

SUSTAINABILITY REPORT 2024

Sustainability Report 2024

01 About this Report

Message from the ESG Officer

At Al Salam Bank, we are committed to ensuring that our operations are environmentally sustainable, socially responsible, and managed through robust corporate governance practices. This report provides an overview of our ESG commitments, initiatives, and ongoing efforts to integrate sustainability considerations into our operations. This stems from the recognition that, as a leading financial institution in the Kingdom of Bahrain, our responsibility extends beyond financial performance to advancing a sustainable and ethical future for all.

The report covers three key ESG dimensions: environmental, social, and governance. In the environmental section, we outline our energy consumption, carbon emissions, and other relevant metrics, demonstrating our commitment to minimizing environmental impact and enhancing resource efficiency in alignment with national and global sustainability goals. The social section highlights our workforce composition, diversity and inclusion initiatives, and community engagement programs, reflecting our focus on societal well-being. In the governance section, we detail our corporate governance framework, including board composition, risk management practices, and business conduct policies, highlighting our commitment to transparency, accountability, and integrity.

This report also fulfills the disclosure requirements of the Central Bank of Bahrain's (CBB) ESG Reporting requirements, reinforcing our compliance with national regulations and commitment to transparent reporting. We remain committed to evolving our reporting and disclosure practices in line with regulatory expectations.

Our ESG strategy is grounded in the following core organizational values:

Empowered by our human desire to make a difference: Our ESG efforts reflect our commitment to creating a positive impact on the environment, society, and the financial sector by addressing global challenges through responsible banking practices.

Passionate in all that we do: We approach our work with a deep sense of responsibility, ensuring our business practices promote the long-term well-being of stakeholders and communities.

Innovative and solution-driven mindset: At the core of our ESG strategy is innovation. We actively seek new approaches to integrate emerging trends and best practices into our operations, focused on achieving positive social and environmental outcomes aligned with our business objectives.

Dedication to excellence: Our pursuit of excellence drives us to continuously enhance our ESG practices, setting and meeting the highest standards of sustainability, governance, and social responsibility.

The year 2024 has seen significant developments in the ESG landscape, particularly in climate action, sustainable finance, and social equity. Considering these developments, ESG considerations have become critical to our strategy, enabling us to promote sustainable operations, facilitate social impact, and contribute to Bahrain's environmental and social objectives. We aim to create lasting value for our stakeholders and contribute to a sustainable and equitable future for all.

We invite you to explore our ESG Report 2024 and join us in our shared vision towards a sustainable future.

Reporting Period: This report covers the calendar year from 1 January 2024 to 31 December 2024, with information from previous years provided where necessary.

Reporting Guidelines: This report has been developed to ensure transparent, accurate and comparable disclosures, as required by the Central Bank of Bahrain's Common Volume-Part A:

ESG Module. The report also illustrates the impact of our initiatives in alignment with the United Nations Sustainable Development Goals (SDGs).

Reporting Scope: This report covers the operations of Al Salam Bank B.S.C. ("the bank"), and its principal subsidiaries in the Kingdom of Bahrain, where it exercises full management control

(100%). Accordingly, the entities covered in the scope of this report are as follows:

- a.) Al Salam Bank B.S.C. - Incorporated in the Kingdom of Bahrain under the Bahrain Commercial Companies Law No.21/2001 (as amended) and registered with Ministry of Industry and Commerce ("MOIC") under Commercial Registration number 59308 on 19 January 2006 and licensed by the Central Bank of Bahrain as an Islamic Retail Banking entity.
- b.) ASB Finance B.S.C.(c) (formerly Kuwait Finance House (Bahrain) B.S.C.(c)), acquired by the parent entity during the reporting period 2024.

Sustainability Report 2024 (continued)

02 Our Sustainability Strategy

ESG Strategy

At Al Salam Bank, our Environmental, Social, and Governance (ESG) strategy is deeply aligned with our core values and organizational principles. Central to our approach is our commitment to fostering meaningful relationships with both our clients and employees. We uphold the highest standards of fairness and ethical conduct across all operations, while striving to deliver an exceptional, digitally enabled experience. Throughout all our efforts, we are guided by a strong commitment to empathy, ensuring that our actions reflect a deep understanding of the needs and concerns of those we serve.

Our ESG approach is built on a strong ESG governance foundation that is central to achieving our ESG priorities. The strategy includes a systematic process that begins with a materiality assessment to identify key ESG priorities. This assessment considers industry trends, stakeholder concerns, regulatory requirements, and the environmental and social impacts of our operations. Based on the findings, we align our initiatives with the most significant ESG issues, ensuring that our efforts support the priorities of our stakeholders. We also track and disclose relevant data and outcomes to ensure regulatory compliance and demonstrate the impact of our initiatives. This approach allows us to continuously refine our strategy, ensuring that our sustainability efforts drive long-term value for all stakeholders.

ESG Governance*

In alignment with best practices in ESG governance, Al Salam Bank has appointed an ESG Officer who reports directly to the Chief Executive Officer (CEO). The ESG Officer, along with other relevant management functions, is entrusted with the responsibility of managing, coordinating, and executing the Bank's ESG initiatives, ensuring their alignment with the institution's overarching strategic objectives. At the Board level, oversight of ESG matters is exercised as part of the Board's broader mandate to guide the Bank's strategic direction and ensure regulatory compliance. This mandate includes the periodic review and consideration of all risks, including sustainability and ESG-related risks, as deemed necessary, particularly when such risks are identified as critical to the Bank's long-term value creation and operational sustainability.

*Disclosure E.1. : Environmental Oversight

Materiality Assessment

Our materiality assessment involves a comprehensive process of engaging both internal and external stakeholders to identify and prioritize the most significant ESG factors impacting our business. We gather insights from key internal teams, including our leadership, and employees from core and support services, to understand operational challenges and strategic priorities. We consult with external stakeholders to ensure that their concerns and expectations are reflected in our approach. The shared perspectives ensure that our sustainability initiatives are aligned with both internal goals and external expectations, enabling us to focus on the areas that create the greatest value and impact.

Initiatives & Outcomes

Our ESG initiatives demonstrate our commitment to creating positive, lasting impact across all facets of our business and the communities that we serve. By aligning our actions with the priorities identified through our materiality assessment, we ensure that each initiative addresses the most relevant ESG factors for our stakeholders. From measuring and monitoring our carbon footprint to fostering diversity and inclusion within our workforce, our initiatives aim to drive meaningful change both within our organization and in the wider community. We measure and report on the outcomes of these initiatives, thereby not only showcasing our progress but to ensuring regulatory compliance in relation to ESG disclosures.

Supporting UN SDGs and Bahrain National Vision 2030

Our strategy, goals and initiatives are aligned with the United Nations Sustainable Development Goals (SDGs) and Bahrain's National Vision 2030, driving our efforts to contribute meaningfully at both global and national level. In line with Bahrain's Vision 2030, we support the vision's three core pillars: Sustainability, Competitiveness, and Justice. Our commitment to Sustainability is reflected in our efforts to reduce our environmental footprint, while fostering competitiveness through strategic investments in technology and innovation. We promote the objectives of fairness and justice by ensuring that our actions support social inclusion, enhance human capital, and contribute to the economic prosperity for all sectors of society.

