerce and Industry (MOCI) and the Kuwait Clearing Company (KCC)



In compliance with CBK instructions and in an effort to ensure the highest business integrity requirements, Gulf Bank has established a Shareholders and Stakeholders Rights Policy. The purpose of this policy is to ensure that effective communication between the Bank and its shareholders is maintained and prompted. This includes access to clear and balanced information about the Bank, such as its financial performance, material developments, governance and internal control environment. This is made available to shareholders, enabling them to practice their rights in an informed manner.

The policy addresses the equitable treatment of shareholders' rights, with a particular focus on:

- Protecting basic shareholders' rights in relation to securing methods of ownership registration and transfer of shares, participating and voting at general shareholders meetings, sharing in the profits and obtaining regular information about the Bank
- Ensuring that shareholders are sufficiently informed of, or participate in, in making decisions concerning amendments to the Bank's memorandum and articles of association, including the amendments to capital through additional share issues, or the launch of shares under a staff share option scheme, share re-purchase, as well as the decisions related to extraordinary transactions influencing the future of the Bank or the course of its business, such as merger or sale of a significant portion of its assets or divestiture of subsidiaries
- Encouraging effective shareholders' participation and familiarizing them with voting rules at General Shareholders' Meetings and the meeting agenda, both before and after meetings
- Stressing the importance of disclosure of capital structures or any arrangements that would enable certain shareholders to obtain a degree of control
- All shareholders should be equitably treated, including small investors and foreign investors. All shareholders should have the right to question the acts of the Board of Directors and to rectify any prejudice to their rights
- Having access to the minutes of the General Assembly Meetings

In addition, we disclose that Gulf Bank has shares with voting cap (ceilings) clauses, ownership ceilings, and/or control share acquisition.

Gulf Bank's policies and practices emphasize on respecting stakeholders' rights, as set forth in laws, regulations and instructions issued in this respect. Gulf Bank stakeholder rights are addressed in the Shareholders and Stakeholders Rights Policy, include the following:

- Setting appropriate measures that which allow stakeholders to report to the Bank's Board of Directors in case of any improper practices or violation of their rights. Examples of such measures include having a Whistleblowing Policy for employees
- Having a Complaints Unit in place with appropriate procedures for settling any complaints or disputes which could arise between the Bank and its stakeholders
- Setting out the procedures to be followed in case any party fails to fulfill any of its commitments, as well as the procedures to be followed for any compensation applicable, within the agreements / contracts held between the Bank and its stakeholders
- All stakeholders shall be treated fairly without any discrimination and preferential treatment
- All stakeholders will have access to reliable information which is relevant to their activities on a timely basis

Moreover, Gulf Bank has established a Whistle Blowing Policy and a direct reporting channel to the Chairman. The policy encourages positive intercommunication between the Board, executive management and Gulf Bank employees for the purpose of achieving and maintaining the highest standards of professional transparency and integrity. The policy aims at detecting any practices that fall out of the scope of regulations and sound professional conduct, so as to be remedied in a timely manner. It also provides confidentiality and ensures full protection of the whistle blower.

In addition, to ensure that all transactions are carried transparently, Gulf Bank adopts a Conflict-of-Interest Policy. The purpose of the policy is to help directors, officers, employees of Gulf Bank to identify situations that present potential conflicts of interest – and to avoid the possibility that those in positions of authority may receive an inappropriate benefit. This Conflict-of-Interest Policy is also to encourage public confidence in the integrity of Gulf Bank – and protect Gulf Bank's interest when it is contemplating entering into a transaction that might benefit the private interest of a director, a corporate officer, the top management or top financial official, or a key employee.

Lastly, regarding preserving and addressing human rights, currently Gulf Bank does not have a specific policy that directly addresses this topic. However, Gulf Bank fully endorses the protection of human rights for all its employees and ensures fairness and full compliance with human rights law, through our Code of Ethics and Good Conduct procedure document, which covers the basic understanding of the implications of our activities and outlines appropriate behavior within our business. We believe that all Gulf Bank employees should be equal and we respect the basic human rights of individuals. We do not discriminate based on national origin, citizenship, color, race, religion, ancestry, marital status, gender, disability, age, or place of birth.

#### 2.2.2 Ethical Behavior

Gulf Bank's Code of Ethics and Good Conduct is an integral component of its corporate governance framework. It outlines how we provide our employees with fair treatment regardless of their circumstances, in terms of fair opportunities in recruitment, equal pay and promotions. Moreover, it covers conduct areas related to customer relations, banking information confidentiality, insider trading, social media guidelines and financial crime, among others. The details related to Gulf Bank's Code of Ethics and Good Conduct are adhered and applied to every director, executive and employee of the Bank, where each has a duty to conduct him / herself based on the principles of good faith and integrity within their daily interactions with employees, customers and other stakeholders.

Regarding financial crime, which include acts of money laundering, fraud, bribery and corruption, Gulf Bank's Compliance and Disclosure Unit has a zero-tolerance policy for such matters. As part of the Unit's function, such incidents if they occur are closely monitored and reported to regulators if needed. Gulf Bank recognizes the responsibility that it has to work against such violation of financial crime, and each employee is committed to assisting the regulatory authorities in preventing such acts. Any employee of Gulf Bank, if found to be in contravention of this commitment, shall be liable for legal and disciplinary action.

Our Code of Ethics and Good Conduct is reviewed annually, and the last update was in 2020.



Financial crimes are further ensured to be avoided with Gulf Bank's commitment to the regular rotation of auditors / audit partners. Additionally, if an ethics incident related to financial crime is reported through the Bank's incident management system, it is raised internally to the concerned stakeholders. As per process, the Internal Audit (IA) team at the Bank investigates such incidents and a report is submitted to Fraud Cases Review Committee (FCRC) to take a decision based on the IA recommendations and eventually are reported to CBK.

We have been devoted to enabling and having sustainable banking practices that are free from any violations related to financial crime. We continue to operate in the most responsible manner that ensures the detectability of such related risks and that takes the required disciplinary actions immediately.

As a means of ensuring a violation-free culture at Gulf Bank, and that our employees' conduct and understanding relating to financial ethics is fulfilled, we offer an Anti-Money Laundering (AML) training course. For this year, our AML training course was conducted virtually, covering an attendance percentage of 100% Gulf Bank's employees - Whereas, the number of attendees increased by 26% compared to 2019.

**Figure 2.2.2: Conducted AML Training Courses**



Gulf Bank's AML practices are governed by our Anti-Money Laundering and Counter Financing of Terrorism (AML / CFT) Policy Statement, the scope of which is applicable to the Bank's head office and all branches. The policy statement outlines 3 relevant laws and regulatory frameworks, 5 relevant AML / CFT compliance programs, and 12 relevant key obligations. The objective of said policy statement states the following: Gulf Bank is strongly committed to preventing the use of its products and services for money laundering or terrorist financing. Accordingly, the Bank will comply with all applicable laws and regulations in the State of Kuwait designed to combat money laundering and terrorist financing, and is committed to cooperating with the appropriate authorities in that regard.

For transparency, Gulf Bank discloses during the Annual General Assembly Meeting, the number of AML incidents (i.e. inspections and instructions), as well as the financial penalty paid per year. Accordingly, in 2020, there were 0 AML incidents registered for the reporting year.





## Exhibiting Our Marketplace Excellence

Throughout Gulf Bank's 60 years, the marketplace has been an important sustainability dimension for us, catering for our valuable customers through our quality products and services. Accordingly, we report in this section on our tailored products and services, including the digital elements embedded into them, and the associated customer experience, satisfaction, and complaints handling. Further marketplace elements reported include our privacy and security efforts, our sustainable financing, our relations with our investors, and our responsible procurement practices, as well as our efforts to ensure our stakeholders' health and safety (notably in light of COVID-19).

Gulf Bank's marketplace operations, practices and services in 2020, contributed to the following SDGs:



Scan the QR code for more information on our provided services and products

# Exhibiting Our Marketplace Excellence

This chapter covers Gulf Bank's response to the following material topics:



## MATERIAL TOPIC

- 1 Digital Transformation
- 6 Stakeholder Health and Safety
- 12 Responsible Procurement
- 17 Sustainable Financing
- 18 Privacy and Security
- 19 Customer Satisfaction
- 20 Products and Services
- 21 ESG Inclusion

## 3.1 Tailored Products and Services

Gulf Bank is committed to providing our customers with simple and innovative services that enable sustainable growth, as derived from the Bank's mission. We strive to engage, empower and develop Gulf Bank's employees in order to provide our customers and various stakeholders with an exceptional experience through our 3 main business models, as described in more detail later in this section, namely:

- Corporate Banking
- Consumer Banking
- Treasury and Investment

### Corporate Banking

Gulf Bank's Corporate Banking model is designed to serve a broad range of client segments, including government entities, family conglomerates, other businesses and SME. We offer all our customers the following services.



Our Corporate Banking has an experienced industry-focused relationship team, dedicated to companies in the contracting sector. Such companies are offered all the aforementioned corporate banking services, as well as the additional following services:

- Services and products to enable clients to bid in tenders and execute projects, including bonding and guarantees, Letter of Credit (L/C) refinance, and specific contract financing
- Advisory services from a specialized team comprising engineers and technical consultants. The team evaluates the risks for ongoing and potential projects and provides the client with recommendations in mitigating those risks
- Advisory reports specifically tailored to the contracting sectors, providing an overview on global economy, Kuwait's economy, and an industry analysis. The report also provides an overview on the sector's competitiveness and a full analysis of the company's financials

The Bank also offers loan modification options to clients if needed. This service is provided to help our clients face any financial challenges if any. The types of modifications include the following:

- Rate reduction (reduction of interest rate on loans) to lower the monthly / quarterly payments
- Loan extension by changing the length of the term loan if the client is unable to pay the loan at the end of the specified period
- Principal deferral
- Change in repayment plan
- Option to restructure the facilities to help the client if they are facing any financial challenges

Gulf Bank aims to apply ESG criteria as part of its lending decisions. The Bank has financed and supported many companies in the past that are engaged in major national projects and environmentally friendly projects, such as companies engaged in recycling or remolding of scrap materials. For example, the Bank financed a company which was committed to ESG and the agreement was structured so that if the company utilized the funds to contribute to ESG, the company would be granted preferential terms.

The total number of Gulf Bank's Corporate Banking clients is 900 plus, from which our SME clients are categorized as per the new definition by CBK.

Our Corporate Banking is structured and divided into divisions to enhance customer service and increase the level of engagement with clients. The divisions are then categorized by sectors and industry to provide clients with an experienced industry-focused team that helps them in identifying their needs.

The dedicated team initially interacts with the client face to face to form an in-depth understanding of the client's business needs and plans, and then the client is offered personalized advice, services and products based on their goals and that support their growth ambitions.

During the pandemic, Corporate digital banking services and product offerings were upgraded to improve and enhance the overall customer relationship. The focus quickly shifted to supporting SMEs and affected corporate clients to mitigate the ramifications of the pandemic. Gulf Bank offered a debt moratorium for 6 months for all SME customers' obligations and optional principal deferrals for impacted corporate clients, which ended on September 30, 2020. Such action was taken to support Gulf Bank's clients cash flow management during such challenging times and to be in alignment with the Kuwait Banking Association (KBA) directions.

Furthermore, the Bank has increased its monitoring and engagement with customers during the crisis. Gulf Bank was able to review 200 SME businesses affected by the COVID-19 pandemic, in which we were one of the 1st banks to launch an online channel to communicate with our SME clients. As a result, a fully-fledged specialized platform was created in order to support SMEs' requirements in such challenging times. The platform was available and accessible through Gulf Bank's website so that SMEs could engage effectively with the Bank with minimal on-site interaction. An option to submit an online request form with basic information and initial financing requirements was also available. For existing clients, there was regular contact to assess the client's needs and to provide support, with the interactions carried out via phone / site visits (when needed).

### Consumer Banking

Our Consumer Banking serves a broad range of customer segments, offering customer-centric solutions and a unique experience tailored to each customer segment. The products offered by our Consumer Banking are diversified, ranging from personal to loan options, credit and debit card offerings, and promotions. We ensure each product's safety and quality by following Gulf Bank's issued guidelines that are overseen by the Bank's audit and AML teams.

### Gulf Bank corporate clients categorization:

- Contracting
  - Retail
  - Services
  - Wholesale

Gulf Bank was able to review 200 SME businesses affected by the COVID-19 pandemic, in which we were one of the first banks to launch an online channel to communicate with our SME clients.



Figure 3.1a provides more details on Gulf Bank’s products and services.

<p><b>Savings Accounts</b></p> <ul style="list-style-type: none"> <li>- E-saving</li> <li>- Golden investor</li> <li>- Gulfsaving</li> </ul>
<p><b>Youth Program</b></p> <ul style="list-style-type: none"> <li>- Children’s accounts</li> <li>- Red program</li> </ul>
<p><b>Sight Accounts</b></p> <ul style="list-style-type: none"> <li>- Current</li> <li>- Al Danah</li> <li>- Gulf premier</li> <li>- Salary gold packages</li> </ul>
<p><b>Fixed Deposit Accounts</b></p>
<p><b>Loans</b></p> <ul style="list-style-type: none"> <li>- Housing loan</li> <li>- Auto loan</li> <li>- Secured cash loan</li> <li>- Loan top-up</li> <li>- Loan Buy out</li> </ul>
<p><b>Cards</b></p> <ul style="list-style-type: none"> <li>- Samsung Pay</li> <li>- Mastercard Titanium</li> <li>- Mastercard Rose Gold</li> <li>- Mastercard Titanium Cash Back</li> <li>- Visa Platinum</li> <li>- Visa Platinum Cashback</li> <li>- Mastercard Platinum</li> <li>- Visa Signature</li> <li>- Visa Business Signature</li> <li>- Visa Infinite</li> <li>- Mastercard World Elite Credit Card</li> </ul>
<p><b>Business Banking</b></p> <ul style="list-style-type: none"> <li>- Lending products</li> </ul>
<p><b>Investment Products</b></p> <ul style="list-style-type: none"> <li>- Islamic funds</li> <li>- Conventional funds</li> <li>- WISE</li> </ul>
<p><b>Wealth Management</b></p> <ul style="list-style-type: none"> <li>- Private Banking</li> <li>- Priority Banking</li> </ul>
<p><b>Preferred Banking</b></p>
<p><b>Safe Deposit Boxes</b></p>

One of Gulf Bank’s Consumer Banking team’s approaches for increasing and targeting the Kuwaiti youth of our customers is through lucrative offerings and generous incentives that caters to their needs. Our Consumer Banking team is dedicated and keen to ensure the effectiveness of the Bank’s branches’ operations through conducting assessments. All Gulf Bank branches’ operations and performance are assessed against 4 criteria, including:

- Sales
- Service quality
- Operations’ compliance and control
- Talent pipeline and staff development

It should be noted that Gulf Bank also offers its customers a variety of different banking cards designed to suit their banking needs and offers competitive spending rewards as a means of providing an exceptional experience to our valued customers. Such unique card services range from Easy Pay to cashback and reward points programs, and offers for a diverse pool of restaurants and retail outlets – as shown in **Figure 3.1b**.

Figure 3.1b: Gulf Bank’s Unique Card Services

Card	Description
<b>Easy Pay</b>	Gulf Bank credit cardholders can shop from a variety of different vendors and pay for their purchases in installments over the course of 12 months, with 0% interest. There are over 100 participating outlets, both local and international, from a variety of different shopping categories including electronics, airlines, automotive, furniture, and more.
<b>Cashback Program</b>	This program is designed to add value to our customers’ shopping experience with cash rewards whenever cardholders spend using their Visa Platinum or Mastercard Titanium Cashback credit cards. Through the Gulf Bank Cashback program, cardholders can receive up to 10% cashback whenever they spend at any grocery, Co-ops and supermarket locations locally and internationally, and up to 5% cashback whenever they use their credit cards at other outlets, including shopping online through e-commerce websites.
<b>Gulf Bank Rewards Programs</b>	<ul style="list-style-type: none"> <li>• <b>Gulf Points</b> Gulf Bank credit cardholders can also take advantage of the Gulf Points program, the fastest rewarding program in Kuwait. The program, which all Gulf Bank credit cardholders are automatically enrolled into free of charge, gives cardholders valuable points to use with every transaction made using a Gulf Bank credit card, and the ability to earn even more points when using their credit cards abroad. Credit cardholders can redeem their points to access a variety of benefits, including free airline tickets with all airlines and free hotel accommodation at over 300,000 hotels worldwide without blackout dates. In addition, credit cardholders can also earn airline miles with the airline of their choice. In the event that users do not have enough Gulf Points to complete the booking process, cardholders can choose to pay a portion of their bill using their Gulf Bank credit cards, earning even more Gulf Points in the process. Clients also get free travel insurance upon redeeming their airline tickets.</li> <li>• <b>Gulf Dining</b> Provides Gulf Bank credit cardholders with instant discounts of up to 25% at over 550 renowned restaurants and coffee shops outlets in Kuwait, with the ability to earn Gulf Points on all transactions.</li> <li>• <b>Gulf Promotions</b> Allows Gulf Bank credit cardholders to enjoy instant discounts of up to 30% at over 300 retail outlets in Kuwait across a variety of segments, including travel, entertainment, health, beauty and lifestyle.</li> </ul>
<b>24/7 Concierge Service</b>	Gulf Bank clients can enjoy the comfort and convenience of 24/7 local concierge services designed to ease the process of school fee payments, car registration, and making travel arrangements, including delivery of airline tickets.
<b>Free Family Travel Insurance</b>	Gulf Bank clients also receive free travel insurance for themselves and their families when purchasing airline tickets using their Gulf Bank credit cards, which can be used for the Schengen Visa application as well.

Card	Description
<b>Worldwide Lounge Access</b>	Gulf Bank credit cardholders also enjoy unlimited complimentary lounge access at airports all over the world.
<b>Gulf Bank Prepaid Cards</b>	<p>A Gulf Bank prepaid card is the ideal card for customers looking to manage their day-to-day finances. Prepaid cards, which can be loaded with any amount depending on the cardholder's needs, can be used easily and securely by people of all ages, including children.</p> <p>Cardholders can also enjoy discounts at their favorite restaurants. As part of the Gulf Dining Program, cardholders can redeem instant discounts of up to 25% at over 550 restaurants and coffee shops across Kuwait. Cardholders can also enjoy the benefits of the Gulf Promotions program and redeem instant discounts of up to 30% at over 300 retail outlets, enjoying offers across a variety of segments including travel, entertainment, health, beauty and lifestyle.</p> <p>Gulf Bank's Prepaid Gift Card, which launched last year, offers customers the perfect gift idea to celebrate any occasion, and is ideal for friends and family who love shopping. The Prepaid Gift Card is available at all Gulf Bank branches and can be collected, activated and loaded with the amount requested by the customer to gift to their loved ones.</p>

## Treasury and Investment

The Gulf Bank's Treasury main focus is to optimize the Balance Sheet's efficiency and sustainable economic standing by maintaining the Bank's liquidity while supporting asset growth and keeping sufficient buffers to meet regulatory requirements. Currently, the Bank is undertaking a technology upgrade of its Treasury platform, enabling it to expand its product capabilities across treasury and financial institution businesses, with a vision of building diversified and sustainable revenue streams while offering innovative solutions to our clients.