Materiality Assessment

Materiality Assessment is a process used to identify key sustainability issues that are most relevant to an organization. Materiality Assessment is also a component of the Central Bank of Bahrain's ESG Reporting Guidelines. We follow a step-wise approach to assess key ESG topics for Al Salam Bank.

01 Engage With Stakeholders

Our stakeholders include customers, suppliers, regulators, employees, and industry peers.

02 Assess Sustainability Topics

Stakeholders rate the importance of each issue under the Environmental, Social & Governance pillar through a comprehensive survey.

03 Ranking Sustainability Topics

Responses from stakeholders are aggregated to generate a prioritized list of sustainability topics. A ranking is generated based on the level of importance assigned to each topic.

04 Create Materiality Matrix

Visualize the ranking of materiality topics through a heatmap, highlighting the position of each sustainability topic based on its importance for internal stakeholders and external stakeholders.

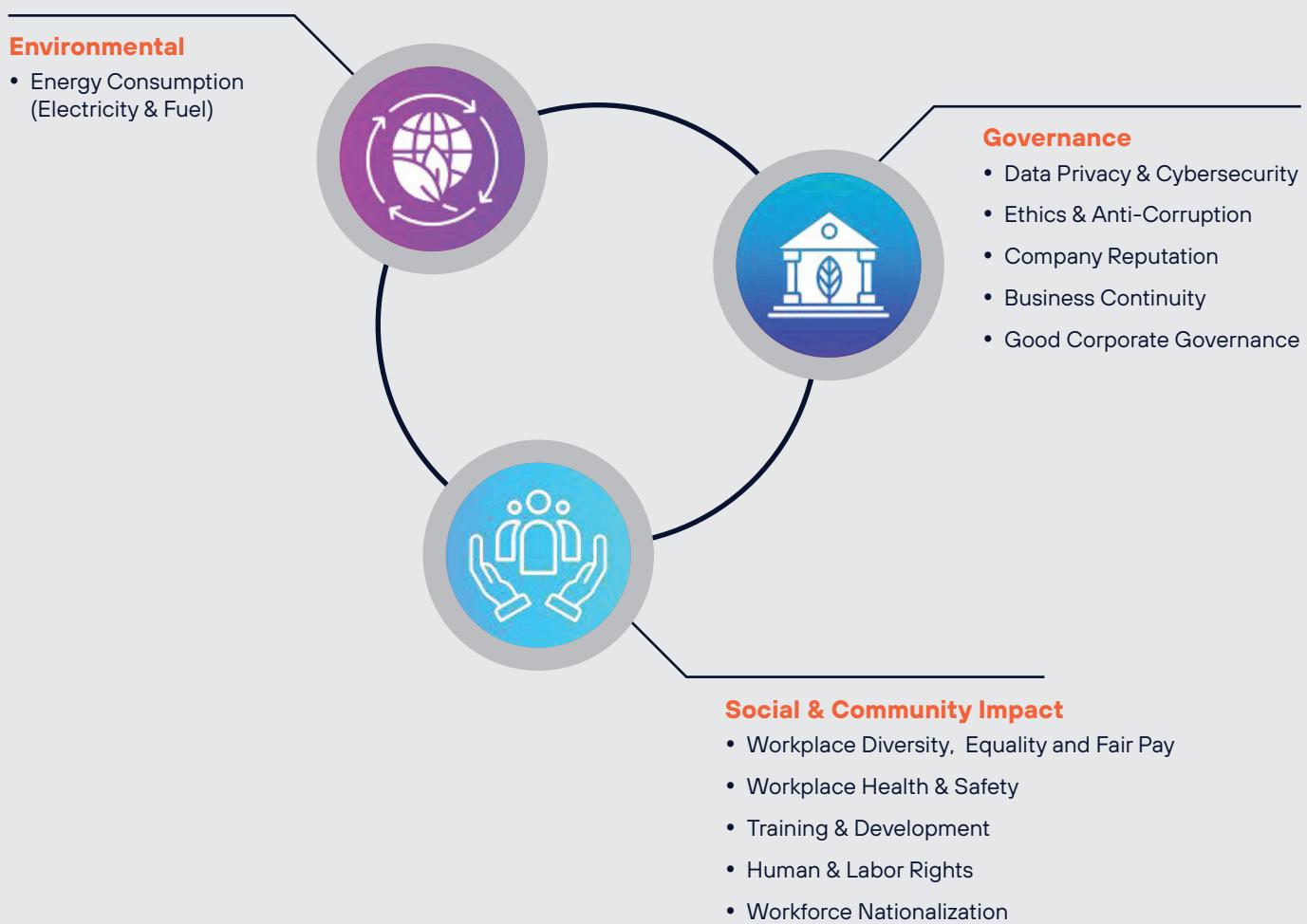
05 Identify Material Topics

Based on the materiality heatmap, issues important to both internal and external stakeholders are categorized as material under each ESG pillar.



Sustainability Report 2024 (continued)

Materiality Assessment



03 Environmental Impact – Detailed Disclosures

Environmental Impact

Our Environmental Footprint

- Al Salam Bank's environmental impact is primarily driven by the consumption of essential resources such as electricity, water, and fuel. These resources although necessary for our routine operations, entail certain environmental implications.
- Electricity use within our operations is associated with greenhouse gas (GHG) emissions, particularly as a substantial portion of the region's electricity is derived from fossil fuels. Fuel, required for transportation and certain operational needs, further exacerbates our environmental impact.
- Water consumption is another critical area of focus. This is particularly crucial in the context of Bahrain's challenges related to limited freshwater availability, with much of the water supply being reliant on desalination. Excessive water consumption, if not carefully managed, can further elevate water stress.
- Beyond resource consumption, routine office operations also generate waste, particularly in the form of paper. While digitalization has reduced paper use, the nature of our daily business still produces paper waste, further contributing to non-hazardous waste that is diverted to landfills.
- Our environmental footprint is influenced by these key factors, and while the impact of our activities may seem limited in absolute terms, it is critical to monitor and minimize it. By ensuring timely recognition of our environmental impact, we aim to play a responsible role in addressing key environmental challenges.

Our Response

- To effectively manage our environmental impact, Al Salam Bank focuses on certain fundamental aspects that involve measurement and monitoring key resources and its consumption, along with the associated GHG emissions.
- Our efforts include tracking the consumption of water, electricity, and fuel, allowing us to understand patterns and identify areas where efficiency can be improved. This data-driven approach enables us to actively manage resources and minimize waste across our operations. For accurate data collection, we have identified internal roles and established processes to measure key metrics such as energy consumption, water consumption, and fuel uptake required for transportation and other business activities.
- Based on the energy consumption, we also measure, track and disclose the associated greenhouse gas (GHG) emissions that result from this resource use. This includes calculating direct and indirect emissions, in alignment with the calculation methodologies prescribed under the GHG Protocol.
- By systematically collecting and analyzing this data, we aim to ensure transparency in our environmental performance and support Bahrain's goal of net-zero emissions by 2060. Our disclosure efforts provide stakeholders with a clear view of our environmental footprint and allow us to track our progress, identify improvement opportunities, and take informed actions toward managing our environmental impact.

Our Impact



Proactive measurement and monitoring of energy consumption enables us to identify opportunities to integrate clean energy sources throughout our value chain. Transparent reporting also encourages a culture of transparency and accountability, through regular and periodic disclosures.



Measurement and reporting of GHG emissions enables us to identify and implement future strategies to manage our emissions inventory, thereby supporting national and global carbon emission reduction efforts.



Bahrain's national commitment of net-zero emissions by 2060 provides a guiding framework for our sustainability efforts across the Kingdom. Our efforts support the achievement of the net-zero goals through effective monitoring and reporting mechanisms. This also aligns with Bahrain Economic Vision 2030 that places a strong emphasis on sustainability considerations in the Kingdom's journey of economic development.

Sustainability Report 2024 (continued)

Environmental Impact – Data & Outcomes

Energy Consumption

- Our energy footprint is mainly attributable to consumption of electricity and fuel. Electricity is consumed as part of our routine operations at our business/ office premises and is sourced from the Electricity and Water Authority (EWA). As part of our fuel consumption requirements, we mainly utilize diesel to manage our business travel needs and operating power backup generators. During the reporting period, we did not utilize any renewable sources of energy.
- To ensure comparability and reporting the energy mix, we also report our energy consumption in giga-joules equivalent.
- During the last reporting period, fuel consumption increased by ~11% and electricity consumption saw an increase of 143%. This was attributable to an increased scope of operations and business facilities due to new business acquisitions.

Disclosure E.2. – Energy Consumption

Energy Consumption (Absolute)*	2022	2023	2024
Diesel (Liters)	355	570	630
Electricity (kWh)	534,316	1,309,274	3,184,945
Total Energy (GJ)	1,937.04	4,735.07	11,489.77

Energy Consumption (GJ)*	2022	2023	2024
Diesel (GJ)	13.50	21.68	23.97
Electricity (GJ)	1,923.54	4,713.39	11,465.80
Total Energy (GJ)	1,937.04	4,735.07	11,489.77

*The numbers for 2024 include an enhanced scope of operations following the merger between Al Salam Bank and Kuwait Finance House Bahrain (KFH).

Energy Consumption

- Energy Intensity is reported in terms of absolute consumption and in terms of gigajoules. It is calculated as consumption per unit of revenue (BHD '000). Emission intensity helps us benchmark energy consumption relative to our financial performance, thereby allowing us to measure the environmental impact of energy use per unit of economic output. This enables us to assess how efficiently we are using energy in relation to our financial growth, identifying areas for improvement in sustainability while aligning with business performance goals.
- Due to acquisition activities during the last reporting period and an expanded scope of operations, the numbers presented may not be fully comparable. However, we remain committed to closely monitoring these figures and ensuring that they accurately reflect our performance.
- Considering the expanded scope of our operations, electricity intensity increased during the last reporting period. Fuel intensity, however, showed a drop during the same period, given that fuel consumption did not rise substantially, even after the acquisition.

Disclosure E.3. – Energy Intensity

Energy Intensity (Absolute)*	2022	2023	2024
Diesel (Liters per unit revenue)	0.002	0.002	0.002
Electricity (kWh per unit revenue)	3.44	5.34	9.06
Energy Intensity (GJ)*	2022	2023	2024
Diesel (GJ per unit revenue)	0.000	0.000	0.000
Electricity (GJ per unit revenue)	0.012	0.019	0.033
Energy Intensity (GJ per unit revenue)	2022	2023	2024
	0.01	0.02	0.03

Environmental Impact – Data & Outcomes

Energy Mix

- Energy mix represents the percentage of energy used by source, as part of the total energy consumption. We also report the proportion of renewable and non-renewable sources of energy. Currently, no proportion of our energy consumption is sourced from renewable sources.

Disclosure E.4. – Energy Mix

Energy Mix (Proportion)	2022	2023	2024
Fuel	0.7%	0.46%	0.21%
Electricity	99.30%	99.54%	99.79%

Renewable Energy (Proportion)	2022	2023	2024
Renewable Sources	0%	0%	0%
Non-Renewable Sources	100%	100%	100%

Green House Gas (GHG) Emissions

- As part of the disclosures, we have undertaken a comprehensive analysis of our greenhouse gas (GHG) emissions. All the GHG Emissions calculation have been calculated using relevant emission factors sourced from the IEA Emission Factors (2024), ensuring that our reporting methodology is consistent with the GHG protocol.
- Scope 1: Scope 1 emissions refer to direct GHG emissions from sources owned or controlled by the organization. In this regard, our Scope 1 reporting primarily includes emissions arising from the combustion of fuels utilized in our operations, including transportation and facility operations.
- Scope 2: Indirect Emissions from Purchased Electricity encompass indirect GHG emissions from the generation of purchased electricity consumed for our operations.
- Scope 3: Emissions pertaining to all other indirect GHG emissions that occur in the value chain, excluding those accounted for in Scope 2, are categorized as Scope 3. At this stage, our Scope 3 reporting is limited to emissions related to business travel by air. Due to inherent data challenges and the complexity of calculating emissions across a wide range of indirect activities, we focus on business travel emissions as the primary Scope 3 category for the time being.

Disclosure E.5. – GHG Emissions

GHG Emissions (mt-CO2 eq)	2022	2023	2024
Scope 1 Emissions	0.940	1.509	1.667
Scope 2 Emissions	373.27	914.66	2,225.00
Scope 3 Emissions	-	-	105.45
Total Emissions	374.21	916.17	2332.12

Sustainability Report 2024 (continued)

Environmental Impact – Data & Outcomes

Emission Intensity

- Emission Intensity represents our total GHG emissions benchmarked against the scale of our operations. GHG Emission Intensity is calculated as total emissions divided by full time employee count.
- The size of the workforce (FTEs) has a direct bearing on our organization's resource consumption. Scaling total emissions for FTEs, therefore, enables us to issue comparable disclosures related to GHG emission.
- Our emission intensity during 2024 were higher in comparison to the previous periods due to increased scope of operations post business acquisitions. Emission Intensity for 2022 and 2023 do not account for Scope 3 emissions (business travel).

Disclosure E.6. – Emission Intensity

Emission Intensity	2022	2023	2024
Total Emissions	374.21	916.169	2332.13
Total FTEs	580	518	750
Emission Intensity	0.65	1.77	3.11

Emission Intensity

- Climate-related risks are emerging as critical considerations for business organizations, particularly for financial institutions. Climate risks can permeate various aspects of the organization, impacting diverse operational, financial and regulatory considerations. At Al Salam Bank, climate risk is considered within the broader framework of risk management. Climate risks, if material, are considered within the wider risk categories such as operational risk and market risk. Climate issue(s) are also consequential from a strategy perspective. At the Board level, the Executive Committee is responsible for reviewing matters concerning market risks and strategy reviews. Additionally, the Audit & Risk Committee oversees matters that pose a material risk to the operations of the Bank. At the management level, the Credit/Risk Committee is responsible for risk policy of the organization. While climate risk is not considered on a standalone basis, all material risks including those emerging due to climate-related issues are covered under the scope.
- During the reporting period, no material climate risks were identified. Consequently, no specific amount was invested in any of the climate-related issue(s) including any amount towards research or product innovation.