The Bank's funding strategy is to maintain sustainable and well-defined sources of funds, with a focus on further raising long-term deposits from clients and continuing to grow and diversify a wider depositor base in order to meet long-term funding requirements and a healthy ratios. During 2020, the team has successfully expanded the Bank's customer deposit base both locally and internationally and reduced the concentration as well as the cost of funds. On the treasury trading and sales side, the Bank provides competitive pricing and hedging solutions to support the needs of its customers.

With Gulf Bank's proprietary investment activities, the Bank's focus is to support the liquidity needs of the Bank, diversify income streams, and generate returns within the Bank's risk appetite. In 2020, the activities were mostly focused on managing the existing investment portfolios due to the COVID-19 pandemic.

Gulf Bank also acts as a selling agent, licensed by Kuwait's CMA, to offer investment products to the Bank's clients. The Bank's experienced Investment Services team has been servicing a diversified client base that includes individual and institutional clients, offering them investment products and services that suit their needs and cover local, GCC and international markets. In addition to acting as a selling agent for several leading local Investment houses, Gulf Bank has its own flagship investment platform named WISE, which is covered in more detail in the next section.

### 3.1.1 Digital Transformation in the Marketplace

2020, the year of the pandemic, has proven how data science and digital transformation are essential tools for an organization's resilience, revenue growth, operating efficiency and adaptability, and for engaging with stakeholders.

Throughout this section we provide details on the applied digitization tools, automated processes and developed platforms that Gulf Bank has, all of which contributed to major cost savings, operational efficiency and increased customer satisfaction and engagement.

In 2020, several major digital transformation projects and achievements were implemented across the three main Gulf Bank service lines - Corporate Banking, Consumer Banking and Treasury and Investments. **Figure 3.1.1a** summarizes some of the implemented digital transformation services of Gulf Bank. Regarding the detailed digital transformation services that were implemented per service line, these are mentioned later on in the section.

**Figure 3.1.1a: Gulf Bank Implemented Digital Transformation Services**

Implemented in 2020
<ul style="list-style-type: none"> <li>• Appointment Booking App (Visit Gulf Bank)</li> <li>• New Card Origination System (automated workflow)</li> <li>• Automation of Loan Processing for better customer experience and faster loan disbursement</li> <li>• First Model for Digital Area in branch implemented (Bulk Cash Depositor, ITMs etc)</li> <li>• Payment Engine and Fraud detection and monitoring solution for faster and secure payments</li> <li>• Rolled out Samung Pay</li> <li>• Native Biometric authentication for better customer experience</li> <li>• Push notifications</li> <li>• Launch of Gulf Bank App in Huawei App Gallery</li> </ul>

One digital initiative to highlight is the SupportMe Service, where Gulf Bank digitized the purchase request form. This applied to all departments. As a result, there were efficiencies in terms of turnaround time reduction, employee time savings in the form of full-time employees (FTEs), and cost savings of about KD 8,000 annually.

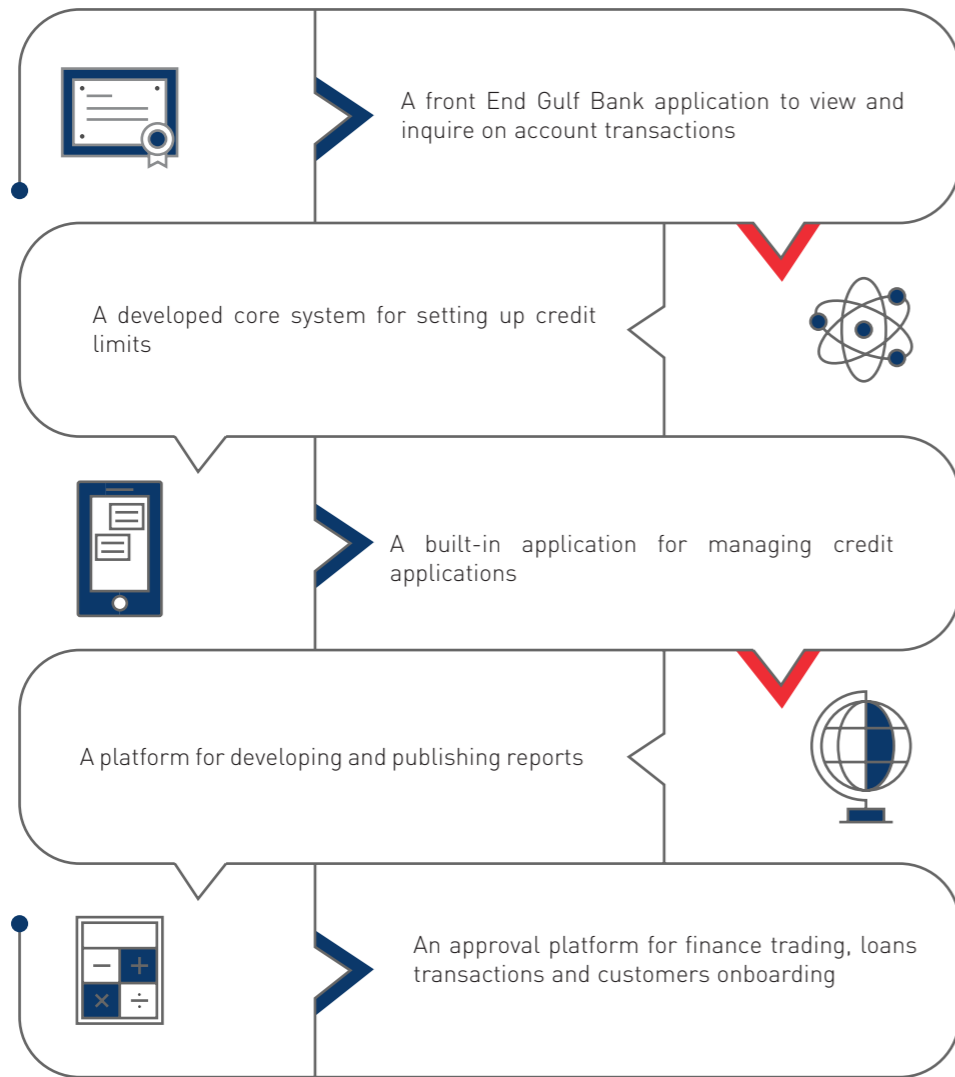
Another digital initiative was the consolidation of our printers, which was also applied to all departments. This had similarly led to added values, including paper reduction, customer impacts, and estimated savings of KD 10,000 annually.

### Corporate Banking Digital Transformation

The digital banking services and product offerings were upgraded to improve and enhance the overall customer experience. In response to the COVID-19 pandemic, Corporate Banking has provided an online portal to receive COVID-19 loan modification application requests. Additionally, during lockdown periods, a limited number of Gulf Bank branches was operating. Therefore, more than 90% of Gulf Bank's Corporate Banking customers have utilized our corporate online banking systems. The provided online services included:

- Salary transfers
- Telex services
- Issuance of Letter of Credits and Letter of Guarantees

Furthermore, Gulf Bank's Corporate Banking has several available internal platforms / applications and technologies used by our employees to enhance operational efficiency, reduce human error and improve our clients' experience. These include:




### Consumer Banking Digital Transformation

Gulf Bank's Consumer Banking has embarked on a multi-year customer experience transformation journey with Avaya as it seeks to embrace and strengthen market differentiation through better customer and employee experiences. Built on Avaya OneCloud Contact Center as a Service (CCaaS), the suite of solutions being adopted by Gulf Bank enable us to not only meet the digital demands of our customer base, but also create a more flexible working environment for Gulf Bank's contact center employees, enabling them to work remotely and respond to customers from anywhere.

This significant digital transformation journey began earlier in this year when Avaya supported Gulf Bank during the COVID-19 pandemic by providing remote agent licenses. This deployment maintained Gulf Bank's exceptional service levels without compromising the safety of the Bank's employees and customers and has set a wider customer experience transformation.

In addition to this significant transformation, Gulf Bank's Consumer Banking has various digital channels for communicating with the Bank's customers, which include:




 Active users of Gulf Bank's Mobile Application

**2020: 44%**  
**2019: 37%**  
**%Difference: 7%**

Technology and innovation elements / features of Gulf Bank's Mobile Application

- Biometric Authentication
- Push Notifications
- Self-Pay (request for funds)
- KYC update
- Apply for Prepaid Cards
- Apply for Account

 Active users of Gulf Bank's Online Banking application

**2020: 55%**  
**2019: 44%**  
**%Difference: 11%**

Technology and innovation elements / features of Gulf Bank's "Online Banking"

- Self-Pay (request for funds)
- KYC update
- Apply for Prepaid Cards
- Apply for Accounts

# Gulf Bank Customers’ Digital Onboarding



Gulf Bank is proud to have embedded digital elements

into its onboarding process, allowing customers to digitally onboard and apply for a range of the Bank’s services, accounts and cards. This has been one of our greatest achievements for the year 2020, as the COVID-19 pandemic has forced all organizations to apply immediate actions concerning health and safety.

Therefore, providing alternative options

for our customers to digitally onboard and apply for the Bank’s services has enabled Gulf Bank to leverage our digital channels, enhance customer experience and increase the Bank’s acquisition rate.

As a result of following such practice,

we were able to provide our customers with a faster and more seamless service, despite the challenges of the COVID-19 pandemic. Without interruption (even during nationwide lockdowns and curfews), Gulf Bank customers were able to open instant accounts and access our services online.



## Treasury and Investments Digital Transformation

Gulf Bank’s Treasury team is currently working on developing a digital and innovative system that will provide the Bank with the most advanced upgraded risk management and product offerings capabilities. The proposed launch date of Gulf Bank’s Treasury Management Front System is in June 2021.

The main objective of the new front system is to offer innovative solutions to Gulf Bank’s clients while enhancing the Bank’s risk management and increasing operational efficiency. It has the following potential outcomes:

- End-to-end automation of transaction lifecycle
- Real-time risk view and mitigation tools for managing risks
- Flexibility to introduce new products
- Introduction of an integrated view to optimize the Bank’s liquidity management

As for Gulf Bank’s WISE platform, that offers our clients the opportunity to invest in global markets through Exchange Traded Funds (ETFs), more details are given in **Figure 3.1.1b**.

**Figure 3.1.1b: Gulf Bank WISE Platform**

	Details
System description	WISE is the first Robo-Advisory service in Kuwait. It is a digital wealth management solution which helps Gulf Bank to identify our customers’ risk profile and match investment objectives to the best-fit, recommended investment portfolio. The platform helps the Bank to onboard new customers, monitor existing portfolios and initiate customer requests. WISE system also generates reports and documents which are shared automatically with clients to provide them with the latest updates on the status of their investments and orders.
Main objective / purpose of the system	To provide Gulf Bank customers with the opportunity to invest in international markets in an easy, transparent and cost-efficient way.
Key outcomes and impact as a result of the new system	WISE Investments is a tool to help potential investors to start investing in a simple way, as well as to help sophisticated investors to invest in a more efficient way. The service was launched with a social responsibility of educating the public to save and invest for their future.

## 3.2 Customer Experience

Gulf Bank's 60 years' journey has been built on providing an exceptional experience to all our stakeholders, and specifically to our customers, that is shaped with our unique services and products tailored to segments and updated with the market trends and competitiveness. We will be integrating ESG criteria within our operations and as part of our customer experience, ultimately resulting in increasing their satisfaction and providing an enhanced engagement approach.

### 3.2.1 Customer Satisfaction

At Gulf Bank we aim at ensuring our provided services and products are in line with our customers' needs and expectations. As a customer-oriented bank, we believe that it is crucial to have an open and transparent communication with our customers, in order to maintain their satisfaction level, enhance their experience and ultimately increase their loyalty and retention.

That is why Gulf Bank continuously monitors customers' satisfaction through the Bank's phone call surveys. Additionally, Gulf Bank has introduced a WhatsApp number, which our clients and customers can use to message the Bank. This latest update, especially in a pandemic, makes it even easier for customers to be able to communicate and engage with the Bank as such a service grants its users immediate communication with the Bank's representatives around the clock and from anywhere around the world. Gulf Bank constantly strives to provide our customers with the highest levels of customer satisfaction, which is why we have assigned one number to both receive Customer Contact Center calls and answer immediate inquiries via WhatsApp. As a result, the Bank's Customer Contact Center quickly responded to more than 25,000 messages received during the year.

### 3.2.2 Customer Complaints

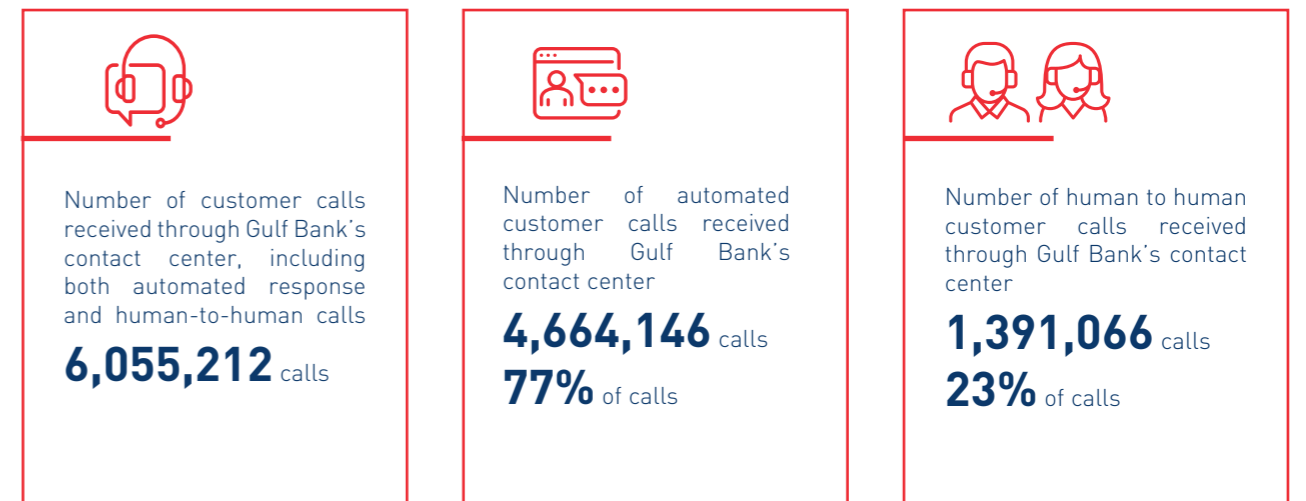
Tracking, measuring and reporting Gulf Bank's customers' complaints is a key factor that significantly contributes and impacts our performance and in return our customers' experience. To achieve this target, in 2011 the Bank set up an independent unit specializing in handling customer complaints, which directly reports to Gulf Bank's CEO.

The Unit has its own policies and procedures, along with competent and professional employees, who have the required mechanisms to handle customer complaints in accordance with CBK instructions issued in this regard. The Unit is also responsible for supervising the implementation of the "Customers Protection Manual (CPM)", which guarantees good performance and transparency within the banking services provided by Gulf Bank to its customers. The following shows more details on Gulf Bank's received customers' complaints, for 2020.

Figure 3.2.2: Customer Complaints Data

	2020
Average turnaround time	16.6 Calendar days
Average waiting time for customers while contacting the customer center	182 seconds
Number of complaints related to technical / banking channel issues (i.e. Mobile banking, ATMs, IVR)	5,155

	2020
Number of complaints related to the Bank's operational functions	258
Number of complaints related to the Bank's products	2,342
Total number of complaints	7,755



### 3.3 Privacy and Security

Safeguarding our stakeholders' information, data and user identity is at the forefront of Gulf Bank's operations. This is exceptionally vital as Gulf Bank is undergoing a bank-wide digital transformation; therefore, it is our priority to ensure that all our customers and stakeholders can safely access our digital platforms in a secure and safe manner. In this regard, the Bank has established various formal policies in which a Security and Privacy risks are managed, monitored and addressed. Both a Chief Information Security Officer (CISO) and Data Protection Officer (DPO) are assigned to manage processes that include:

- Information and Cyber Security Policy
- Data Classification Policy
- Data Protection Policy
- Privacy Policy
- Data Leakage Prevention Technical Controls

To ensure the soundness and effectiveness of our information security policies and systems, Gulf Bank conducts internal audits on an ongoing basis, whereas external audits are conducted regularly. In addition, our information security policies were reviewed quarterly in 2020, several reviews were conducted for our security systems throughout 2020 and vulnerability reviews were conducted frequently.

Gulf Bank's data security and privacy systems operate in a manner that is in line with and adheres to several international and national standards and frameworks, including:

- PCI-DSS (Payment Card Industry Data Security Standard)
- SWIFT CSP (Customer Security Program)
- International Standards Organization (ISO) 27001 for Information Security Management
- Central Bank of Kuwait (CBK) Cybersecurity Framework
- Central Bank of Kuwait Customer Protection Manual

Our Information and Cyber Security teams consists of experts who are dedicated to reviewing the Bank's data leakage alerts and are provided with the readiness tools to protect our stakeholders against data leakage and information breaches, cyber security attacks or any digital security related risks. Gulf Bank also has a Security Awareness team that performs data security risks awareness training, as well as e-learning on data security. As a result of such robust data leakage protection tools at the Bank and our team's efforts, there were 0 incidents of data loss or leakage for the year 2020.

Gulf Bank has an external communication program that is structured with the purpose to improve and raise our external stakeholders' (i.e. customers) information security awareness. This is performed through circulating information security awareness messages to Gulf Bank's customers through SMS campaigns, and on all our communication channels, which include Gulf Bank's social media accounts, website and through advertising and marketing campaigns.



In addition to the aforementioned, Gulf Bank applies additional practices for raising and ensuring our external stakeholders' security and privacy. These practices include:

- Implemented Completely Automated Public Turing test to tell Computers and Humans Apart (CAPTCHA) to prevent automated enumeration
- Implemented behavioral analysis security solutions
- One Time passwords for voucher transactions to prevent fraud
- Enhancing controls and security on self-pay transactions
- Enhancing customer awareness through videos, social media communication

Overall, Gulf Bank's privacy and security efforts are governed by our "Information and Cyber Security Policy Manual". As per the manual, areas covered for information security, include the following:

- Security risk management
- Physical and environmental security
- Logical access control security
- Technical controls – network and infrastructure components
- E-mail security
- Log management

A more detailed list of areas covered in our "Information and Cyber Security Policy Manual" can be found in **Annex 7.3**.