Disclosure E.7. – Climate Risk Mitigation

Water Usage

- Owing to the nature of our operations as a financial institution, our current processes do not entail any significant use of water as a resource. Water is consumed as part of our routine operations within the office premises/ facilities and is sourced from the Electricity and Water Authority (EWA).
- Currently, we do not have water recycling facilities. Consequently, water withdrawn equals water consumed.

Disclosure E.8. – Water Usage

Water Consumption (cubic meters)	2022	2023	2024
Water Withdrawn	789	2,211	3,107
Water Recycled	0	0	0
Water Consumed	789	2,211	3,107

Environmental Impact – Data & Outcomes

Waste Generation

- In accordance with our waste management practices, it is noted that our operational processes are not inherently inclined to generate substantial waste. The waste generated primarily consists of solid food waste, food packaging and hygiene-related waste. While precise measurement of such waste is not routinely conducted, it is estimated that approximately 2 to 2.5 metric tons of waste is generated on a daily basis across all our business operations. This waste is duly disposed off through the services of local municipal waste collection agencies, in accordance with applicable regulatory requirements.
- Furthermore, as part of our office activities, paper products, specifically paper sheets, are utilized in the course of regular business operations. These paper products are considered part of our disposable waste stream and are appropriately managed in conjunction with other waste disposal practices.
- Currently, we do not have any in-premises waste recycling facilities.

Disclosure E.9. – Waste Generation

Waste	2022	2023	2024
Total Waste Generated (kgs)	720,000	576,000	651,000
Total Paper Consumption (kgs)	11,000	15,313	1,997,653

Emission Targets

- As part of our sustainability considerations, we consciously align and monitor the impact of our strategies and operations in line with the United Nations Sustainable Development Goals (UN SDGs) and the Bahrain Vision 2030. We also remain fully compliant with the relevant regulatory frameworks set forth by the Central Bank of Bahrain (CBB) and the Bahrain Bourse. Specifically, our current approach to emissions management is primarily focused on the measurement, monitoring, and reporting of greenhouse gas (GHG) emissions in accordance with internationally recognized standards and leading practices.
- At the Board level, the Audit and Risk Committee is responsible for overseeing compliance with all applicable regulations, including those related to sustainability, climate change, and mandatory disclosures. This includes ensuring adherence to any and all requirements related to environmental, social, and governance (ESG) reporting, as well as climate-related obligations.
- It is important to note that, as of the end of the reporting period, our organization is not explicitly subject to any mandatory emissions regulations at the industry, national, or regional level. Nonetheless, we remain fully committed to supporting any policies or initiatives aimed at reducing emissions and mitigating climate-related risks. In this regard, we are dedicated to aligning our operations with the Kingdom of Bahrain's net-zero targets, as articulated in the country's national sustainability goals.
- Should any new regulations or requirements emerge in the future pertaining to emission targets or climate-related disclosures, we reaffirm our commitment to adjusting our policies, operations, and initiatives to ensure full alignment with such regulations, thus further advancing our contribution to global and national sustainability objectives.

Disclosure E.10. – Emission Targets

Sustainability Report 2024 (continued)

04 Social & Community Impact– Detailed Disclosures

Social Impact

Our Human Capital

- At Al Salam Bank, we recognize that our most valuable asset is our people. In the financial services industry, where trust and credibility are paramount, the strength of our human capital is directly tied to the confidence our customers place in us. Skilled, knowledgeable, and motivated employees are essential not only for delivering high-quality services but also for fostering lasting relationships built on trust.
- As the banking sector evolves in response to technological advancements, the demand for new-age skills has become more pronounced. It is through continuous investment in talent development and training that we ensure our team is well-prepared to meet the challenges of the future.
- Along with a skilled workforce, fostering a diverse team that brings varied perspectives, supports creativity, and enhances inclusive decision-making is equally important. By encouraging an inclusive culture where individuals from all backgrounds can thrive, we strengthen our capacity to serve our customers and drive innovation within the Bank.

Supporting Our People

- At Al Salam Bank, we are committed to creating a supportive and fair working environment. We fully adhere to the Bahrain Labor Law, ensuring that all legal and regulatory requirements related to human resources and the terms of their employment are met. Our approach is grounded in fairness, transparency, and respect for the rights of our employees, fostering a culture that promotes well-being, equality, and opportunity.
- The Bank has established a comprehensive Human Resources policy that outlines the terms of employment, employee benefits, and other provisions. This policy ensures that all employees are provided with clear guidelines regarding their rights and responsibilities, and includes other provisions related to compensation, career development, and other benefits.
- Skill development and learning are critical elements of our human resources strategy. We engage our employees through a variety of trainings that focus on regulatory compliance, risk management, and the adoption of emerging technologies. We believe that investments made on learning and development elevate an employee's engagement experience and drive overall collaboration.
- Similarly, workplace health and safety is a critical priority for us to ensure that the work environment and related ergonomics are conducive to the physical and mental well-being of our employees.

Our Impact



Our monitoring and reporting of key metrics such as workforce composition ensures that considerations related to gender diversity are promptly highlighted and provide a foundation for corrective actions and continuous improvements.



Our efforts related to well-being of our workforce, workplace health and safety, and employee learning and development are focused on ensuring a decent and productive work environment for our employees and the wider communities within which we operate.



Fairness is a key pillar of the Bahrain Economic Vision 2030 with an aim to ensure that economic success is inclusive and creates a broad base of prosperity. Our focus on our human capital is a crucial element towards achieving these objectives.

Social Impact – Data & Outcomes

Workforce Composition

- We are committed to fostering a diverse and inclusive workforce, with a balanced representation across gender and age groups. As demonstrated by the composition of our workforce, we engage with a diverse range of individuals, with a gender distribution that reflects our commitment to equality and opportunity for all employees. We strive to maintain gender balance across all levels of the organization, ensuring equal access to career growth and leadership opportunities.
- During the last three years, we have maintained a balanced gender composition within our workforce, with substantial representation of women (> 30%). Our workforce includes a significant proportion of early-career professionals and a younger age demographic. The composition of our workforce across age-groups reflects both the experience of senior professionals and the dynamic perspective of younger employees. We value this diversity, as it fosters innovation and knowledge-sharing within the organization.
- Additionally, we offer a substantial number of internships to students and early career professionals to support local talent and enable the participation of youth in our human capability matrix.
- Our gender ratio has remained consistent during the last three years with female representation at a substantial 32%. The 30-50 years age group constitutes a majority of our workforce and has remained consistent at around 80% of our total headcount.

Disclosure S.1. – Workforce Composition

Workforce Composition	2022	2023	2024
Total Workforce	580 (100%)	518 (100%)	750 (100%)
By Gender			
Male	392 (68%)	354 (68%)	507 (68%)
Female	188 (32%)	164 (32%)	243 (32%)
By Age-Group			
Under 30 years	67 (12%)	55 (11%)	86 (11%)
30 - 50 years	477 (82%)	430 (83%)	606 (81%)
Over 50 years	36 (6%)	33 (6%)	58 (8%)
By Employment Type			
Full-Time Employees	580 (100%)	518 (100%)	750 (100%)
Part-Time Employees	0	0	0
Interns*	79	91	103

*Number of Interns are reported separately, other than the total workforce which constitutes of full-time employees only.