### 3.4 Economic Impact

Gulf Bank's economic impact and sustainable financing refers to our practices and investments that have a sustainable impact on the local community, in terms of having a long-term positive contribution to the economic growth and status. At Gulf Bank this economic impact is achieved through various contributions and investments that target different stakeholders, such as:

- Kuwait National Fund (KNF)
- Kuwait National Development Plan (KNDP) infrastructure / mega-projects
- Kuwait Foundation for the Advancement of Science (KFAS)
- National Labor Support Tax (NLST)
- Employee compensation and remuneration
- Shareholder dividends
- Local procurement

Gulf Bank was a pioneer in partnering with the National Fund through the first (pilot) SME Financing program and since its launch in 2015. During 2020, the Bank continued this partnership with the National Fund by providing support to SMEs in the form of financial analyses and site visits that assist in overcoming the challenges facing SMEs.

# Gulf Bank Contribution

## to Kuwait 2035 Vision



### The Kuwait National Development Plan was developed

in line with Kuwait's 2035 vision "New Kuwait." The plan aspires to transform the country into a financial and commercial hub (regionally and internationally) that is attractive to investors.

### Over the years, Gulf Bank has been committed

to achieving the "New Kuwait" vision. Gulf Bank has provided financing services and continues to provide financing services to major projects under the Kuwait National Development Plan, through collaborating with relevant stakeholders in the public and private sector in order to transform Kuwait into the financial and commercial hub it aspires to be.

### Furthermore, Gulf Bank played a vital

role in contributing to the 7 Pillars and provided several financing services to major instrumental projects, from which our financing services were provided across of variety of sectors. Major projects included:

- Jaber Al Ahmad Al Jaber Al Sabah Hospital
- Opera House at Sheikh Jaber Al Ahmad Cultural Center
- Sheikh Abdullah Al Salem Cultural Center
- Clean Fuels Project
- Sabah Al Ahmad Residential City
- Al Shaheed Park – Phase III
- New Kuwait University
- Sheikh Jaber Al Ahmad Al Sabah Causeway
- Farwaniya Hospital Expansion
- Kuwait International Airport Expansion
- Mutla Road
- KOC New Hospital
- Wafra New Road
- Equate New Head Office



### 3.5 Investor Relations

Gulf Bank's Investor Relations (IR) team is dedicated to serving Gulf Bank's shareholders, credit rating agencies, analysts and investors, whether from the local community or international. They act as the main focal communication point and are responsible for the strategic management of promoting sustainable economic growth and establishing investor confidence – in an effective two-way transparent communication between Gulf Bank, the financial community and other constituencies. The efforts and commitment of our IR team significantly contributes to Gulf Bank's securities achieving fair valuation and strong credit ratings. During 2020, the pandemic year, Gulf Bank IR team was able to maintain a sustainable performance address all of the investors and credit ratings concerns on a timely manner, held the Annual General Meeting adhering to health protocols, developed the Annual Report ahead of time, attended virtual investor conferences the first of its kind, and continued to hold the quarterly earnings calls without any delays. More details are provided in **Figure 3.5**.

Figure 3.5: Gulf Bank 2020 Ratings

Rating Agency	Criteria	Rating
MOODY'S	Long Term Deposits	A3
	Outlook	Stable
Fitch Ratings	Long-Term Issuer Default Rating	A+
	Outlook	Stable
S&P Global Ratings	Issuer Credit Rating	A-
	Outlook	Negative
GI CAPITAL intelligence	Long-Term Foreign Currency	A+
	Outlook	Stable

Gulf Bank frequently engages with its investors, for example through our "Investor Earnings" call, which is conducted on a quarterly basis, in which we announce our financial results to our existing investors. Besides our "Investor Earnings" call, we also attend investor conferences and conduct one-to-one meetings with our existing and potential investors, throughout the year. In 2020, Gulf Bank's IR team has attended 4 virtual investors conferences and met with more than 80 investors in the conferences and 126 throughout the whole year.

As one of our communication channel, we have a dedicated "Investor Relations" email, where investors (existing or potential), analysts and rating agencies can communicate with our IR team directly regarding any inquiries or concerns they might have. We also have a dedicated IR section on the Bank's website where we disclose and communicate key reports and topics to investors, including Gulf Bank's annual reports, investor presentations, interim financial statements and the IR calendar.

The Annual General Meetings (AGM) occur on a yearly basis where shareholders of the Bank approve certain important resolutions, highlighting the Bank's major business and strategic accomplishments and performance period.

During the COVID-19 pandemic, Gulf Bank's IR team was keen on ensuring the health and safety of its stakeholders. We remained connected with our investors, analysts and credit rating agencies through virtual communication channels and continued to keep them posted on recent developments and implications as a result of the pandemic.

- Gulf Bank's international investors represent 12.47%
- Gulf Bank's local investors represent 87.53%

The upgrade of Bursa Kuwait to Emerging Markets status by many global indices including MSCI, FTSE has attracted professional investors and diversified the shareholder base of Gulf Bank.

Gulf Bank recognizes that the demand on ESG topics has significantly increased over recent years, and several of our IR team stakeholders have raised inquiries regarding ESG issues and sustainability practices present at the Bank. That is why we believe that by developing our first-year sustainability report, and by advancing and incorporating ESG criteria within our operations, we will be able to significantly communicate our non-financial performance with our existing and prospect stakeholders. We believe that by starting our first sustainability report and continuing such proactive practices will lead to Gulf Bank's success and inclusion in potential ESG indices and enhance the Bank's ESG rating.

### 3.6 Responsible Procurement

In line with our commitment to sustainability and the local community, Gulf Bank recognizes the crucial role its supply chain has in the national growth of the economy. Investing in local procurement is one of our adopted approaches in promoting sustainable practices and social responsibility within our operations, and in 2020, our local suppliers accounted for 94.6% vs. 5.40% foreign. Additionally, our local vendors account for 79.7% of Gulf Bank's procurement, with 20.3% for foreign vendors.

The criteria that we apply when selecting and screening new suppliers and vendors are based on the quality of their service, operations efficiency, availability of local materials and the prompt delivery turnaround time. Moreover, Gulf Bank has a due diligence approach with our new suppliers and vendors, and the process consists of supplier and vendor background checks and registration.

At Gulf Bank we ensure that our supply chain practices follow the highest ethical standards and are in compliance with all of the Bank's and regulatory policies, regarding all procurement-related transactions. Gulf Bank has zero tolerance towards any discriminative acts within its supply chain and procurement practices; we aim at providing an inclusive operating environment that respects all Gulf Bank's suppliers, vendors and laborers – a culture that is free from forced and compulsory labor, preserves their rights and ensures their occupational health and safety. That is why we are keen that all our suppliers and vendors submit their Original Equipment Manufacturer (OEM)-recommended guidelines so we can ensure that they are following the highest standards.

Having an effective and collaborative engagement with our suppliers and vendors aids in reducing operational risks impacts and ensures that their needs are addressed – therefore resulting in increased operating quality and efficiency. We frequently engage with our suppliers and vendors via emails, phone calls and meetings. During the COVID-19 pandemic, we have kept our supplies and vendors updated and aware of any changes or implications resulting from the pandemic.

94.6%

Number of local suppliers

5.4%

Number of foreign suppliers

79.7%

Number of local vendors

20.3%

Number of foreign vendors

In terms of procurement, we spent a total of KD 2,957,606.8 in procurement expenditure to our suppliers and vendors. This has been allocated between 73% to local and 27% to foreign procurement scopes.

Figure 3.6: Procurement Expenditure per Scope

Procurement Scope	Procurement (KD)	Procurement (%)
Local	2,167,751	73%
Foreign	789,855.8	27%
Total	2,957,606.8	100%



### 3.7 Stakeholders' Health and Safety in the Marketplace










The year 2020 was full of unprecedented challenges, in particular the wide spread of the COVID-19 pandemic. This global crisis has resulted in various consequences and impacts on the society and economy. Therefore, the financial sector has a significant role to fulfill in combating the resulting economic recession and its recovery – as a result of the occurred restrictions of companies' operation activities during the nationwide lockdowns.

During such pressing circumstances, Gulf Bank has taken prudent measures and actions to safeguard our stakeholders' health and safety, which are in line with Kuwait's governmental protocols and crisis plan. The agility of our team and operations' resilience were evident in the crisis, especially during working remotely and transferring our services digitally. This came hand in hand with Gulf Bank's directions, in terms of that improve customer experience and enhance operational efficiencies. Such digital solutions proved to be extremely successful during the crisis, in terms of responding to our customers' needs, engaging with our employees and conducting the day-to-day business virtually.

Throughout this pandemic, the safety of our external stakeholders including customers, shareholders, investors, suppliers and the local community is at the frontline of our priorities. Gulf Bank was committed to fulfilling our customers' banking needs while ensuring their safety. Accordingly, Gulf Bank allocated expenditures specifically to be spent on COVID-19 measures for our branches and headquarters, including sanitization, masks, gloves, etc.



The Bank resumed operations without interruption once the lockdown was lifted and the partial curfew ended. During the first stages of returning to work, Gulf Bank has been keen on applying all the necessary precautionary measures, which included:

 <p><b>Regular sterilization of its branches and machines (daily basis)</b></p>	 <p><b>Installation of smart heat detection cameras at all Gulf Bank's locations</b></p>	 <p><b>Installation of front and side shields on workstations and ATMs to create a proper protection barrier between staff and customers</b></p>
 <p><b>Availability of onsite nurses in all Gulf Bank branches to serve both customers and employees</b></p>	 <p><b>Maintaining social distance</b></p>	 <p><b>Application of the best preventive health measures including measuring customers' temperatures before entering Bank premises</b></p>
 <p><b>Ensuring both customers and staff are wearing masks at all times</b></p>	 <p><b>Installation of air purifiers and filtrations to help curb the spread of the COVID-19 virus</b></p>	 <p><b>Supporting the community in national efforts to curb the spread of the pandemic</b></p>

As part of Gulf Bank's recognition of our societal role towards supporting governmental entities and in appreciation and recognition of Kuwait's Ministry of Health's continuous efforts throughout the year, our team was present at the Coronavirus Rapid Testing Center in Sabhan. During our time there, we distributed hygiene kits to visitors of the center and made every effort to spread positivity and hope during the pandemic.

Moreover, in response to CBK's initiative and Kuwait's formed Higher Steering Committee for Economic Stimulus, Gulf Bank contributed, along with local banks, a total of KD 10 million to the COVID-19 fund. The fund aimed at implementing stimulus measures and initiatives that eased the negative impact of the COVID-19 pandemic on the local economic activity. Additionally, a 6 months deferral of loan installments to all consumer and SME clients, through joint financing from the SME Fund and banks were also implemented.

In addition, in response to the COVID-19 pandemic, Gulf Bank is currently working on establishing a Health and Safety unit that will be responsible for ensuring health and safety issues related to the Bank and its concerned stakeholders.

# Visit Gulf Bank

## Application



### In 2020, Gulf Bank launched “Visit Gulf Bank,”

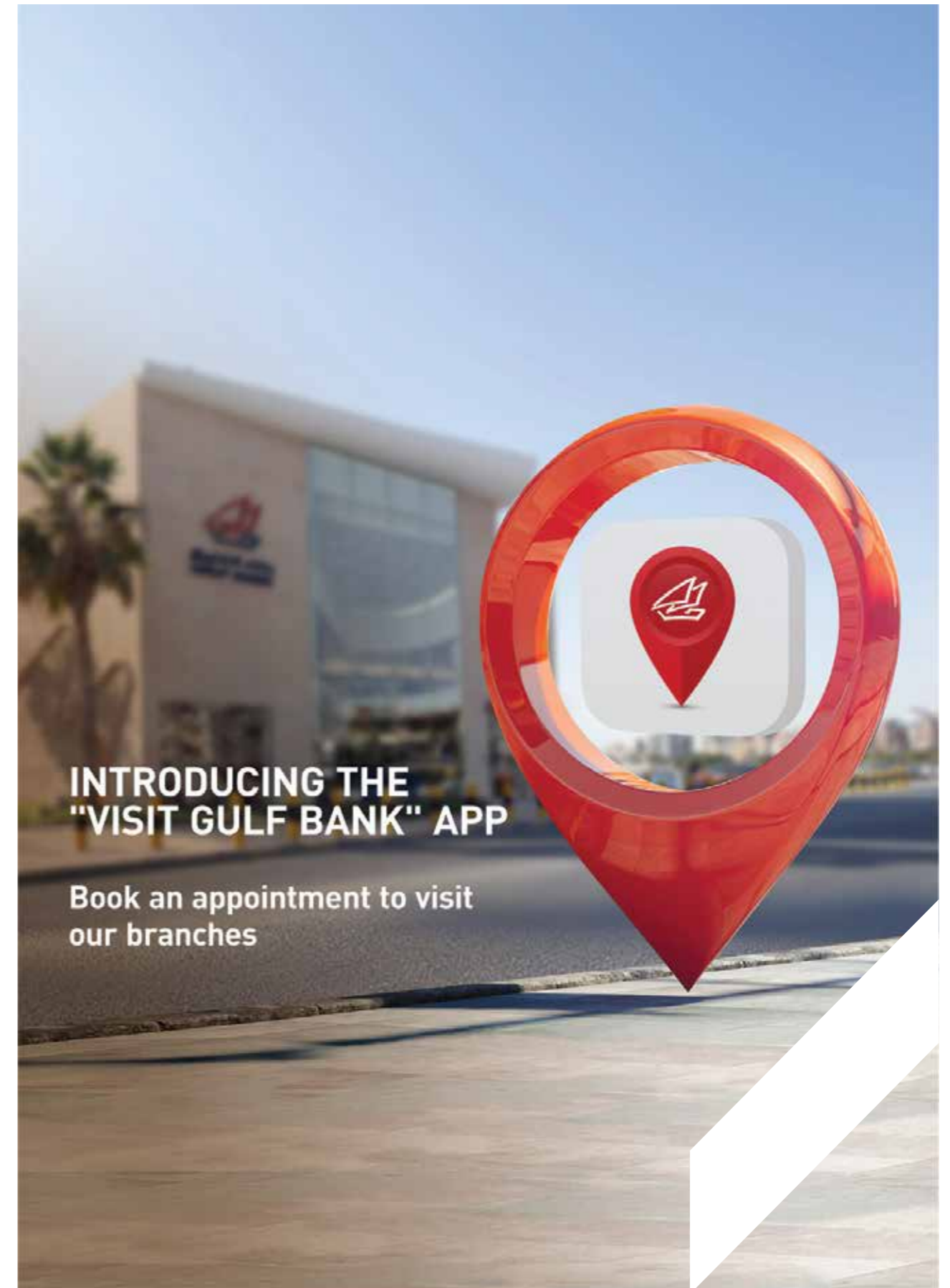
a mobile application allowing customers to book appointments to visit branches. The application is currently available to download for all Gulf Bank clients on both iOS and Android devices. Gulf Bank customers can book their appointments through the application and specify their preferred date, time and branch, granting them a smoother and more efficient branch visit while maintaining their safety.

### The application aims to reduce customer

waiting time and ensure social distancing, while making the process of visiting a branch more convenient - especially given the current health and safety restrictions due to the COVID-19 pandemic.

### The launch of the “Visit Gulf Bank”

application had several value outcomes including: reduced queues at the Bank’s branches, better customer service, increased customer satisfaction, and, most importantly, an enhanced and strategic approach towards tracking COVID-19 cases.



### INTRODUCING THE “VISIT GULF BANK” APP

Book an appointment to visit our branches



## Acknowledging Our Workplace

Throughout our 60 year journey, the workplace has been a vital sustainability dimension of interest for us, catering to our valuable employee stakeholders. Accordingly, in this section, we reflect on the sustainable management of our workforce by touching on a number of different areas, including workplace diversity, women empowerment, talent development and retention, performance management, engagement, and workplace-related digitization. Furthermore, in light of the COVID-19 crisis, we report on the various efforts we invested in to safeguard our employees' occupational health and safety.

Gulf Bank's workplace practices and operations in 2020 contributed to the following SDGs:



Scan the QR code for more information regarding our workplace related initiatives

# Acknowledging Our Workplace

This chapter covers Gulf Bank's response to the following material topics:



## MATERIAL TOPIC

- 1 Digital Transformation
- 3 Business Conduct and Compliance
- 4 Diversified Workplace
- 5 Empowering Women
- 6 Stakeholder Health and Safety
- 7 Employee Engagement
- 8 Talent Development and Retention
- 9 Performance Management
- 13 Youth Empowerment
- 14 Community Wellness
- 21 ESG Inclusion

## 4.1 Diversified Workplace

Gulf Bank's workplace environment is built on providing equal opportunities that foster a performance-driven culture based on meritocracy and transparent engagement. We aim at ensuring and providing an inclusive workplace that caters for diverse talents – who are dedicated to understanding and addressing our customers' needs and share their collective knowledge and expertise.

Gulf Bank's Human Resources recognizes each individual employee regardless of their demographic background, and we pride ourselves on our diverse selection of employees. We do not tolerate any discriminative act or behavior among our employees nor while dealing with our clients and customers. At Gulf Bank we ensure that each individual can transparently communicate with the Human Resources department and address any issue that may arise (whether discriminative or ethical) through either following the Kuwaiti labor law, or adhering to Gulf Bank's internal Code of Conduct and Good Ethics.

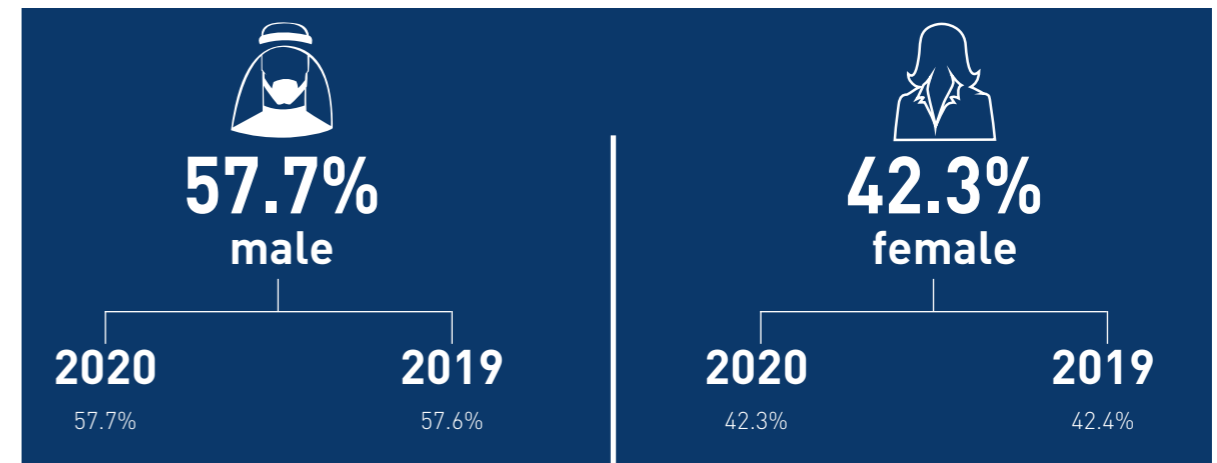
As transparent engagement is at the forefront of our workplace culture, we have put in place a Grievance Policy and Procedure, which all our employees can follow to report on any incident with their manager if they believe a decision, behavior or action affecting their employment is unfair. When necessary, our employees can escalate a grievance to the next higher level of authority for more discussion and resolution. Managers will do their utmost to action grievances objectively, discreetly, and promptly.