Ethical Employment Practices

- Anti-Child Labor and Anti-Forced Labor are critical considerations that ensure ethical employment practices by the Bank. As part of our operations, we have not identified any potential risks related to employing or engaging the services of minor(s) or forced labor(s). We have established a comprehensive set of policies including our Human Resources Policy, Employee Code of Conduct, and the Human Resources Handbook that clearly establish the criteria for employment, terms of employment and explicitly require all our operations to be fully compliant with the Bahrain Labor Law for the Private Sector (Law No. 36 of 2012).
- Our policies are reviewed and updated on a periodic basis at the Board – level and through appropriate management functions such as the Human Resources department. During the reporting period, no instance of violation with regard to child-labor or forced labor was reported.

Disclosure S.2. – Child & Forced Labor

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Social Impact – Data & Outcomes

Employee Turnover

- Employee turnover is an important metric that reflects the stability and engagement of our workforce. During the reporting period, we have monitored and analyzed turnover rates across various departments and job functions. The overall turnover rate is indicative of the organizational environment and the effectiveness of our retention strategies, including employee engagement, career development opportunities, and work-life balance initiatives. Monitoring and reporting turnover rates also provides us guidance to introduce employee well-being and engagement initiatives on a periodic basis.
- We report the total turnover during the last three years on an overall basis and by gender and age-group. During the last three years, our turnover has been at relatively low and stable levels (less than ten percent). Overall, we have not observed our turnover rates to be skewed against a particular gender or age group on a continuous basis.
- We actively monitor turnover rates to ensure that our workforce remains engaged and motivated to contribute to our shared vision.

Disclosure Table S.3. – Employee Turnover

Employee Turnover	2022	2023	2024
Total Turnover*	15 (3%)	64 (12%)	20 (3%)
By Gender**			
Male	7 (47%)	39 (61%)	16 (80%)
Female	8 (53%)	25 (39%)	4 (20%)
By Age-Group**			
Under 30 years	2 (13%)	1 (2%)	3 (15%)
30 - 50 years	13 (87%)	49 (77%)	10 (50%)
Over 50 years	0 (0%)	14 (22%)	7 (35%)

*Numbers in the parenthesis for total turnover indicate turnover as a percentage of the total workforce.

**Numbers in the parenthesis for turnover by gender and age-group indicate the gender and age-group split as a percentage of total turnover.

Gender Pay Ratio

- Our terms of employment are based on fair treatment and non-discrimination on basis of any protected characteristic, including gender. The gender pay ratio is at 0.63 and there remains scope for further improvement. While we strive to ensure equitable compensation across all employee categories, we recognize the ongoing need to monitor and address any potential gaps.
- We have observed that the pay parity ratio is usually affected by the higher pay scales at senior grades. Gender Pay Ratio is relatively closer to parity for middle management and entry levels employees.

Disclosure Table S.4. – Gender Pay Ratio

Gender Pay Ratio	2024
Median Female Compensation to Median Male Compensation (Ratio)	0.63

Social Impact – Data & Outcomes

Health & Safety

- As a financial institution, our operations do not inherently present significant health and safety concerns typically associated with high-risk industries. However, we place the utmost importance on employee well-being and ensure that all relevant health and safety standards are adhered to. We actively promote a safe and ergonomic work environment, recognizing the impact of workplace comfort and safety on overall productivity and employee satisfaction.
- In line with this commitment, we collaborate closely with Ministry of Interior's General Directorate of Civil Defense and other relevant municipal agencies to ensure compliance with fire safety norms. We regularly conduct fire safety drills to ensure preparedness in the event of potential emergencies. Furthermore, we adhere to building safety norms and regulations, ensuring our office spaces are compliant with response and evacuation requirements related to any fire incidents. Employee health, safety, and well-being are integral to our organizational culture, and we continuously strive to maintain a safe and supportive workplace for all our staff.

Disclosure S.5. – Health & Safety

Health & Safety	2022	2023	2024
Total Number of Injuries or Fatalities	0	0	0
Total Lost Days due to Work Injury	0	0	0

Non-Discrimination

- We are fully committed to fostering a workplace that is free from discrimination, ensuring equal opportunities for all employees regardless of gender, ethnicity, or any other protected characteristic as defined by applicable laws. We strictly adhere to non-discriminatory policies in all aspects of our operations, including hiring, terms of employment, and work allocation. While we do not have a standalone policy focused on non-discrimination, appropriate considerations have been embedded within our Employment and Code of Conduct policies, which are regularly reviewed and updated by both the Board and the Human Resources function. This also ensures continued compliance with Bahrain's Labor Law and all the relevant regulations.
- We recognize the importance of maintaining an environment where employees can work without fear of discrimination, and as such, we provide clear grievance redressal mechanisms for employees to raise any concerns or complaints. These mechanisms are designed to ensure that all issues are addressed promptly and fairly. During the reporting period, no instances of discrimination have been reported within our organization, reflecting our ongoing commitment to a respectful, inclusive, and equitable workplace.

Disclosure S.6. – Non - Discrimination

Sustainability Report 2024 (continued)

Social Impact – Data & Outcomes

Supporting Bahrain's Local Talent

- We are committed to supporting local talent and investing in their professional development. We consider our business goals and organizational network as an avenue for the youth and early career professionals to hone their skills and develop the necessary expertise to thrive in the workplace. This is also aligned with our commitment to support human capital development to strengthen Bahrain's economic growth and development.
- We remain in compliance with the requirements of Labor Market Regulatory Authority's Bahrainization target and remain within the maximum number of permitted foreign workers by economic activity and size of economic unit.
- During the last three reporting periods, we have consistently maintained a Bahrainization rate of above 90%, demonstrating our continued commitment to development of local talent.

Disclosure S.7. – Nationalization

Workforce Nationalization	2022	2023	2024
Total number of nationals in the workforce	535	478	696
Proportion of nationals as part of the total workforce	92%	92%	93%

Human Rights

- We are fully committed to upholding and respecting human rights in all aspects of our operations, both within the workplace and throughout our broader business activities. While we do not have a standalone policy specifically dedicated to human rights, we ensure that our operations do not directly or indirectly contribute to human rights violations. We integrate human rights principles into our existing policies and procedures, ensuring that our business practices uphold dignity, fairness, and respect for all individuals.
- We align our practices with Bahrain's Labor Law and adhere to international human rights standards, ensuring that our operations do not contribute to human rights violations, including forced labor, child labor, or discrimination. We actively promote an environment that respects the rights and dignity of all individuals, both within our organization and across our value chain.
- Our policies are regularly reviewed to ensure continued compliance with applicable laws and regulations. Furthermore, we remain committed to respecting the rights of all stakeholders, ensuring that our business operations do not infringe upon the fundamental freedoms of individuals. Should any issues arise, we are dedicated to addressing them in a manner that is fair, transparent, and in line with our ongoing commitment to human rights.

Disclosure S.9. – Human Rights

Human Rights	2022	2023	2024
Number of instances of violations identified as human rights violations	0	0	0

Social Impact – Data & Outcomes

Gender Diversity

- Understanding workforce composition by gender and grade is crucial for evaluating how different genders are represented across various job levels within the organization. This analysis provides valuable insights into the inclusivity of our hiring practices, career progression pathways, and leadership opportunities. By examining the distribution of genders across job grades, we are able to track whether all genders have equitable access to career advancement and leadership roles.
- Our organization is committed to promoting diversity and ensuring that every employee, regardless of gender, has equal opportunities for professional growth, development. Understanding workforce composition is essential to monitor our progress in fostering a balanced and inclusive work environment, where all individuals are empowered to reach their full potential. We regularly review this data to ensure that our policies and practices align with our commitment to gender equality across all aspects of the workplace.