Aside from the Grievance Policy, we also have a whistle-blowing channel, which is linked directly to the Chairman Office and employees can call and communicate their concerns with him openly. Our employees can also raise a written complaint directly with the HR Business Partner – then they will process the complaint by escalating the matter for further investigation through Gulf Bank's investigation committee (which is composed of members from the HR and Legal departments).

As a result of our sound and open engagement with our employees, we have not witnessed any cases of discriminatory behavior at Gulf Bank.

In 2020, our female employees representation was 42.3%, where our male employees accounted for 57.7% - as shown in **Figure 4.1a**.

Figure 4.1a: Employees per Year



## WOMEN'S EMPOWERMENT PRINCIPLES

### Principle 2:

Treat all women and men fairly at work – respect and support human rights and non-discrimination



Diversity at Gulf Bank is not only limited to gender equality, as we aim at having a healthy, inclusive and diverse representation of our employees in terms of their nationality – empowering both the local community and nationals with equal opportunities in which they can develop, impact and add value. The figures of our nationality diversification are represented in **Figure 4.1b**, where the non-Kuwaiti employees accounted for 24.7% and the Kuwaiti employees for 75.3%

**Figure 4.1b: Employees Per Nationality**

Year	2020	2019	%Difference
Kuwaiti	75.3%	73.2%	2.1%
Non-Kuwaiti	24.7%	26.8%	-2.1%
Kuwaitization rate in management level	53.2%	49.8%	3.4%

Our Human Resources team approach towards employee diversification is also considered with our entry level employees, as shown in **Figure 4.1c**.

**Figure 4.1c: Entry Level Employees at Gulf Bank**

Details	2020	2019
Number of entry level employees	130	157
Nationality	98% Kuwaitis vs. 2% Non-Kuwaitis	98% Kuwaitis vs. 2% Non - Kuwaitis
Gender	43% Female vs. 57% Male	56% Female vs. 44% Male

Additionally, we believe that having an “age” diverse selection of employees is vital in terms of delivering excellence and sharing expertise – in which different perspectives can become a source of innovation, creating forward-thinking and creative ideas. A representation of our employees’ profile per age group is provided in **Figure 4.1d**

**Figure 4.1d: Employees Per Age Group**

Year	2020	2019	%Difference
Under 30	28.6%	25.5%	3.1%
30-50	67.4%	69.2%	-1.80%
Over 50	4.0%	5.3%	-1.30%

Since Gulf Bank is keen on promoting a message of inclusion when it comes to attracting and hiring talents, we proudly employed for the year 2020, 6 special needs employees - considering the unique needs of each individual and their interest. Our main objective is to create an integrated social diversified culture at Gulf Bank, where our fellow special needs colleagues can not only succeed but excel.

## 4.2 Empowering Women

Gulf Bank’s gender equality efforts go beyond ensuring a fair representation of female vs. male employees; it aims at eliminating all forms of discrimination towards women – in terms that they can fully and effectively have an impactful role in decision-making and be empowered in leadership positions.

One of our greatest achievements towards empowering our female employees is that Gulf Bank was one of the first Kuwaiti entities to endorse and become a signatory of the United Nations Women’s Empowerment Principles (WEPs). Becoming a WEPs signatory provides Gulf Bank with a practical guidance on how we can effectively empower our females not only in the workplace, but also the community and in the marketplace. Our approach towards applying and addressing the 7 principles is through being aware of each principle and by working on incorporating them into the Gulf Bank’s culture through encouraged behaviors, policies, workflows, and procedures.

We believe that by following the WEPs principles, Gulf Bank will be enabling and providing women in the local community with the opportunity to participate fully and leave an impact on the economy – and help achieve internationally agreed goals for development and sustainability and improve the quality of life for women.

Accordingly, in 2020 different women empowerment initiatives and activities took place by Gulf Bank, such as Gulf Bank’s participation in “Orange the World,” which is a global initiative launched by the United Nations to eliminate violence against women. Gulf Bank’s participation in the United Nations’ campaign is a tribute to women’s rights achievements in Kuwait, including the recent passing of Law No. 16 (2020) protecting women against domestic violence. The Bank’s participation also comes in light of national progress in achieving “SDG 5: Gender Equality”. Throughout the campaign, Gulf Bank illuminated its main building in orange, as it is one of the key societal landmarks in Kuwait, which delivers Gulf Bank’s recognition of the contributed efforts towards eliminating violence against women and in supporting broader human rights efforts – and ultimately Kuwait’s belief in the urgency of ending violence against women.

Nonetheless, to ensure that our female talents are nurtured and that they are provided with the necessary professional tools that can further strengthen their leadership roles, we have tailored training programs specifically for our female employees, tackling different topics ranging from wellbeing to managerial and corporate skills. Our women training programs aim at supporting them for long-term career success and endorsing their community presence and role. More details are provided in **Figure 4.2** as follows.

Figure 4.2: Women Training Programs

Course name	Total number of training hours
Breast Cancer Awareness	436 hours
Successful Strategies in Disrupted Times	
Venture Capital: Investing in Early-Stage Startups	
General Management Program	

**WOMEN'S EMPOWERMENT PRINCIPLES**

**Principle 4:**  
Promote education, training and professional development for women

**Principle 1:**  
Establish high-level corporate leadership for gender equality

% of Gulf Bank female employees in managerial level positions (i.e. manager and above) = **38%**



# Gulf Bank Women of Wisdom (GB WOW)



Launched as an internal employee initiative in 2017,

Gulf Bank's Women of Wisdom (GB WOW) program was created as a result of Gulf Bank management's vision to empower and support women in the corporate world. GB WOW offers networking opportunities for female employees via monthly gatherings held in groups of 10 to 12 women. The discussions are led by Gulf Bank's General Manager of Human Resources, Salma Al-Hajjaj, and promote a transparent exchange on various topics related to work-life balance. The Bank's ultimate goal is to lend its support to more women in their career paths as they strive for, and reach leadership positions. This goal goes hand in hand with the national development vision of New Kuwait 2035, which aims to increase female contribution and presence in leadership roles to 30%. Despite the pandemic and national lockdown, Gulf Bank held several virtual webinars addressing the importance of gender equality.

As part of the program, Gulf Bank

has established a WOW committee comprised of female professionals joining from a variety of different business groups and functions. They are responsible for the management and execution of the program's initiatives and projects. Additionally, we have employed a specialist research agency to conduct a first-of-its-kind, large-scale research program in Kuwait on the topic of female empowerment (to be published at a later stage).

In 2020, the GB WOW members

attended numerous virtual forums and webinars focused on women's advancement and empowerment, targeted at increasing professional development and training opportunities for women at Gulf Bank. Nonetheless, at Gulf Bank we have applied flexible working hours for our working mothers during the pandemic, to assist them in attending to the needs of virtual learning for their children.



### 4.3 Talent Development and Retention

Gulf Bank has a strategic approach when it comes to talent recruitment and retention. We believe that managing our talent depends on our capabilities in what we offer and deliver to employees, so that they remain productive, focused and skilled. Our 60-year journey of success is the result of the combined efforts of our talented employees, who are the driving force that moves Gulf Bank forward.

Therefore, at Gulf Bank we are committed to the development, growth and recognition of our valued employees and strive to establish a sustained relationship with them that is built on open and transparent communication – in which each individual remains engaged, satisfied and uplifted.

The following sections provide more details concerning our approach to attracting, retaining and developing Gulf Bank’s talent.

#### 4.3.1 Attracting Talent

Attracting talent in a competitive business sector surpasses offering competitive salary packages; it requires developing a clear understanding of market needs and identifying key niche areas that compete with international and national benchmarks in the industry.

Thus, hiring the right, qualified person that fits Gulf Bank’s work profile sets the foundation for our progress and sustained productivity. Our strategies when approaching recruitment activities are tailored and modified to suit our target audience, whether they are youth (i.e. graduates, interns), special needs, or experienced individuals (i.e. juniors, seniors).

Sponsoring career fairs is one of Gulf Bank’s recruitment strategies for attracting the right talent. We were a platinum sponsor of the 2020 edition of the Manpower and Government Restructuring Program (MGRP) Career Fair, a two-day event titled “Because You Deserve It.” This marks the third consecutive year that Gulf Bank has sponsored the career fair as part of our commitment to offering employment opportunities to local youth. During the MGRP career fair, the Gulf Bank recruitment team described the nature of work at Gulf Bank. The team also held on-the-spot interviews and provided qualified candidates, who fit the application and work description demands, with immediate contracts.

Our participation in career fairs highlights our contribution to Kuwait’s socioeconomic status and more specifically impacts the sustainable development of the private sector. In spite of the COVID-19 pandemic, we managed to recruit 63 fresh graduates, which is a 57.5% increase compared to last year’s figures. This significant achievement in times of uncertainty and crisis highlights our resilience, that proves our dedication and determination to have an impact on the local community through the expansion of our employee network and adding to our skillset. More details are shown in **Figure 4.3.1a** as follows.

**Figure 4.3.1a: Fresh Graduates Employment**

Year	2020	2019	%Change
Number of fresh graduates	63	40	57.50%

In line with our efforts in attracting future candidates, we offer a summer internship program geared towards university students. The program incorporates both practical and theoretical skills that equip students in defining and shaping their careers, specifically related to the banking sector.

The internship program commences with a comprehensive 2-day orientation, which familiarizes students with the ins and outs of Gulf Bank’s daily operations and procedures and matches interns with Gulf Bank’s business areas related to their specialty and field of study.

In 2020, the 2-day orientation was conducted virtually as part of the COVID-19 new bank regulations. Virtual meetings with the heads of the interns’ allocated departments were conducted and each was given a specific assignment. The assignment was then reviewed weekly by the allocated department head. Following their assignment’s completion, each intern was then requested to give a presentation about it, virtually.

We believe providing such internship programs will ease the transition from an intern status to a full-time working Gulf Bank employee, which increases Gulf Bank’s competitiveness as the employer of choice. In addition, participating in such programs provides interns with networking opportunities, skills development, and the career insights of the banking sector. Further analysis of full-time employment and internships per year is shown in **Figure 4.3.1b**.

**Figure 4.3.1b: Employment Type per Year**

Year	2020	2019	%Change
Full time	1,543	1,555	-0.77%
Internship	22	54	-59.26%

#### 4.3.2 Developing Talent

Investing in our employees’ development is one of our greatest assets, in which we move forward and remain updated and in line with market needs and business requirements. At Gulf Bank we offer various training programs that are tailored in accordance with our employees and respective department needs.

Over the years, we have been determined to keep our teams equipped with various digital tools that enhance their performance. As a result, Gulf Bank was able to smoothly conduct this year’s training program virtually, through Zoom, due to the exceptional circumstances imposed by the COVID-19 pandemic.

The 4-week training program included a detailed overview of Gulf Bank’s products, customer service, sales department, and more. Our virtual training program is the first of its kind that provides both practical and theoretical training for Gulf Bank employees remotely. As part of the program, employees were trained in the latest health and safety requirements set in place as a result of the pandemic to prepare them for the implications of work conditions under the pandemic, and to boost their confidence in their roles.

Additionally, the total training hours received to all Gulf bank employees reached 19,708 hours for 2020. More details about training are provided in **Annex 7.2**.



It is also worth noting that we also conduct employee training regarding consumer financial protection titled "Customer Protection Manual Training", where in 2019, 154 employees attended (total of 5 hours). In 2020, we were not able to conduct this specific training session due to certain implications of the COVID-19 pandemic.

#### 4.3.3 Retaining Talent

In order for us to determine the success of our work culture, our Human Resources team continuously measures and monitors Gulf Bank's turnover rates. We have a dashboard that visually reflects the captured data on our Human Resources Management System (HRMS), providing insights and analysis.

Gulf Bank's attrition analysis includes a number of KPIs that are measured during our conducted exit interviews, which provides our HR team with a level of understanding regarding Gulf Bank's employee satisfaction and insight on their resignation reason. Such KPIs are either classified under "Job Dissatisfaction" or "Working Conditions", examples on the "Job Dissatisfaction" include (but are not limited to) increased workload, salary concerns, lack of recognition or promotion. As for the "Working Conditions" KPIs, these include examples such as working hours, and commuting, among others.

Having such a strategic approach towards employee retention helps us benchmark our performance across the years and, most importantly, to identify the areas of improvement related to our workplace conditions. Moreover, it provides us with the necessary tools to enable us to progress and improve our performance in terms of retaining and sustaining a long-term relation with our skilled employees.


An indication of our effective employee retention approach, especially in a time of crisis, was evident in our 2020 figures, in which there was a positive decrease of 31.4% in the number of turnover employees compared to 2019 – as represented in **Figure 4.3.3**. We also disclose that Gulf Bank did not have major employee layoffs in 2020, which is defined as a layoff affecting over 10% of staff, or over 1,000 employees.

**Figure 4.3.3: Number of Employees Per New Hires and Turnover Rate**


Year	2020	2019	%Change
Number of newly hired employees	169	261	-35.25%
Number of turnover employees	201	293	-31.40%

As part of Gulf Bank's approach towards talent retention, we ensure that our employees are engaged and provided with the results of the conducted "Employee Satisfaction" surveys. The survey results are transparently communicated through workshops, townhall sessions, management meetings or team meetings.


In the past two years (2019 and 2018), we have conducted "Employee Engagement and Satisfaction Surveys" through an external party; however, in 2020 the surveys were halted due to the COVID-19 pandemic. Sustaining our employee satisfaction is vital to us, therefore at Gulf Bank we offer various benefits to our employees, which include:




Health and Life Insurance Coverage



Salary advances and interest-free advances to support employees in managing their finances



Airfare Tickets



Education assistance

At the onset of the pandemic, and as a way of recognizing our dedicated employees, we conducted a "Gulf Bank Heroes" ceremony. This was an internal initiative to show our appreciation of Gulf Bank's front-line employees during the pandemic. Over 800 employees received awards and certificates across all departments of the Bank.

#### 4.4 Performance Management

Gulf Bank's performance management aims to provide all employees with an opportunity for professional assessment and growth. All our employees are entitled to obtain feedback on their performance with views from senior managers on how they can improve their performance. The guiding principles are set out in our Performance Management and Succession Planning Policy, which focuses on acquiring, developing and maintaining a robust talent pool through a variety of work processes that ensures the:

- Sustainability of Gulf Bank's operations
- Continually increase in performance level
- Enhancement of the Kuwaiti element of the Bank
- Identification of high potential talent for strategic growth

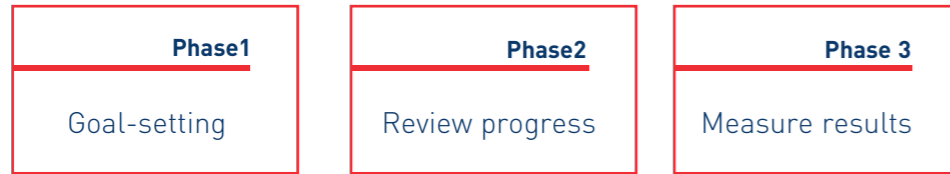
Our performance management cycle is conducted annually and it involves all Gulf Bank's permanent employees. At the beginning of the year, all executives are required to revise their goals and financial targets according to the approved Board budget. However, all our non-executive employees are required to set their goals based on their manager's targets, according to the approved Bank's strategy and scorecard which they will be assessed on at the end of the year. The assessment will be conducted by the employee and manager.

The performance management process commences with the CEO agreeing with the BNRC a set of key performance measures for the financial year to be incorporated in the balanced score cards and getting the approval of the Chairman and Gulf Bank Board of Directors.





Gulf Bank follows best practice approach for managing the performance of our employees, with 3 clearly defined phases:



Regarding Gulf Bank's talent review, it involves a comprehensive assessment process that is headed by Gulf Bank's CEO and is undertaken twice a year for our GB 50 or aspiring GB 50 employees (i.e. M1). This comprehensive assessment includes:

- Performance appraisal for the last 3 years
- Potential assessment
- 360° feedback
- Any other relevant assessment

Each respective Group GM will be responsible for preparing and presenting to the Talent Review Committee the assessment outcome as per their recommendation, with the assistance of the respective Human Resources Business Partner (HRBP). The Talent Review Committee then issues decisions regarding their promotions, succession planning, development plans and exit strategy.

Consistent with our performance management culture is our recognition of our employees' efforts through our fair and transparent compensation schemes. Our Remuneration Policy outlines Gulf Bank's employee compensation, and we conduct a market survey to benchmark the market's compensation average in relation to all employee job levels.

Moreover, in line with Global Reporting Initiative (GRI) disclosures of compensation and remuneration, we have analyzed our annual total compensation ratios for 2020 and 2019—that being the ratio of the annual total compensation for our highest paid individual compared to the annual median compensation across all employees. The result was a ratio of 32.6 in 2020, and a ratio of 32.2 in 2019, which was a 1.4%-change increase.

### 4.5 Employee Engagement

Looking back at our 60-year journey of success, and as a bank that moves forward together with our valued stakeholders, employee engagement is part of Gulf Bank's priorities to achieve set targets. We believe that having engaged employees is essential in terms of retention and increasing satisfaction levels, resulting in enhanced employee experience and thus higher levels of productivity, quality and commitment.