*Numbers in the parenthesis indicate the proportion of male and female employees as a percentage of total employees in each category – early, middle and senior management.

Disclosure S.10. – Management Composition

Management Composition*	2022	2023	2024
Early Career Professionals	371	317	460
Male	237 (64%)	204 (64%)	292 (63%)
Female	134 (36%)	113 (36%)	168 (37%)
Middle Management	206	198	287
Male	152 (74%)	147 (74%)	212 (74%)
Female	54 (26%)	51 (26%)	75 (26%)
Senior Management	3	3	3
Male	3 (100%)	3 (100%)	3 (100%)
Female	0 (0%)	0 (0%)	0 (0%)

Our Human Capital & Upskilling

- We are committed to the continuous development of our employees, offering a range of training and development programs designed to enhance skills, knowledge, and expertise across various disciplines. These training programs focus on key themes such as financial management, compliance, cybersecurity, leadership, operational efficiency, and customer service excellence. In 2024, employees participated in targeted training sessions such as the Kevin Mitnick Security Awareness Training, Anti-Money Laundering Awareness, and Advanced Financial Modelling with Excel. Additionally, our training initiatives include specialized sessions on regulatory compliance, risk management, and the adoption of emerging technologies, such as Blockchain Basics, Artificial Intelligence Tools for Productivity, and Robotic Process Automation (RPA). To support employee growth, we also offer leadership and personal development programs like High Impact Leadership, Emotional Intelligence, and Conflict Management, ensuring that employees are well-equipped to manage both their professional and personal growth. These efforts align with our commitment to fostering a knowledgeable and capable workforce prepared to navigate the evolving landscape of the financial services industry.

Disclosure S.11. – Development & Training

Learning & Development	2022	2023	2024
Average Hours of Trainings*	N.A.	72	77
By Gender			
Male	N.A.	69	80
Female	N.A.	80	71

*Average Training Hours are calculated for the entire workforce. N.A. indicates non-availability of data.

Sustainability Report 2024 (continued)

Social Impact – Data & Outcomes

Key Highlights

Summer Internship Program

We successfully concluded the 18th edition of our annual summer internship program, which saw participation from 28 graduates from local and international universities. The two-month program, aligned with the theme of Environmental, Social, and Governance (ESG) and Sustainable Development Goals (SDGs), aimed to equip participants with valuable skills, mentorship, and real-world experience.

Designed to address the needs of the evolving job market, the program included learning sessions, coaching, and hands-on training to ensure interns were well-prepared to succeed in their future careers. Interns also took part in a group challenge, applying their knowledge to propose innovative solutions that enhance the Bank's services. A key component of the program was a trip to Gulf Petrochemical Industries Company (GPIC), where interns explored the company's ESG initiatives, including its energy efficiency improvements and community-focused programs.

The internship program exemplifies our dedication to empowering youth, cultivating professional skills, and contributing to the long-term development of the local workforce, in alignment with both national and global sustainability goals.



Supporting Youth – Ithra Program

We hosted a group of participants from the Ithra program, an initiative by AIMabarrah AlKhalifa Foundation (MKF), aimed at familiarizing young trainees with the latest industry practices and the Bank's operations. The educational visit provided 11 students with insights into the various departments at Al Salam Bank and a comprehensive overview of the banking environment, including the Islamic banking sector.

The visit featured an introductory session led by several employees, offering the students a deeper understanding of business procedures and the skills required to succeed in the industry. The session also included a Q&A segment to address students' inquiries and foster their interest in the banking sector.

The Ithra program, designed for students aged 12 to 15, included workshops, field trips, and practical training aimed at developing skills and good conduct. As part of our CSR initiative "Al Salam Helping Hands," the Bank continues to invest in education, and nurturing an informed and skilled workforce for the future. This initiative also reflects the Bank's Guiding Pillar, "We Act with Empathy," focused on fostering a future-ready workforce.



Social Impact – Data & Outcomes

Key Highlights

Student Engagement

At Al Salam Bank, we hosted a delegation of students from Ibn Khuldoon National School to provide them with insights into the Bank's daily operations and the broader banking industry. The visit, which included over 20 students from grades 10 and 11, aimed to familiarize them with the foundations of the banking industry, key Islamic banking practices and regulations, and the roles of various functions within the Bank. During the visit, students engaged with banking specialists and employees and received insights about various operational processes. A key highlight of the trip was a tour of the Bank's virtual branch, where students gained a deeper understanding of the technology behind its operations. Aligned with the Bank's Al Salam Helping Hands initiative and its Guiding Principle "We Act with Empathy," we remain dedicated to fostering educational programs that equip young people with the knowledge and experience necessary to succeed in the future workforce.



Industry Recognition for Women's Leadership Excellence

Al Salam Bank's Head of Human Resources and Administration, Ms. Muna Al Balooshi, was recognized as one of the Top 10 Women HR Leaders in the Middle East by The Global Woman Leader Magazine. This recognition highlights Ms. Al Balooshi's exceptional career and her valuable contributions to the Human Resources sector. Her leadership has played a pivotal role in advancing the Bank's initiatives, fostering continuous growth, and ensuring the development and empowerment of employees.

The recognition is also a testament to our dedication in driving impactful HR strategies that create an inclusive and supportive work environment. This achievement highlights our ongoing support for women in leadership positions and our commitment to providing equal opportunities for all employees.

Sustainability Report 2024 (continued)

Community Impact

Our Community

- At Al Salam Bank, we recognize that our success, as a bank, is intricately linked to the well-being of the community it serves. In Bahrain, the sense of community is deeply rooted in the cultural fabric of our society, where collaboration, support, and mutual respect form fundamental guiding values.
- The strength of any business is not just in the operations and services that it provides, but in the relationships that it builds with its customers, employees, and wider stakeholders. We strongly believe that a business that actively engages with and supports its community also contributes to the social and economic progress of the country, laying the foundation for its own long-term success.
- We also recognize that, as a financial institution, there is an enhanced need to build and maintain a strong and transparent relationship with the community that we serve. This is critical to ensure that we act responsibly and in the best interests of our clients to retain the trust reposed in us by the wider community.

Strengthening Our Community

- At Al Salam Bank, we are committed to actively strengthening the communities through programs that focus on youth development, financial literacy, support for small businesses, healthcare, and charitable initiatives.
- We regularly support charitable causes that align with the needs of our community through donations and direct action. Through these social donations, we aim to address critical social challenges impacting the wider community.
- Al Salam Bank also places emphasis on fostering the growth and development of young people. Through our internship programs and career development sessions that place an emphasis on youth development, we offer young graduates an opportunity to gain valuable work experience and build essential skills for their future careers. Additionally, we host financial awareness workshops to empower the younger generation with the knowledge to make informed decisions about managing their finances, thereby promoting financial literacy within the community.
- In support of local businesses and small enterprises, we provide financial products and services tailored to their needs, helping them grow and contribute to Bahrain's economic development.
- Through these initiatives, Al Salam Bank strives to be a responsible and engaged corporate citizen, driving sustainable growth and enabling a more resilient community.