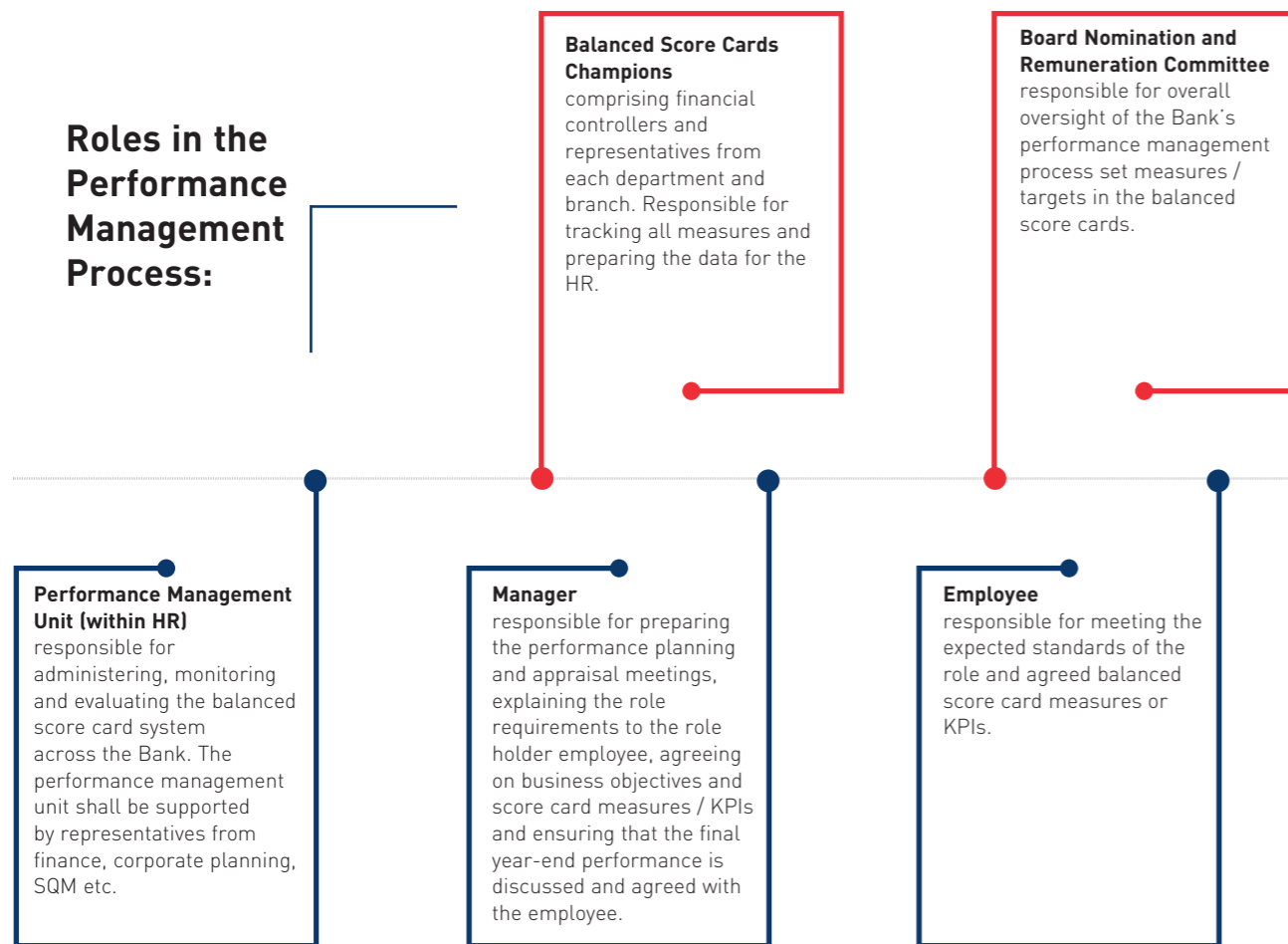
At Gulf Bank, we look at employee engagement in terms of "Volunteerism", which led us to launch Sawa'ed Al Khaleej – an internal volunteering program that brings together Gulf Bank employees from various departments for a variety of good causes.

The program aims to reinforce Gulf Bank's commitment to its Corporate Social Responsibility (CSR) program by strengthening the Bank's community outreach initiatives, which in return helps facilitate employee engagement within the sustainability and societal scope.

Sawa'ed Al Khaleej currently includes members from multiple and diverse Gulf Bank departments and units and includes several executives. In 2020 the number of volunteers reached 120, which was a 3.44% increase compared to last year.

As part of the volunteering program, all members should receive the Emergency First Response training (EFR Certification), in order to be prepared and equipped with essential required skills for emergency situations such as CPR, Heimlich maneuver, and first-aid for adults and children.

### Roles in the Performance Management Process:



This performance assessment process not only allows Gulf Bank to identify our employees' potential, but most importantly the outcomes of the assessment process are used as an input for other HR-related processes, including:

- Merit increment
- Annual bonus
- Succession planning
- Training needs analysis
- Leadership development

Furthermore, Gulf Bank has developed a selection process for its employees who wish to join the Sawa'ed Al Khaleej program. The process is as follows:

- The volunteers program is explained in every new joiner's induction / orientation
- Before each event, we send a WhatsApp broadcast that covers all the details related to the event
- The selection of the volunteers is on a first-come, first-serve basis

	2020	2019
<b>Number of volunteers</b>	120 volunteers	116 volunteers
<b>Number of events</b>	3 events	8 events
<b>Total number of volunteering hours</b>	MGRP Career fair (6 volunteers – 3-4 hours) World Cleanup Day (50 volunteers – 6 hours) GB Heroes ceremonies (6 volunteers – 3 hours shifts) Total estimated volunteering hours: 339 hours	176



# Promoting Volunteerism

## Gulf Bank launched Sawa'ed Al Khaleej in 2019

The program is an internal volunteer program bringing together the Bank's employees from various departments for a variety of good causes.

The internal volunteer team played a key role in Gulf Bank's COVID-19 response efforts. As part of their efforts to support Kuwait's Civil Defense front liners, Sawa'ed Al Khaleej volunteers were assigned various responsibilities, including food distribution in lockdown areas, aiding in quarantine facilities, and completion of organizational tasks at the Civil Defense's headquarters.

In appreciation and recognition of the Ministry of Health's continuous efforts throughout the year, Gulf Bank's Sawa'ed Al Khaleej team also assisted at the Coronavirus Rapid Screening Center in Sabhan. Volunteers distributed protection materials to all visitors as part of the Bank's unwavering commitment to social responsibility, and as part of its community sustainability efforts in raising awareness about the virus and its prevention.

### We believe that promoting

an environment of volunteerism provides Gulf Bank employees with opportunities to engage in a variety of corporate social responsibility initiatives - including internal and external events within the local community, environmental sustainability initiatives, charity and sports, and much more.

### Our Sawa'ed Al Khaleej volunteer program

now has over 160 employees from Gulf Bank who regularly participate in community outreach programs as well as internal initiatives within the Bank - who are committed and dedicated to making a difference within the community as a whole and within Gulf Bank.

## 4.6 Digital Transformation at the Workplace

Gulf Bank's strategy has "Technology" as one of its key strategic foundation elements, where the focus is on having a bank-wide digital transformation and enhancing operational efficiency through digitization. Such focus has provided Gulf Bank with readiness and resilience to tackle fast-changing working conditions, and enabled us to address our stakeholder needs accordingly.

Gulf Bank has invested in various digital channels and platforms, providing our employees with the ability to collaborate and engage internally and to cater for our customers' needs efficiently. As a result of our technology investments, more than 75 processes have been automated within our internal HR operations. These automated processes include (but are not limited to):

Online Letter	App	Declaration	Dashboard	Process
<ul style="list-style-type: none"> <li>• Performance letter</li> <li>• Promotion letter</li> <li>• Pay slip</li> <li>• Share letter</li> <li>• Power of attorney</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Change of status</li> <li>• Probation</li> <li>• Merit calculation / bonus</li> <li>• Access request, change request</li> <li>• Profile app</li> <li>• Share plan app</li> <li>• Liabilities app</li> </ul>	<ul style="list-style-type: none"> <li>• Covid travel</li> <li>• Covid vaccine</li> <li>• Covid infected staff</li> <li>• Code of ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Talent review</li> </ul>	<ul style="list-style-type: none"> <li>• 250+ event-based notification process</li> <li>• Promotion recommendation process</li> </ul>

Moreover, as a result of the COVID-19 pandemic, our recruitment strategies have been modified regarding activities such as career fairs. They changed in line with digitization, and our conducted analysis shifted to Tableau Dashboards. This enabled us to be one of the first banks to launch a virtual career fair, in which we had on-the-spot virtual interviews and hires.

Furthermore, one key impact of Gulf Bank's digital transformation for the HR operations was the improvement of our salary processing, monitoring of staff transactions, teller cash incentives and Al Danah draw exclusion.

Our Information Security team has an ongoing formalized Security Awareness Program, that is specifically conducted for all Gulf Bank's internal stakeholders. This program has defined KPIs, with monthly awareness initiatives and training objectives tailored for the targeted audience and it includes a bi-weekly user awareness testing, which is conducted across all Gulf Bank's users.

All Gulf Bank's available digital channels, tools and platforms that are used for employee engagement and communications are listed in the following **Figure 4.6**.

**Figure 4.6: Digital Channels / Tools / Platforms**

Internal Digital Channels for Employee Communication
Digital: Intranet and outlook
Social media: WhatsApp and staff internal Instagram
Full floor Training Center (with audio and visual equipment)
Plasma screens dispersed across multiple locations(Head Office and Crystal Tower)
Intranet
Townhalls (virtual via zoom)
Screensavers
Intranet pop ups
HRMS Home screen
HRMS App Home screen (to be launched in Q4- 2021)

## 4.7 Stakeholders' Health and Safety at the Workplace

The COVID-19 pandemic has resulted in unprecedented circumstances, in which our stakeholders' health and safety was one of our crucial and main concerns. Gulf Bank health and safety measures are integrated to ensure the safety of both our internal and external stakeholders, whether at our operating branches or at our main office. As a result of the COVID-19 implications, our operations shifted to remote working (especially during nationwide lockdown and curfews). Therefore, as a means of helping and supporting our valued employees, Gulf Bank launched the Employee Wellbeing Program to assist in coping with the drastic changes and its effects on emotional and mental wellbeing.

The Bank was the first in Kuwait to offer psychological services for its employees in recognition of the importance of mental and social health during the pandemic. We hosted 2 wellbeing webinars during the national lockdown. In addition, the Bank launched a remote mental and physical wellness training program for over 700 of its employees.

The program offers Gulf Bank employees access to professional counselling, through a series of focused workshop sessions that are designed to target specific challenges facing the Bank's workforce. The sessions were conducted in partnership with Dr. Amar Behbehani, who holds a PhD in Creative Psychology and Design Educations. The sessions offer up to 40 hours of group counselling where our employees discussed the state of their psychological wellbeing and were offered the tools and advice to cope with any emotional or mental challenges they face.

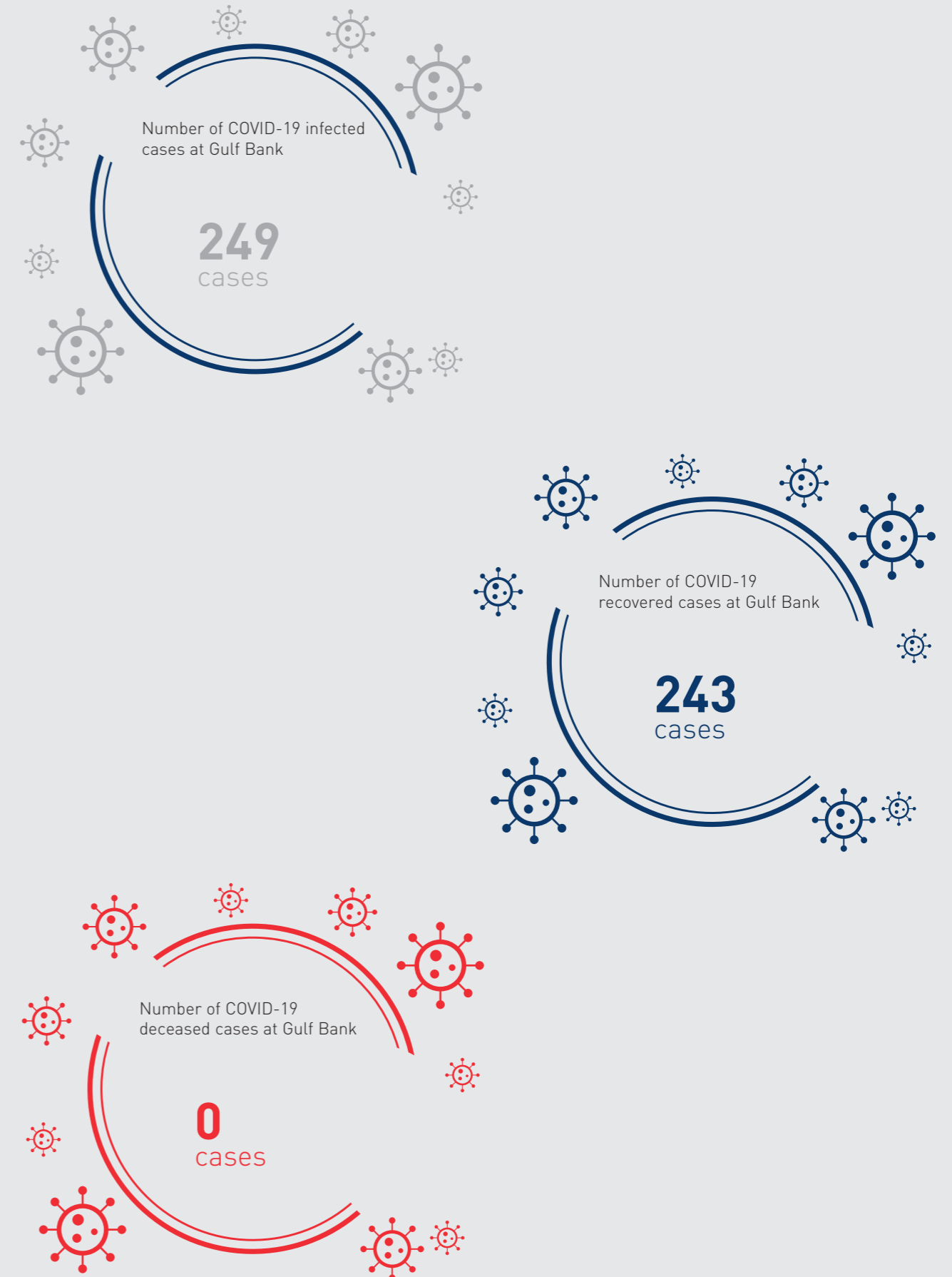
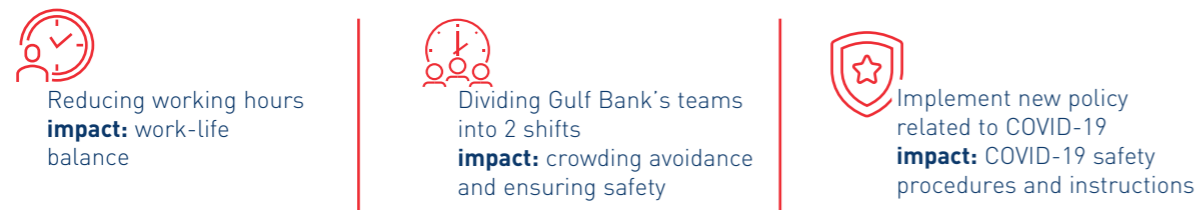
Further ensuring our occupational health and safety, we provided our employees with Nursing Services, available to staff in the headquarters as well as selected branches.

As the nation announced the return and resumption of operations, a unified 200-page bluebook was distributed and shared by Kuwait Banking Association (KBA) across all banks in Kuwait for the implementation of over 80 protocols to ensure the safety of staff and customers and provide guidance to a safe working environment.

With that in mind, Gulf Bank appointed a working team (comprising 4 teams) in which each team was tasked with a different role to ensure the effectiveness of implementing KBA's COVID-19 bluebook. Additionally, several webinars were held to raise Gulf Bank's employees' awareness regarding adjusting to the gradual and safe return to the workplace and to assure that all our employees were aware of all implemented safety measures regarding the physical attendance and resumption of work. Most importantly, dashboards were created to capture data pertaining to COVID-19, and various forms and policies were developed to allow proper documentation of the bank's COVID-19 cases. Such forms and policies include:



Additionally, we have implemented several actions aimed at ensuring and preserving Gulf Bank's employee rights during the COVID-19 pandemic. These actions, and their respective resulting impact, were as follows:



It goes without saying, that such emphasis on stakeholders' health and safety has always been integrated and embedded within our operations. Over the past 60 years, Gulf Bank has always actively promoted a working culture that encourages its employees to have a healthy lifestyle and maintain a sound wellbeing. Throughout the years, we have supported our employees with various health initiatives and discount packages, which included:

- Diet plans
- Family clinic visits
- Specialized packages customized for women's health (Breast Cancer Awareness Month)
- General health care programs
- Dentistry promotions
- Health checks (free blood tests to check blood glucose and cholesterol levels)
- Gulf Banks 642 Marathon

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

**Principle 3:**

**Ensure the health, safety and wellbeing of all women and men workers**



# Responsive Act Against COVID19- Crisis

## Workplace and Employee Safety



### During 2020, Gulf Bank was committed to applying the best preventive

health measures to ensure the safety of both its clients and staff. During the first stages of returning to normal life, Gulf Bank was keen to ensure business continuity while implementing a set of initiatives that prioritized both employees' physical and mental wellbeing, and included the periodic sterilization of the Bank's branches, implementation of social distancing measures, and several employee wellness program.

During the first stages of returning to normal life, Gulf Bank was keen on applying all the necessary precautionary measures to ensure the regular sterilization of its locations. These measures include taking customers' and employees' temperatures at the entrance, maintaining physical distance, and ensuring both customers and staff were wearing gloves and masks at all times. To encourage a culture of social distancing, Gulf Bank also placed several markers and signs across its branches and internal spaces with the recommended number of individuals allowed in any given space.

Considering the exceptional circumstances in 2020, Gulf Bank also launched a nationwide mental and physical wellness campaign to raise awareness about adjusting to the gradual and safe return to the workplace. Gulf Bank's Employee Wellbeing Program, which offered employees access to professional counselling through a series of focused workshop sessions, was designed to target specific challenges facing the Bank's workforce, particularly for employees working directly with customers.

Gulf Bank was the first bank in Kuwait to offer psychological services for its employees in recognition of the importance of mental and social health during the pandemic. The Bank also hosted two wellbeing webinars during the nation's lockdown which were open to attendees from various local banks and launched a remote mental and physical wellness training program for over 200 of its employees.





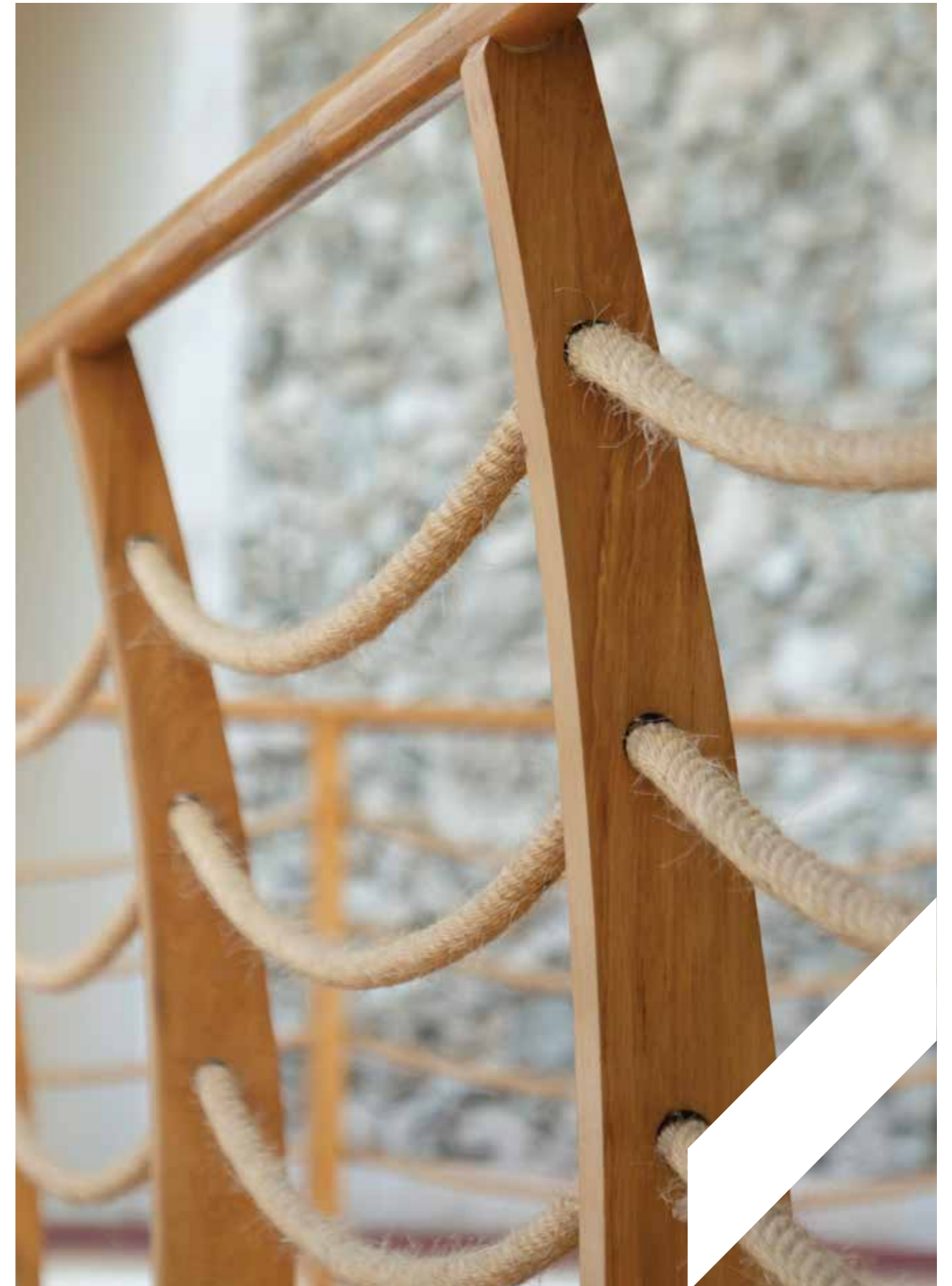
## Gulf Bank's HR department

also distributed personal safety pouches for all employees that included a hand sanitizer, masks, hand soap, and elevator safety keys. To ensure employees stayed informed and engaged on the latest health and safety measures, Gulf Bank launched a staff Instagram account and exclusive WhatsApp service for employees.

Furthermore, Gulf Bank distributed a detailed safety guide for employees that included recommendations to ensure a safe working environment in addition to a detailed remote work guideline with tips on creating a proper work-from-home atmosphere. In line with recommendations from the Ministry of Health and the Kuwait Banking Association (KBA), Gulf Bank also proactively implemented group rotation systems (Group A and Group B) as a tool to mitigate the risk of contagion.

## The effectiveness and prompt

response of Gulf Bank against the COVID-19 pandemic, enabled us to ensure the safety of all our employees and customers – which resulted in reduced numbers of COVID-19 infected cases across the Bank's business functions and within our branches. Furthermore, we developed a dashboard to track the location, number of COVID-19 cases.





## Impacting Our Local Community

Throughout our 60-year journey we have implemented various Corporate Social Responsibility (CSR) initiatives catering to our local community stakeholders. Accordingly, in this section, we delve into a number of areas that include youth empowerment, social events and interaction, as well as social engagement through a varied tools and channels. Moreover, we focused on community wellness in 2020 with regard to the rising importance of health aspects due to the COVID-19 pandemic.

Gulf Bank's CSR-related practices and operations in 2020 contributed to the following SDGs:



Scan the QR code for more information regarding our contribution to the community through our conducted initiatives.

# Impacting Our Local Community

This chapter covers Gulf Bank's response to the following material topics:

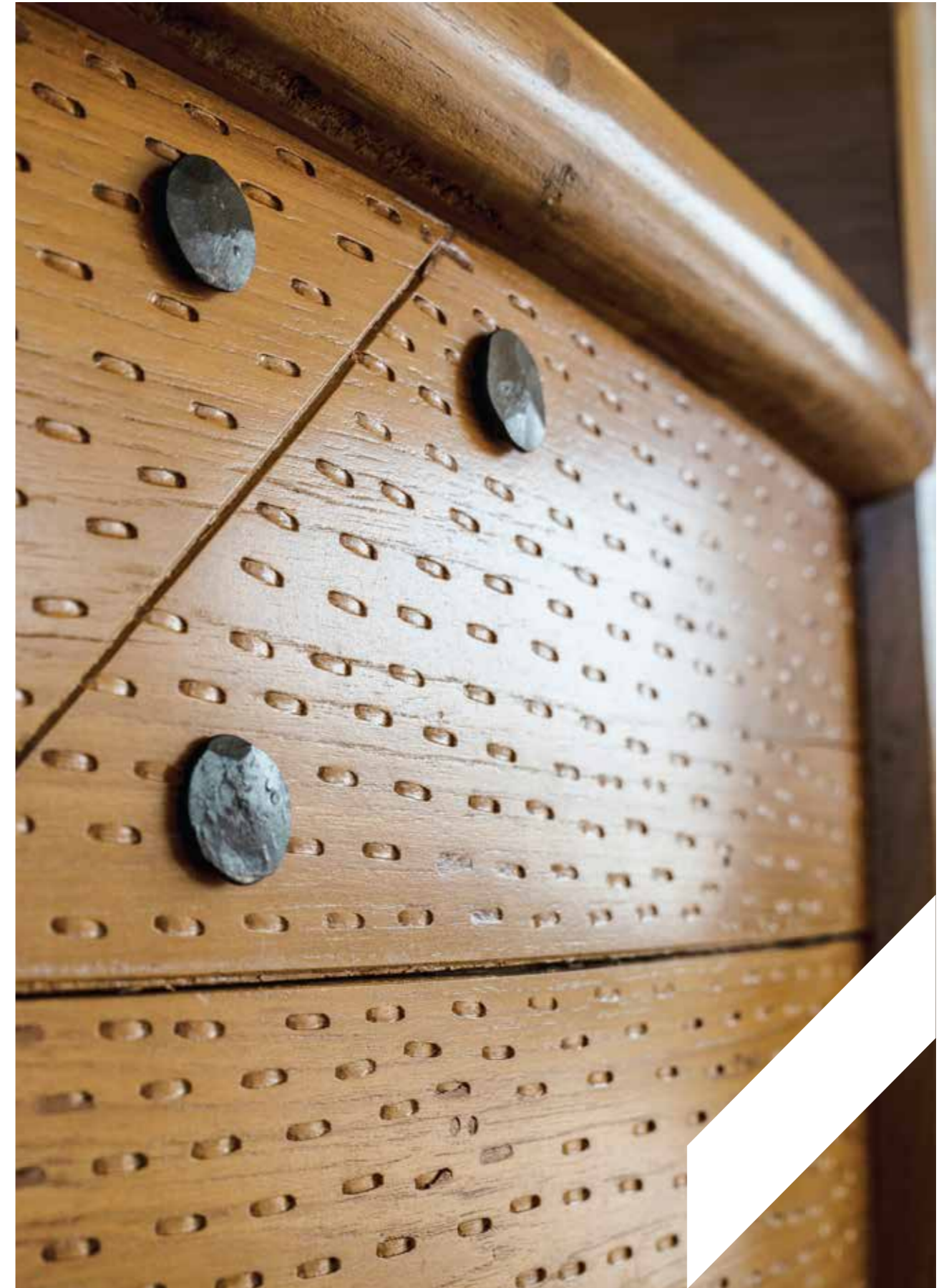


## MATERIAL TOPIC

- 6 Stakeholder Health and Safety
- 13 Youth Empowerment
- 14 Community Wellness
- 15 Social Engagement and Interaction

Gulf Bank is known for its CSR initiatives and investments and the impact it has on the local community. Gulf Bank's CSR initiatives used to focus on 4 main categories, which were youth, education, community services, and health and fitness. In line with the advancements in sustainability and the shifting of its terminologies from CSR to sustainability and ultimately towards ESG, Gulf Bank's CSR initiatives approach has evolved, with a focus now on 3 pillars of sustainability: the community, economy, and the environment. With that being said, through a combination of efforts on all of these fronts, Gulf Bank's social responsibility initiatives in 2019 went hand in hand with international efforts, in terms of aligning them with the United Nations' 17 Sustainable Development Goals (SDGs).

In 2020, we continued to strategically select initiatives that benefit both the local community and the Bank, while reporting on the Bank's non-financial performance – as this year marks the first release of Gulf Bank's sustainability report. Our aim is to continue advancing towards sustainable development practices, with the focus on integrating ESG criteria within the selection of our CSR initiatives and the bank-wide operations.





## 5.1 Community Wellness

"Health and Wellness" has always been one of the main areas that Gulf Bank significantly contributes to through its community investments and initiatives. The COVID-19 pandemic has brought attention to the vital and crucial role companies have to fulfill and adhere to in such challenging times.

Gulf Bank was ready to act and respond from day one, due to its solid and resilient commitment towards the community's health and wellness. We have been at the forefront of that response; mobilizing rapidly to improve conditions for our employees, stakeholders and most importantly the local community. Gulf Bank contributed to the CBK's Fund (total valued at KD 10 million along with other banks) designed to allow local banks to support national efforts in combating the spread of the novel coronavirus.

In addition, the COVID-19 pandemic has highlighted the need for mental wellbeing support. In response, Gulf Bank launched a nationwide mental and physical wellness campaign to raise awareness about coping with the nationwide lockdown and adjusting to the gradual and safe return to the workplace. Additionally, throughout the year, the Bank proudly maintained its unwavering line of communication with the public by strategically utilizing our social media accounts to circulate social and educational messages to Gulf Bank's followers - spanning several topics including health, economy, sports, psychology, and technology. The educational messages were broadcasted in the form of short and simple videos, in order to spread awareness and maintain wellbeing, and sustain our engagement with our customers in such stressful times.

Although 2020 was an exceptionally challenging year, Gulf Bank still managed to plan for its main and integral social initiative that supports the community's wellness - the Gulf Bank 642 Marathon.

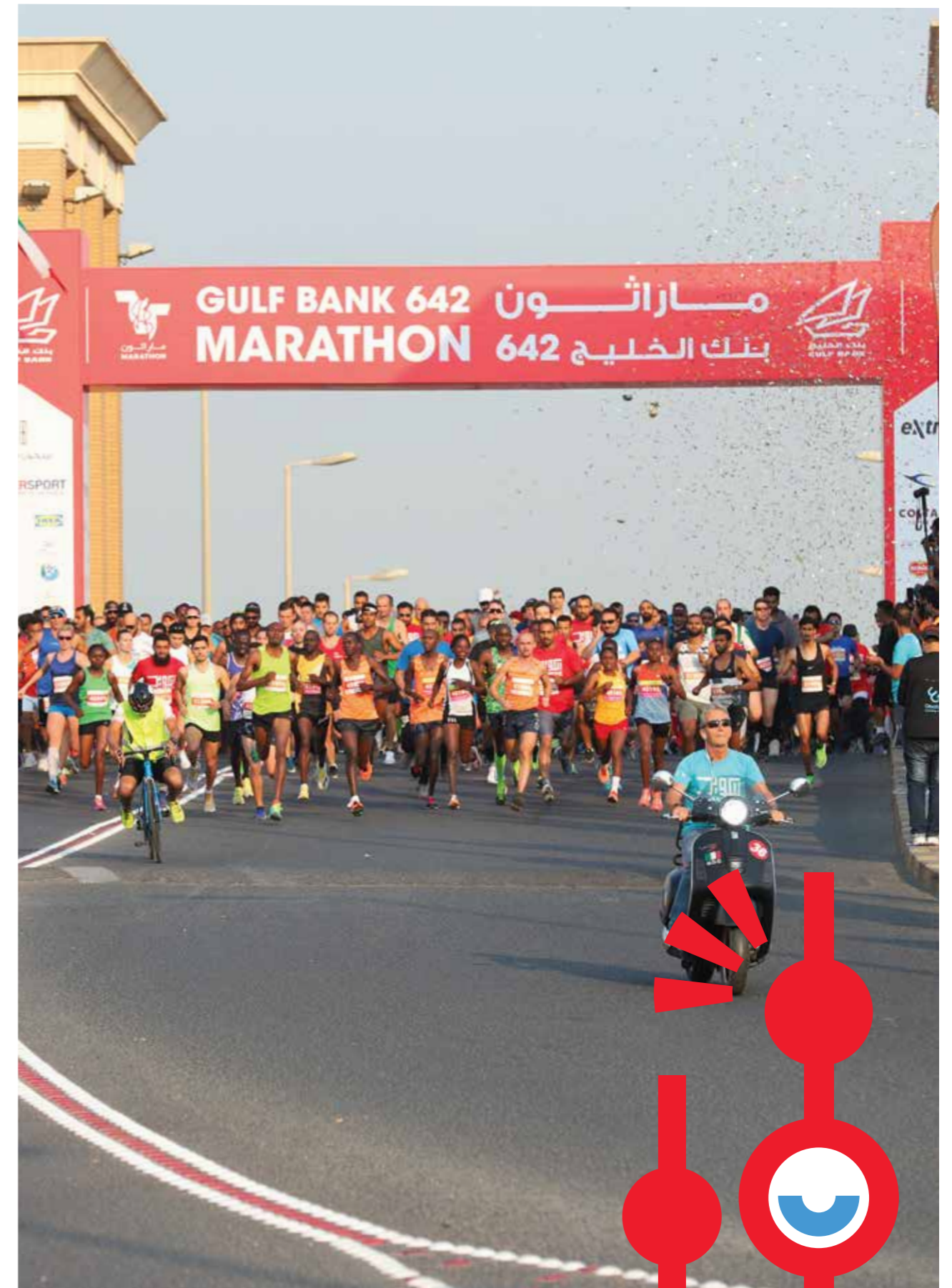
### Gulf Bank 642 Marathon

The 'Gulf Bank 642 Marathon' has become one of Kuwait's leading events, putting our country on the international sporting map, as in 2019 the 642 Marathon was upgraded and qualified for the International Association of Athletics Federations (IAAF) Bronze label - allowing our race to be recognized as part of the International Elite Field. In addition to the IAAF recognition, our marathon is the only race in Kuwait to be recognized by Abbott World Marathon Majors certification. This means every participant joining the Bank's 42km distance race has the opportunity to collect points and compete in the World Marathon Majors in 2021. Such recognition brought over 14 professional athletes to compete, with some coming all the way from Kenya and Ukraine to participate in the Gulf Bank 642 Marathon in 2019.

This significant initiative has been going for 5 years in a row, through our partnership with Pro-Vision Sports Management (now known as Suffix). The 642 Marathon caters to a diverse range of the public and age segments and consists of 4 categories that are open to runners of all capabilities.

Given that 2020 was a year of crisis and with the spread of the COVID-19 virus, the 6th edition of Gulf Bank's Marathon was postponed to Q4 of 2021. In 2020 the marathon planning was undertaken, and it was concluded that the 6th edition of Gulf Bank 642 Marathon would be held virtually, for safety reasons.

It is worth mentioning that Gulf Bank 642 Marathon has an impact on the local community in terms of donations. For the past 5 years, we have partnered with Kuwait Red Crescent Society (KRCS), in which a total of KD 10,000 was contributed covering the provision of medical devices to those who are unable to afford them - including pacemakers, cochlear devices, hearing aids, electric wheelchairs and stents.



<b>5</b> KM Family Fun Walk / Run	<b>10</b> KM Souq Run	<b>GULF BANK 642</b> ماراثون <b>MARATHON</b> 642 بنك الخليج
<b>21</b> KM Half Marathon	<b>42</b> KM Full Marathon	
<ul style="list-style-type: none"> <li>- A total of 9,300 participants in 2019</li> <li>- Out of the total number of participants, 2,200 international participants in 2019</li> <li>- Kuwait's only AbbottWMM-accredited marathon</li> <li>- 100 different nationalities participated in 2019</li> </ul>		

## 5.2 Youth Empowerment Initiatives

Gulf Bank participates in and conducts several initiatives as part of our ongoing efforts in supporting and empowering youth. Our youth initiatives focus on cultivating the young local talent and nurturing them and preparing them for their future careers. Despite the COVID-19 restrictions, we managed to continue participating in 2 of our main youth empowerment events, AJYAL and INJAZ.

### AJYAL

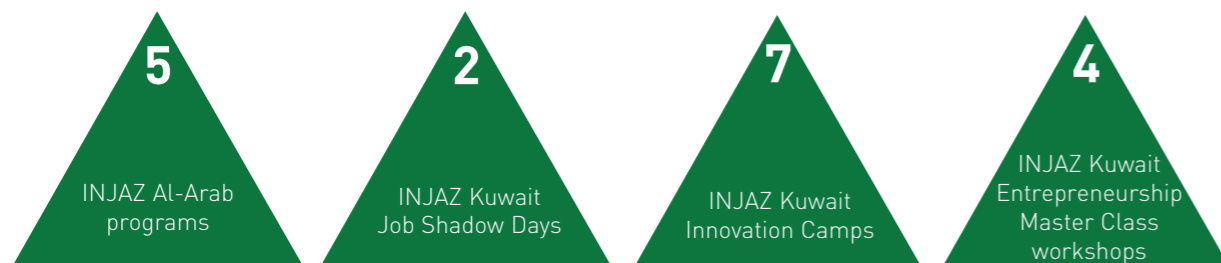
Gulf Bank has a divested interest in cultivating young Kuwaiti talent for the banking industry and local market. Since 2014, Gulf Bank's AJYAL provides Kuwaiti talented youth with an intensive training program that spans 6 months. The program aims at helping AJYAL candidates develop their key banking skills and provides them with holistic tools which further shape both interpersonal and professional skills.

### INJAZ

Gulf Bank extended its support to INJAZ Kuwait, a non-profit, non-governmental organization. INJAZ Kuwait is part of a global network of Junior Achievement worldwide, driven by Kuwait's private sector. Through strategic partnerships with Kuwait's business and education sectors, and with the help of qualified and dedicated volunteers, INJAZ delivers both Arabic and English language educational programs on entrepreneurial and leadership skills to help them build successful careers and readiness.

As part of our strategic partnership with INJAZ, Gulf Bank sponsored numerous educational and entrepreneurial courses for high school and college students across both the public and private sectors.