Our Impact



Al Salam Bank's community engagement play a vital role in advancing social development, directly contributing to key areas such as good health and well-being, quality education, gender equality, and reduced inequalities. Our community engagement programs drive a holistic impact for our community and focus on key segments such as women and the youth.



Justice and fairness have been given special importance in Bahrain's Economic Vision 2030. Our efforts to engage with the community demonstrate our commitment to principles of inclusivity, justice and opportunity for all.

Community Impact – Data & Outcomes

Corporate Social Responsibility

- In alignment with our ongoing efforts to strengthening Corporate Social Responsibility (CSR) program, Al Salam Bank, as a Shari'a-compliant financial institution, is equally committed to its role as a responsible corporate citizen. We actively strive to contribute to the social and economic well-being of the local communities in which we operate and invest.
- We continually seek opportunities to support our community and improve the quality of life for all, by backing charitable, educational, medical, scientific, cultural, social, sporting, and environmental organizations. We also encourage our employees to engage in various volunteering activities aimed at community welfare and development. Additionally, we are committed to advancing the growth of the global Islamic banking and financial services industry by actively participating in initiatives that promote research and development, education and qualifications, the standardization of regulations, compliance, Shari'a interpretations, and the adoption of international standards and best practices.

Disclosure S.8. – Community Investments

Community Investments	2022	2023	2024
Total CSR Spending	478,000	677,000	658,000
CSR Spending (as a % of total revenue)	0.31%	0.28%	0.19%

Key Highlights

Youth City 2030

Al Salam Bank participated in Youth City 2030 by hosting a training session for young participants aged 9 to 14, focusing on financial literacy and budgeting skills. This initiative highlighted the Bank's commitment to empowering youth and fostering a greater understanding of financial management. During the session, we delivered key insights into budget management, savings, and the Bank's products and services. Participants also explored digital financial tools, including the Bank's mobile app, ATMs, and Self-Service Kiosks, gaining practical knowledge of modern banking solutions. The program provided an overview of the Bank's operations, showcasing various roles from tellers to branch managers, and included a segment on entrepreneurship, offering participants guidance on starting a small business. This approach aimed to equip the next generation with the skills and knowledge necessary for navigating financial and business markets.

Sustainability Report 2024 (continued)

Community Impact – Data & Outcomes

Key Highlights

Nurturing Youth and Sporting Talent

Al Salam Bank launched its new Environmental, Social, and Governance (ESG) initiative, the "Why Stop Here" brand campaign, designed to contribute to the empowerment and development of key sectors within Bahrain's local community. This campaign reflects the Bank's commitment to surpassing traditional banking services, furthering its role in fostering growth and supporting national progress. The "Why Stop Here" campaign focuses on three core community pillars: Sports, Health, and Small and Medium-sized Enterprises (SMEs). Through this initiative, Al Salam Bank aims to create a lasting impact by helping the next generation of talent.

A key component of the campaign is the 'Project Dream' initiative, a collaboration between Al Salam Bank and Ole Academy. This partnership seeks to provide young athletes with the opportunity to hone their football skills, potentially positioning them for future roles on Bahrain's national football team and preparing them for upcoming World Cup events in 2030 and 2034. The initiative includes comprehensive development plans focused on improving technical, tactical, and physical skills, while also emphasizing the mental well-being of players. Additionally, the initiative will feature semi-annual talent exchange programs with top European football clubs, as well as international training camps. Ole Academy, with its proven track record of excellence in developing elite football players, brings an experienced team of international coaches to the program.

Another important aspect of the "Why Stop Here" campaign is the Bank's continued collaboration with the Bahrain Paralympic Committee. During 2024, this partnership actively raised awareness and promoted the achievements of Bahraini Paralympic athletes.



05 Governance, Innovation & Engagement – Detailed Disclosures

Governance

Corporate Governance

- A robust corporate governance framework enhances the credibility of an organization, builds trust with stakeholders, and supports ethical decision-making. It provides the foundation for making sound business decisions, safeguarding the interests of shareholders, employees, and customers, while mitigating risks. Strong governance practices also foster a culture of accountability, ensuring that the organization operates in a responsible and transparent manner. This, in turn, strengthens the institution's reputation and positions it for long-term success.
- At Al Salam Bank, we recognize that strong governance not only enhances our institutional credibility but also supports long-term resilience. A strong and responsive corporate governance framework enables us to effectively address challenges and capitalize on opportunities in a dynamic financial environment.

Our Framework

- At Al Salam Bank, we have established a comprehensive and well-defined corporate governance framework to ensure the highest standards of transparency, accountability, and ethical conduct. Our governance structure is built around a clearly defined Board of Directors, whose composition reflects a diverse range of expertise and experience, enabling effective oversight and strategic guidance. The Board is supported by several key board committees, each responsible for specific areas of governance. The Board Committees include Executive Committee, Audit & Risk Committee, Remuneration Committee, and the Nomination and Corporate Governance Committee.
- Al Salam Bank maintains a strong commitment to compliance and ethical conduct through various policies and procedures, including a Code of Conduct, compliance measures, and internal controls to safeguard the interests of our stakeholders. Policies on gifts and entertainment, related party transactions, and whistleblowing ensure that we operate with integrity, addressing potential conflicts of interest and ensuring transparency in all business dealings.
- We also remain in full compliance with the requirements of Bahrain's regulatory institutions, including the Central Bank of Bahrain (CBB), the Ministry of Industry & Commerce (MOIC), the Bahrain Bourse, and other relevant authorities

Our Impact



At Al Salam Bank, Corporate Governance practices not only support the objectives of regulatory compliance, but are also crucial to support long-term economic growth, and creation of strong industry institutions. The principles of transparency, ethical conduct, and accountability are important to drive a successful collaboration between market participants towards achieving shared economic goals.



Competitiveness and Fairness are among the important pillars of Bahrain's Economic Vision 2030. In addition to internal priorities, strong corporate governance also forms an integral part of our industry stewardship, in alignment with the national priorities illustrated in the Bahrain Economic Vision 2030.

Sustainability Report 2024 (continued)

Governance – Data & Outcomes

Governance Structure

- The composition of our Board of Directors reflects a commitment to strong governance practices, diversity, and the long-term interests of our stakeholders. The Board consists of a balanced mix of non-executive, and independent directors, ensuring a diverse range of perspectives and expertise.
- The membership composition of the Board pertaining to non-executive and independent members is aligned with the Central Bank of Bahrain's rules and regulations. Independent Directors are required to issue Directors Annual Declaration, whereby independent directors declare that they have met all the required conditions by various regulatory authorities to be declared independent. Independent Directors are assessed in terms of their whether they have a material relationship with the functioning of the Bank which could affect their independence of judgement.
- Each Director holds the position for a tenure of three years, after which shareholder approval is required for re-appointment.
- Currently, we do not have female representation on our Board.