For the year 2020, we managed to participate in:



Moreover, this year we continued our sponsorship of INJAZ's annual Company Program competition, in which students pitch their business ideas to a panel of judges.

Considering this year's circumstances, the competition was held virtually to ensure social distancing and the safety of participants and volunteers. In 2020, a total of 9 students participated in the competition, where "Playstic" was announced as the winner at the high school level, whereas "Sayarti" took home the Company Program prize at the university level. The winners competed with other participants at the regional level competition, that was scheduled to be held in Morocco.



To date, AJYAL has graduated 106 professionals

In 2020, around 43 Gulf Bank staff members have volunteered their time and efforts at numerous schools and universities across Kuwait in participation with INJAZ, inspiring 3,275 students. Overall, Gulf Bank invested a total of 50,000 KD into INJAZ in 2020.

## 5.3 Social Events and Interactions

In 2020, some of Gulf Bank's social events and interactions were on hold, as a result of the COVID-19 implications and the nationwide lockdown and curfew. Nevertheless, we managed to conduct some events virtually and prior to the lockdown some events were held physically. This year's social events and interactions were categorized into 5 main areas, namely:

### Culture and Heritage

Gulf Bank was the Gold sponsor of the Sheikh Jaber Al-Ahmad Cultural Centre's musical production of "Memoirs of a Sailor". This exceptional musical was written by the late poet Mohammed Al-Fayez and composed by the musician Ghannam Al-Daikan, with the participation of the Kuwaiti veteran singer Shadi Al Khaleej and scripted by novelist Saud Al-Sanousi. The sponsorship is in line with the Bank's long-standing commitment to raising awareness of Kuwait's heritage and traditions. "Memoirs of a Sailor" tells the story of a sailor's hardships, as he longs for home and his family in Kuwait while working as a pearl diver. The tale covers a range of events, documenting the suffering, hopes and memories of the sailor throughout his journey. Such participation is driven by Gulf Bank's beliefs in preserving Kuwait's heritage and culture, as it helps to define who we are and what we want to become.

### Community

Gulf Bank was the title sponsor for the 7th Qout Market session, an artisanal farmers' market established in 2013 with the aim of empowering the local community through seasonal initiatives focused on small and medium-sized vendors specializing in farm produce, artisanal crafts and locally made food products. The event was held physically, in February 2020 (prior to the COVID-19 pandemic), and the total number of the attendees ranged from 3,000 - 7,000 of each of the 1 market, including Abraj Park in Adailiya. The total number of Gulf Bank's employees who participated as volunteers reached 10 employees, where the total volunteering hours was 5 hours/employee. Gulf Bank invested a total of 30,000 KD into this sponsorship.

### Environment

As part of Gulf Bank's efforts in creating a positive impact towards environmental sustainability, Gulf Bank participated in the largest campaign in Kuwait: the "World Cleanup Day", organized by Alnowair. Alnowair is a non-profit initiative founded in 2013 by HH Sheikha Intisar Al Sabah, and is the first initiative of its kind in the region, dedicated to promoting a positive impact in Kuwait in terms of waste management and preserving of ecological life. A total of 20 Gulf Bank employees participated in the event, in which a total of 1 hour/employee was contributed.

### Education

Gulf Bank also launched "Let's Talk Business," a series of interviews with local entrepreneurs designed to stimulate an entrepreneurial culture in Kuwait. The entrepreneurs were interviewed by Tareq Al-Saleh, Deputy General Manager of the Economic Research Unit at Gulf Bank, who discussed various business-related topics with guests including Chef Ahmed Al Bader, Abdulaziz B. Al Loughani, Talal Al-Nafisi, and Abdullah Al-Essa.

The business leaders discussed the keys to success for SMEs, how to conduct their business during times of crisis, how to successfully diversify and expand their business, and much more. The segments were held virtually and aired across Gulf Bank's various social media channels and on AlRai-AlQabas TV channel.

### Technology

Gulf Bank was the Diamond sponsor of Kuwait Tech Expo 2020, the biggest technology event of its kind in Kuwait. This year's Kuwait Tech Expo took place in February at Kuwait's International Fairground in Mishref. The expo was held in the presence of major local and international companies from the technology and telecommunications sector and included the attendance of governmental entities as well.

The event aimed at offering effective solutions to the nation's various bodies to explore the latest services that the technology sector has to offer, with the aim of serving the community's needs on both local and international levels. Gulf Bank's participation reflects its commitment to technological growth and advancement, as the Bank works to elevate its banking experience to better serve clients.

Kuwait Tech Expo aims to find a common platform for decision makers, companies, and consumers in the fields of telecommunications and technology, while creating opportunities for companies and government entities to learn more about related projects and opportunities. The event also aims to find the most appropriate mechanisms for communication through the display of the participating companies' products and services at the exhibition, thereby contributing to the development of infrastructures of the various developmental projects – and therefore serving Kuwait National Development Plan 2035.

## 5.4 Social Engagement

Throughout the year 2020, Gulf Bank proudly maintained its unwavering line of communication and engagement with the local community and our customers by strategically utilizing the Bank's social media accounts.

In response to the COVID-19 pandemic, Gulf Banks has launched several community sustainability campaigns that worked with the conditions the country was undergoing, including the nationwide lockdown and curfew periods.

The 2020 newly launched "Weekly" social media campaign focused on dedicating certain days of the week to address a topic that is related to sustainability, technology and the community's health and wellbeing awareness. The campaign's specific focus was:

### Save the Environment Sundays

In which the Bank focused on recycling initiatives and encouraged followers to reduce their plastic use and raise their awareness towards environmental sustainability

### Motivational Mondays

In which the Bank spreads inspirational messages and influential content

### Tech Tuesdays

In which the Bank highlights a weekly technological tip

### Wellness Wednesdays

In which the Bank presents health advices aimed at increasing the mental and physical awareness of the community

In addition, Gulf Bank collaborated with a number of prestigious local leaders and experts to provide useful and entertaining content for its social media followers during the COVID-19 pandemic. Such collaborations included:



#### Circuit+ (local gym)

Provided Gulf Bank's social media followers with short home workout tips aimed at assisting them in completing their favorite physical activities at home, and to encourage working out as a means of lowering anxiety and boosting the immune system



#### Diet and nutrition specialist - Dana Ghareeb

Provided nutrition, health and lifestyle tips to Gulf Bank's social media followers, helping them cope with periods of high stress and encouraging healthier diet choices as a way of avoiding obesity and weight gain during lockdown



#### Ms. Ebtisam Al-Oumi

Who shared home organizing tips for Gulf Bank's social media followers in order that they take advantage of their free time and to keep themselves engaged in an activity during lockdown boosting the immune system



#### Chef Ahmed Al-Bader

Provided nutrition, health and lifestyle tips, and shared easy recipes for quick home meals at a time when restaurants in the country were closing down

Gulf Bank wrapped up the year with a notable 23% increase in social media followers, and more than 500,000 interactions with followers, including comments, return posts and responses

As a result of these social media campaigns, Gulf Bank wrapped up the year with a notable 23% increase in social media followers, and more than 500,000 interactions with followers, including comments, return posts and responses. The Bank's channels also received nearly 7 million views.

	2020
Number of followers: Number of posts: Number of post likes and shares:	106,300 1400 13,800
Number of followers: Number of posts: Number of post likes and shares:	195,000 1,200 452,000
Number of followers: Number of posts: Number of post likes and shares:	115,200 2,400 41,400
Number of followers: Number of views	423 1.3 million
Number of followers: Number of posts: Number of post likes and shares:	46,500 130 2,700

## Advertising and Marketing

Gulf Bank utilizes a range of marketing communication channels, be it owned or paid, digital or traditional. The media mix depends on the scale of the specific campaign. Here are some examples of the media we use:

Owned Media
Visual Merchandise
Branch Screens
Branch Posters
Brochures
Statement Stuffers
Website/App
Interactive Voice Response (IVR)
Social Media

Paid Media
Social Media
TV
Cinema
Radio
SMS messages
Press advertisements
Outdoors (especially digital screens)

Throughout our advertising and marketing activities, we focused on technology and digital tools. The COVID-19 pandemic has no doubt played a vital role in accelerating Gulf Bank's digital transformation on most fronts, from customer experience touch points to the roll-out strategy of marketing programs. Like many banks and corporations worldwide, we were forced to pivot and adapt as quickly as possible. Our focus on digital media became evident as this space has proven to be, since its continuous rise, very efficient and effective.

Our goal at Gulf Bank is to always ensure reaching customers with relevant content and engaging marketing communication activities, in efforts mainly aiming to increase our brand equity, which would eventually result in customer conversion and acquisition. This cannot be achieved without the understanding of our customers' needs and prediction of their behavior, while also creating lookalikes to attract new customers to the Bank.





## Reporting on Our Environmental Performance

Throughout our 60 years, we have been managing our resources responsibly, noting that our financial sector generally has a less detrimental environmental impact relative to other sectors due to being predominately service-oriented. Accordingly, in this section, we report the management of our energy consumption, water consumption, and waste management. We further analyze our carbon emissions through greenhouse gas (GHG) emissions across scope I and scope II.

Gulf Bank's environmental performance and related practices and operations in 2020 contributed to the following SDGs:



Scan the QR code for more information on our conducted environmental initiatives

# Reporting on Our Environmental Performance

This chapter covers Gulf Bank's response to the following material topics:



## MATERIAL TOPIC

- 1 Digital Transformation
- 10 Carbon Emissions
- 11 Resources Management
- 12 Responsible Procurement

Gulf Bank realizes that having responsible operations is key to achieving sustainable development. We believe that managing and measuring our environmental intangible impacts will lead to operational efficiency and will impact our community, in terms of resources savings waste and emissions reductions.

## 6.1 Carbon Emissions

Transitioning to a low carbon emission operation will ultimately provide the local community with a secure and clean-living environment with reliable energy sources. As this is our first year of sustainability reporting, normally such practice would be considered our baseline for measuring our Greenhouse Gas (GHG) emissions. However, as this was an exceptional year and most of our operations went virtually with minimal transportation, the following year 2021 will be thus considered our baseline year. Although Gulf Bank's operations are considered as service-based, with relatively low GHG emissions, we nonetheless believe in the significant impact we will be creating and plan to advance such practice in measuring, monitoring, managing and reporting our GHG reduction efforts.

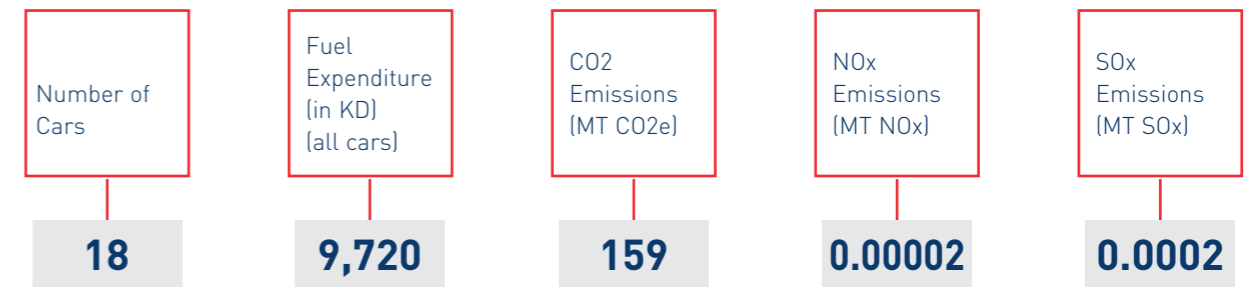
For the year 2020 our GHG emissions were measured for scopes I and II – more details on each scope's emissions are presented in the following sections.

### 6.1.1 Scope I Emissions

Gulf Bank's scope I emissions are a result of the direct fuel consumption of Gulf Bank's owned cars. We own 18 cars, and their total fuel consumption in 2020 accounted for KD 9,720 in yearly fuel consumption. These were the same expenditures and volume figures as 2019. Such consumption has resulted in about 159 MT CO<sub>2</sub>e, 0.00002 MT NO<sub>x</sub>, and 0.0002 MT SO<sub>x</sub> emissions, as shown in **Figure 6.1.1**.



Figure 6.1.1: Scope I GHG Emissions at Gulf Bank



### 6.1.2 Scope II Emissions

Gulf Bank's scope II emissions are defined as the indirect emissions generated from purchased / used energy by the Bank. This arises from our purchased grid electricity that is used for powering our premises. In 2020, the total electricity consumption was 513,000 kWh per year and electricity paid was 25,650 KD per year – as represented in **Figure 6.1.2a**.

Figure 6.1.2a: Gulf Bank Electricity Consumption

	2020
Amount of electricity consumed (kWh)	513,000
Amount paid towards electricity consumption in KD	25,650

**Figure 6.1.2b** represents Gulf Bank's scope II emissions in MT of CO<sub>2</sub>e converted from the amount of grid electricity consumption. We can see that 327 MT CO<sub>2</sub>e of scope II GHG emissions resulted from the Bank's consumption of 513,000 kWh of grid electricity. This can further be analyzed in intensity figures (amount per Gulf Bank employee), resulting in intensities of 281 kWh grid electricity per employee per year, equal to 0.2 MT CO<sub>2</sub>e emissions per employee per year.

Figure 6.1.2b: Scope II GHG Emissions at Gulf Bank

Type	Grid Electricity per Year (kWh)	CO <sub>2</sub> Emissions (MT CO <sub>2</sub> e)
Total Amount	513,000	327
Intensity amount / employee	281	0.2

## 6.2 Resources Management

For the year 2020, we have measured our environmental performance in terms of "Resources Management" with reference to 3 main management areas, including energy, waste and water consumption. At Gulf Bank we aim at promoting a working environment that encourages environmentally friendly practices and boosts our employees' awareness and participation in such initiatives. The following sections present more details regarding our resources management areas.

### 6.2.1 Energy Consumption Management

Improved energy efficiency is one of the areas that Gulf Bank manages its energy consumption. At Gulf Bank we apply various non-conventional methods in reducing our power consumption. These include the installation of automated light programmers and HVAC throughout the Bank's facilities.

In 2020, Gulf Bank's energy consumption accounted for 513,000 kWh, in which a total of KD 25,650 was spent on our grid electricity consumption.

### 6.2.2 Waste Management

Since this is our first year of reporting our environmental impact and performance, another KPI that we included in our 2020 report is our waste consumption management. Gulf Bank's waste management concerns 3 main types of waste: plastic, paper and electronics.

Starting with electronic waste (e-waste), our efforts include the recycling of certain hardware, specifically computers, printers, and servers.

Looking at plastic, in 2019, the Bank signed a cooperation agreement with Omniya to recycle plastic waste generated at our head office and in the surrounding area. The agreement comes as part of the Bank's realization of the integral role we have towards the environment and its resulting impact on the community. These are taken into the recycling process by Omniya's team, where the final product is then sold as raw material. Such cooperation also sheds light on Gulf Bank's impact towards promoting a circular economy.

Moreover, Gulf Bank has initiated a campaign that was directed towards reducing the use of plastic bottles. The campaign targeted the Bank's employees, as means of raising their awareness towards waste management and resources consumption reduction. During the campaign, a number of 2,300 reusable bottles were distributed among 2,300 employees.



Another type of main resource consumed and waste generated at Gulf Bank is paper. Due to the nature of our operations and the services we provide, we are required to use paper frequently, such as for KYC, contracts, and receipts, among others. Converting operations into a virtual working place due to the COVID-19 pandemic has shifted the Bank's mindset, especially during our 2020 cost review.

Embedding and integrating technology and digital solutions into Gulf Bank's operations results in various significant impacts on our sustainable performance. The transformation of the Bank's internal operations such as customers' digital onboarding, electronic receipt settlements, electronic deposits, and digital banking services, will ultimately lead to paper consumption reduction.

Figure 6.2.2a shows more details of Gulf Bank's environmental performance in terms of paper consumption, where there was a 5.4% reduction in the amount of paper consumed at the Bank compared to last year.

Figure 6.2.2a: Paper Waste at Gulf Bank

	2020	2019	%Change
Quantity of paper consumed	35,000 reams	37,000 reams	-5.40%

Our paper reduction amounted to 2,000 reams of paper in other words, 1,000,000 sheets of paper. This reduction comes with a variety of environmental savings, including savings in energy, GHG emissions, and water, as outlined in Figure 6.2.2b as follows.

Figure 6.2.2b: Environmental Savings of Paper Reduction at Gulf Bank

Element	Environmental Savings
Paper	1,000,000 Sheets
Energy	37,220 kWh
GHG	41 MT CO2e
Water	107,000 US gallons

Besides the aforementioned paper consumption and savings, we see further paper reductions from efforts to reduce paper in our ATMs. Notably, ATM receipt printing has been disabled, except for feature cases that include cash deposit and mini-statement requests. As a result Gulf Bank was able to save 3,000 paper rolls, and KD 5,400 from this reduction. Further environmental savings, including energy, water, and GHG emissions are displayed in **Figure 6.2.2c** as follows.

**Figure 6.2.2c: Environmental Savings of Paperless ATM Initiative at Gulf Bank**

Element	Savings
Invoices reduced	3,000 paper rolls
Cost savings	5,400 KD
GHG	0.00003 MT CO2e
Energy	0.018 kWh
Water	0.04 US gallons

### 6.2.3 Water Consumption Management

Preserving water and managing its consumption is considered one of the crucial areas towards reaching a sustainable operation. As a means of conserving and minimizing our water consumption, we have installed automated water taps throughout the Bank's facilities. Additionally, we apply alternative methods of cleaning that rely on low water consumption. As a result of our water management efforts, Gulf Bank managed to reduce its volume consumption in 2020 by 5.7% compared to last year, as well as its water cost by 5.7% similarly, as displayed in **Figure 6.2.3a**.

**Figure 6.2.3a: Water Consumption at Gulf Bank**

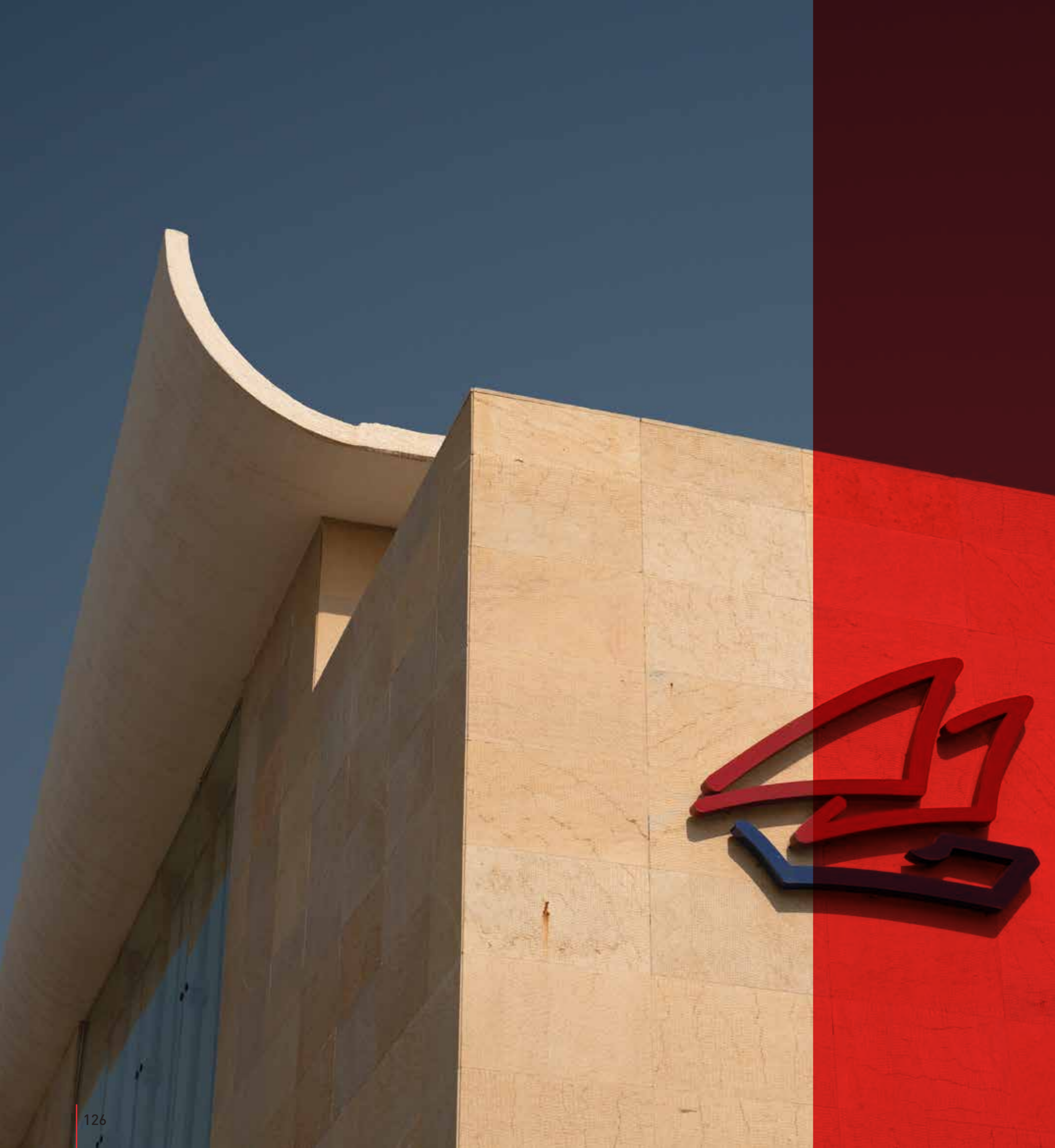
	2020	2019
Quantity of water consumed (Liters)	82,500	87,500
Amount paid towards water consumption in KD	1,650	1,750

Moreover, this can be analyzed further as per **Figure 6.2.3b**. Accordingly, we can calculate water consumption intensity per Gulf Bank employee, volume and cost reduction of water consumption, and the GHG emissions saved from the water consumption.

**Figure 6.2.3b: Water Consumption Analysis**

Water Consumption Analysis Figures	
Intensity of water consumed (Liters / employee) (in 2020)	45.23
Volume reduction of water consumed (Liters) (2019 to 2020)	5,000
Cost reduction of water consumed (KD) (2019 to 2020)	100
GHG emissions saved (MT CO2e) (2019 to 2020)	0.75





---

## Annex

## 7.1 Global Reporting Initiative (GRI) Content Index

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
<b>General Disclosures</b>			
102-1	Name of the organization	Gulf Bank	
102-2	Activities, brands, products, and services		8, 58-70
102-3	Location of headquarter	Kuwait City ,Kuwait	8
102-4	Location of operation		8
102-5	Ownership and legal form		10
102-6	Markets served		8, 58-70
102-7	Scale of the organization	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	
102-8	Information on employees and other workers		84-104
102-9	Supply chain		76-77
102-10	Significant changes to the organization and its supply chain	No significant changes to the organization and its supply chain	
102-11	Precautionary Principles or approach	Integrated within risk management approach	45-48
102-12	External initiatives	Kuwait National Development Plan (KNDP), United National Sustainable Development Goals (UNSDGs), Boursa Kuwait, Women's Empowerment Principles (WEPs)	
102-13	Membership of associations	Kuwait Banking Association (KBA)	
<b>Strategy</b>			
102-14	Statement from senior decision-maker		13-16
102-15	Key impacts, risks and opportunities		48
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behavior		49-54

<b>Governance</b>			
102-18	Governance structure		39
102-20	Executive-level responsibility for economic, environmental, and social topics		44-45
102-21	Consulting stakeholders on economic, environmental, and social topics		22-25
102-22	Composition of the highest governance body and its committees	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	40-43
102-23	Chair of the highest governance body	Chairman of the Board of Directors: Jassim Mustafa Boodai	14, 40-41
102-24	Nominating and selecting the highest governance body	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	39-40
102-26	Role of highest governance body in setting purpose, values, and strategy	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	41
102-27	Collective knowledge of highest governance body	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	40
102-29	Identifying and managing economic, environmental, and social impacts		22-29
102-30	Effectiveness of risk management processes		45-48
102-31	Review of economic, environmental, and social topics	Mentioned in extensive details throughout Gulf Bank's sustainability report 2020	
102-33	Communicating critical concerns	Communicated throughout Gulf Bank's sustainability report 2020	
102-35	Remuneration policies	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	95
102-38	Annual total compensation ratio		95

Stakeholder Engagement		
102-40	List of stakeholder groups	23-25
102-41	Collective bargaining agreements	Labor Unions are not relevant as per Kuwait law
102-42	Identifying and selecting stakeholders	22
102-43	Approach to stakeholder engagement	24-25
102-44	Key topics and concerns raised	26-29
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Financial Statements in Annual Report. There is No Consolidation.
102-46	Defining report content and topic Boundaries	2
102-47	List of material topics	27
102-48	Restatements of information	No information was restated
102-49	Changes in reporting	No changes, as this is the first published sustainability report for Gulf Bank
102-50	Reporting period	1st January 2020 – 31st December 2020
102-51	Date of most recent report	This is the most recent report of Gulf Bank
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@gulfbank.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option
102-55	GRI content index	The GRI content is provided in pages 128-135
102-56	External assurance	This report did not undergo external assurance, but all financial data is subject to external assurance

Management Approach – Material Topics			
103-1, 103-2	Management Approach: Digital Transformation	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Governance and Oversight	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Business Conduct and Compliance	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Diversified Workplace	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Empowering Women	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Stakeholder Health and Safety	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Employee Engagement	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Talent Development and Retention	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Performance Management	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Carbon Emissions	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Resources Management	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Responsible Procurement	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Youth Empowerment	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Community Wellness	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Social Engagement and Interaction	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Business Continuity Plan	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Sustainable Financing	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Privacy and Security	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Customer Satisfaction	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: Tailored Products and Services	In materiality assessment and throughout the report context	26-29
103-1, 103-2	Management Approach: ESG Inclusion	In materiality assessment and throughout the report context	26-29

### Topic Specific Standards

#### GRI 200: Economic

##### 201: Economic Performance

201-1	Direct economic value generated and distributed		73-74
201-2	Financial implications and other risks and opportunities due to climate change	No financial implications and other risks and opportunities identified due to climate change	
201-4	Financial Assistance Received From Government	No financial assistance received from government	

##### 202: Market Presence

202-2	Proportion of senior management hired from the local community		86
-------	--	--	----

##### 203: Indirect Economic Impacts

203-1	Infrastructure investments and services supported		73-74
203-2	Significant indirect economic impacts	Mentioned in details throughout Gulf Bank's sustainability report 2020 in several areas	

##### 204: Procurement Practices

204-1	Proportion of spending on local suppliers	73%	76
-------	---	-----	----

##### 205: Anti-corruption

205-1	Operations assessed for risks related to corruption	No significant risks were identified to corruption	
205-2	Communication and Training About Anti-Corruption Policies and Procedures		53-54
205-3	Confirmed Incidents of Corruption and Actions Taken	There were no confirmed incidents of corruption with employees at the Bank	

##### 206: Anti-competitive Behavior

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No relevant legal actions to report	N/A
-------	---	-------------------------------------	-----

##### 207: Tax

207-2	Tax governance, control, and risk management	2020 Annual Report: <a href="https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports">https://www.e-gulfbank.com/en/investors/financial-reports/annual-reports</a>	
-------	--	---	--

#### GRI 300-Environmental

##### 301: Materials

301-2	Recycled input materials used		122
302: Energy			
302-1	Energy consumption within the organization		121
302-2	Energy consumption outside of the organization		N/A
302-3	Energy intensity		121
303: Water and Effluents			
303-5	Water consumption		124-125
304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not relevant for Gulf Bank	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	Not relevant for Gulf Bank	N/A
304-3	Habitats protected or restored	Not relevant for Gulf Bank	N/A
305: Emissions			
305-1	Direct (Scope 1) GHG emissions		120-121
305-2	Energy indirect (Scope 2) GHG emissions		120-121
305-3	Other indirect (Scope 3) GHG emissions		N/A
305-4	GHG emissions intensity		121
305-5	Reduction of GHG emissions		120-121
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		120-121
306: Waste			
306-1	Waste generation and significant waste-related impacts		122-124
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	There were no instances of non-compliance with environmental laws and regulations	
308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Not relevant for Gulf Bank	N/A
GRI 400: Social			
401: Employment			
401-1	New employee hires and employee turnover		92

402: Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	Integrated within HR management approach	N/A
403: Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		101
403-3	Workers with high incidence or high risk of diseases related to their occupation	Not relevant for Gulf Bank	N/A
404: Training and Education			
404-1	Average hours of training per year per employee		91
404-2	Programs for upgrading employee skills and transition assistance programs	Training Courses Appendix	136-140
404-3	Percentage of employees receiving regular performance and career development reviews	All Gulf Bank Employees	93-95
405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees		85-86
405-2	Ratio of basic salary and remuneration of women to men	This has not been calculated for the reporting year	
406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination in the Bank during the reporting period	
407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	Not relevant to Gulf Bank	
408 Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Gulf Bank follows and adheres to all local Kuwaiti regulations that are related to human rights and ethical practices. Gulf Bank neither condones nor allows child labor – neither were there any significant risks associated of that matter.	

209: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Gulf Bank follows and adheres to all local Kuwaiti regulations that are related to human rights and ethical practices. Gulf Bank neither condones nor allows forced or compulsory labor – neither were there any significant risks associated of that matter	
410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	Not relevant for Gulf Bank	N/A
411: Rights of Indigenous People			
411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations occurred	N/A
412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Not relevant for Gulf Bank	N/A
412-2	Employee training on human rights policies or procedures	Not relevant for Gulf Bank	N/A
413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs		108-116
413-2	Operations with significant actual and potential negative impacts on local communities	Gulf Bank has no negative impact on the local community	
414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Not relevant for Gulf Bank	N/A
414-2	Negative social impacts in the supply chain and actions taken	Not relevant for Gulf Bank	N/A
415: Public Policy			
415-1	Political contributions	No political contribution	
416 Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No non-compliance incidents concerning the health and safety impacts of products and services were found during the reporting period	
417: Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	No non-compliance incidents concerning product and service information and labeling were found during the reporting period	
417-3	Incidents of non-compliance concerning marketing communications	No non-compliance incidents concerning marketing communications were found during the reporting period	
418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints concerning breaches of customer privacy were raised, neither loss of data 72-73	
419: Socioeconomic Compliance			
419-1	Non-Compliance with Laws and Regulations in The Social and Economic Area	Gulf Bank follows CBK regulations for social and economic areas	

## 7.2 Training Courses

2020

Training Course	Hours per Employee	Number of Employees	Department	Employee Level
2020 - Financial Modeling - IBS	35	2	Marketing and Contracting	M
2020 - ACI Dealing Certificate	45	1	Marketing	A
2021 - Certified Assistant Bank Branch Manager (CABBM)	30	6	Branch Banking	A
2020 - Assistant Team Leader CCC Certification	24	10	Customer Contact Center and Branch Banking	A
2020 - CCC NOV Induction	30	15	Trainees	A
2020 - Central Sales Dec Induction	30	13	Central Sales	A
2020 - Certified Anti-Money Laundering and Financial Crimes Prevention	300	1	Anti-Money Laundering	A
2020 - Certified Anti-Money Laundering Specialist CAMS	20	1	Anti-Money Laundering	A
2020 - Certified Assistant Bank Branch Manager (CABBM)	30	2	Customer Contact Center	A
2020 - Certified Bank Branch Operation Manager	60	6	Branch Banking, Branch Operations, and Internal Control	A
2020 - Certified International Financial Accountant (CIFA)	30	1	HR Business Partnering	A
2020 - Coaching and Mentoring	12.5	17	Branch Banking and Customer Care Group	M
2020 - Corporate Orientation	6	1	Legal Affairs	A and M
2020 - CRO Dec Certification	30	15	Branch Banking	A

2020

Training Course	Hours per Employee	Number of Employees	Department	Employee Level
2020 - CRO Nov Certification	42	15	Branch Banking, Branch Operations, and Internal Control	A
2020 - CSR Dec Induction G4	120	13	Trainees	A
2020 - CSR Dec Induction G5	120	18	Trainees	A
2020 - CSR Feb Induction G1	120	18	Branch Banking, Branch Operations, and Internal Control	A
2020 - CSR Mar Induction G2	120	11	Customer Contact Center and Branch Banking	A
2020 - CSR Mar Induction G3	120	12	Branch Banking, Branch Operations, and Internal Control	A
2020 - English for Emails	21	3	Admin Services, HR Services and Training	A
2020 - Foreign Exchange/ Money Market Workshop - Bourse Game	45	3	Marketing	M
2020 - Gulf Bank Post COVID Response for Human Wellbeing (Departments)	3	78	All Departments	A and M
2020 - Gulf Bank Post COVID Response for Human Wellbeing (Frontliners)	3	161	All Frontliners (Branch Banking)	A and M
2020 - How to be WISE	1	38	Branch Banking, Chief General Managers office, Custody Dept, Investment Management, Priority Banking, Private Banking, Proprietary Investment, Unit 1, Wealth Management Banking	M

2020

Training Course	Hours per Employee	Number of Employees	Department	Employee Level
2020 - HR Management and Analytics: Unlock the Value of Human Capital	40	2	HR	M
2020 - HRM Summit	40	19	HR	M
2020 - IELTS English Preparation Program - IBS	56	1	Anti-Money Laundering	A
2020 - Introduction to Business English - IBS	72	6	Card Operations and Product Management	A
2020 - KFAS: Innovation Challenge (Module 1)	35	5	Contracting, Credit Control, HR Business Partnering, Priority Banking, Support	M
2020 - KFAS: Innovation Challenge (Module 2)	40	5	Contracting, Credit Control, HR Business Partnering, Priority Banking, Support	M
2020 - KFAS: Mindfulness Workshop	18	2	HR	A
2020 - KFAS: Program for Leadership Development (PLD) Mod 2	130	1	Risk Management	E
2020 - KFAS: Reimagining Strategy: Applying Design Thinking to Your Organization	36	1	Credit Administration	E
2020 - KFAS: Strategic Investment Management	40	1	Priority Banking	M
2020 - Leading Financial Services in a Rapidly Changing World - IBS/HBS	10	3	Admin Services, CBK Reporting Unit, HR Services	M
2020 - Leading High Performance Teams Gallup Training	8.5	69	Various Departments	M

2020

Training Course	Hours per Employee	Number of Employees	Department	Employee Level
2020 - Legal Problems in Kuwaiti Labor Law - IBS		4	Credit Control	A
2020 - MGT433: SANS Security, Awareness: How to Build, Maintain, and Measure a Mature Awareness Program		2	Information Cyber Security	A and E
2020 - Performance Management Refresher	1	48		M
2020 - Preferred Relationship Manager (PRM) Certification	30	7	Branch Banking	A
2020 - Problem Solving - IBS	21	4		A
2020 - Python for Data Science by EMERITUS	376	3		M
2020 - RO Nov Certification	48	15	Branch Banking	A
2020 - SANS San Francisco Winter: Virtual Edition		1	Information and Cyber Security	A
2020 - SAP BO Web Intelligence	16	1	Enterprise Data Services	M
2020 - Security Awareness Training	1	7	Central Sales and Customer Contact Center	A and M
2020 - Service Hero	12	6	HR	M
2020 - Statistical Analysis	7	3		M
2020 - Strategic Management Performance System (SMPS) Certification Bootcamp - IBS	40	2		A
2020 - Succession Planning and Talent Management Master Class	20	1	Compensation and Benefits	M

Establishing Our Sustainability Baseline

Disclosing Our Governance

Exhibiting Our Marketplace Excellence

Acknowledging Our Workplace

Impacting Our Local Community

Reporting on Our Environmental Performance

Annex

2020

Training Course	Hours per Employee	Number of Employees	Department	Employee Level
2020 - Trust EQ Leadership	12	2	CBK Reporting Unit and Credit Monitoring	M
2020- Breast Cancer Awareness	1	18		A and M
2021 - CCC January Induction	120	13	Trainees	A
2021 - Corporate Orientation	5	13	Various Departments	A and M
2021 - Cyber Incident Training	24	10	IT/ISS	M
2021 - Digital Marketing and Social Media	18	2	Corporate Communications, Media and Budgets	A
2021 - Kuwait Sign Language	10	14	Branch Banking	A
2021 - Measuring Customer Satisfaction and Complaint Handling	18	2	Customer Care Group, Customer Excellence and Service Quality	M
2021 - SANS Cyber Security Training	48	1	Information and Cyber Security	M

### 7.3 Information and Cyber Security Policy Manual Areas

Risk Management
Physical and Environmental Security
Logical Access Control Security
Technical Controls – Network and Infrastructure Components
E-mail Security
Information Security Awareness
Humans Resources Controls
Operational Procedures
Acceptable Usage Policy
Asset Management Policy
Security Incident Management and Response Policy (Cyber and Information Security)
Information Transmission Policy
Third Party Service Provider Policy
Change Management Security Policy
Information Classification, Retention and Disposal, Data Governance Policy
Mobile Banking Policy
Security Requirements for Project Management
Source Code Management
Patch Management Policy



Log Management

Clear Desk and Clear Screen Policy

Software Installation Policy

Internet Usage Policy

Cloud Security Policy and Framework Requirements

Cyber Insurance Protection Policy

Cyber Security Threat Management Policy

Cyber Security Architecture

Business Continuity and Disaster Recovery

Payment Systems

Online Channels Customer Security

Emerging Technologies Policy

Payment Card Industry (PCI) Data Protection Policy

Internet of Things- IOT Security Policy

Cryptography and Key Management Policy

Data Protection and Privacy Policy

Breach of Policy

Regulatory Compliance Policy and Independent Assessment