Disclosure G.1. – Board Composition

Board Composition	2024
Total Board Members	9
Female Board Members	0
Non-Executive Directors	5
Independent Directors	4
Tenure	3 years
Representation	Election

Collective Bargaining

- In alignment with the Bahrain Labour Law No. 36 of 2012, we uphold the rights and protections afforded to employees in relation to collective bargaining. Employees, through their representatives or trade unions, are entitled to engage in collective bargaining concerning employment conditions, wages, benefits, and other work-related matters. The law ensures employees' freedom of association, allowing them to form or join trade unions without employer interference, and provides protection against discrimination for participation in collective bargaining or union activities. Employers are required to recognize and engage with duly elected or appointed employee representatives during negotiations, and both parties must negotiate in good faith to reach a mutually beneficial agreement. In the event of disputes, mediation, conciliation, and arbitration mechanisms are available through the Ministry of Labour and other relevant bodies.
- Currently, no employees are covered under any collective bargaining agreement within our organization.

Disclosure G.2. – Collective Bargaining

Governance – Data & Outcomes

Whistleblowing Mechanism

• The Whistleblowing Policy applies to Directors, all employees (including temporary staff), and external parties who observe any misconduct during their transactions with the Bank. It provides a mechanism for reporting breaches such as failure to comply with internal policies, legal obligations, fraud, misuse of resources, safety risks, damage to the environment, and other instances of unethical conduct.

• The Head of Compliance acts as the Whistleblower Officer, and reports are made to the Designated Contact, who escalates the matter to the Audit and Risk Committee. In the absence of the Designated Contact, reports are directed to the Chairperson of the Audit and Risk Committee.

• All reports are handled with confidentiality, and whistleblowers are protected from retaliation, victimization, or harassment. Any adverse reactions faced by a whistleblower are escalated to the Audit and Risk Committee. Breaches are managed with sensitivity and confidentiality, and the identity of the whistleblower is not disclosed unless required for the investigation. The policy is communicated to employees via the Bank's intranet, to external parties through the Bank's website, and to the Board through the Director's Handbook. This policy ensures the Bank maintains a transparent and ethical working environment, where concerns are raised without fear of retribution.

Disclosure G.3. – Whistleblowing

Sustainability Disclosures

• Currently, Al Salam Bank does not provide data to external sustainability reporting organizations such as the Global Reporting Initiative (GRI) or the United Nations (UN). However, we are committed to aligning our operations with the UN Sustainable Development Goals (SDGs) and focus on assessing our impact in key areas such as environmental responsibility, social contribution, and governance.

Disclosure G.5. – Disclosure Practices

Conflict of Interest Management

• Al Salam Bank has established a Conflict-of-Interest Management Policy to ensure the integrity of decision-making processes across all levels of the organization, including Directors, Shari'a Supervisory Board members, and Senior Management. This policy outlines procedures for identifying and addressing conflicts of interest. All relevant individuals are required to submit an annual independence and conflict of interest declaration to the Corporate Secretary and must recuse themselves from discussions or decisions where a conflict may arise. The Bank is committed to actively mitigating conflicts, and if such conflicts cannot be resolved, we will consider withdrawing from engagements or relationships to uphold our commitment to transparency and ethical conduct.

• Al Salam Bank's Employment of Relatives Policy defines the scope of "relatives" and establishes procedures to manage the employment of relatives of current employees, Directors, and Shari'a Supervisory Board members. The Bank is committed to safeguarding against any potential conflicts of interest that may arise from such appointments. This policy ensures that all relative-based employment decisions are handled with transparency and fairness, in alignment with the Bank's commitment to ethical business practices and maintaining the highest standards of corporate governance.

Disclosure G.6. – Conflict of Interest

Sustainability Report 2024 (continued)

Governance Impact – Data & Outcomes

Suppliers & Vendors

Disclosure G.7. – Supplier Code of Conduct

- Al Salam Bank does not have a standalone Supplier Code of Conduct; however, our procurement activities are governed by comprehensive policies and procedures that ensure integrity, transparency, and ethical practices throughout the procurement process. Purchases below a certain threshold are treated as petty cash acquisitions, while procurement above that level is processed and expensed in accordance with established practices and internal controls.
- In addition, the Bank conducts a thorough due diligence when onboarding vendors or suppliers to ensure compliance with applicable laws, regulations, and ethical standards. This process allows us to select partners who align with our commitment to maintaining high standards of business conduct, and governance, ensuring that our procurement practices are responsibly handled.

Sustainability-Linked Remuneration

Disclosure G.8. – Incentivized Pay

- At Al Salam Bank, we are deeply committed to sustainability practices and integrating sustainability Key Performance Indicators (KPIs) into our operations. While we recognize the importance of aligning financial incentives with long-term sustainability goals, we currently do not have a formalized structure for incentivized pay or bonuses linked directly to sustainability objectives.

Ethics & Anti-Corruption

Disclosure G.9. – Ethics & Anti-Corruption

- As part of robust anti-corruption mechanism, Al Salam Bank has established the Anti-Bribery & Corruption Policy. The policy outlines our commitment to prohibit the practice of bribery in all forms including cash payments, kick backs, gifts and entertainment, promise of employment, or charitable donations. The Compliance Officer is responsible for handling investigations or complaints under this policy at the management level. At the Board level, matters are escalated to the Audit & Risk Committee. During the reporting period, 100% of our employees were compliant with the Anti-Bribery & Corruption Policy.
- Additionally, the Bank has also established Anti-Money Laundering policy aimed at preventing and remedying any instance of money laundering or suspicious transactions.

ESG Data - External Assurance

Disclosure G.10. – Assurance

- We understand the growing importance of ESG (Environmental, Social, and Governance) factors to our stakeholders and providing them with reliable and accurate information about our ESG performance. While external assurance of ESG data is not currently mandatory, we recognize its value in enhancing the transparency, credibility, and accuracy of our disclosures.
- Currently, we do not conduct or obtain external assurance for our ESG data, but we are committed to ensuring the integrity of the information we report. As the ESG landscape evolves, we are dedicated to exploring opportunities to incorporate external assurance, reinforcing our commitment to responsible practices and building trust with stakeholders.

Innovation & Engagements

Need for Innovation & Engagement

- In today's rapidly evolving financial landscape, the need for continuous innovation and engagement has never been more critical. The growing demand for more efficient, user-friendly, and secure banking solutions makes innovation key to meeting these expectations and driving us to deliver innovative tools to our customers. Incorporating digital technologies into our operations not only allows us to offer enhanced services but also contributes to reducing the environmental impact associated with traditional banking processes. By leveraging technology, we actively manage our environmental footprint in alignment with our goals, while improving our operational efficiency.
- Equally important is our active participation in industry associations, seminars, and conferences which allows for collaboration with peers, share insights, and gain valuable perspectives on the future of banking.
- Innovation and engagement are interdependent drivers of growth, resilience, and customer satisfaction. By fostering a culture of innovation while remaining engaged with the broader industry, financial institutions can ensure that we are well-equipped to navigate emerging challenges, contribute to our sustainability goals, and continue providing value to our customers and stakeholders.

Our Offerings & Engagements

- At Al Salam Bank, we focus on development of cutting-edge digital products and services that meet the evolving needs of our customers. This ensures that we remain at the forefront of digital transformation in the banking sector and provide solutions that make banking more accessible, efficient, and secure. From advanced mobile banking apps to seamless digital payment platforms, our suite of digital offerings is designed to enhance the customer experience and support a more connected, and paperless way of working.
- We continue to explore new technologies and platforms that improve our service delivery, streamline operations, and introduce innovative financial products that cater to the diverse needs of our customers. This focus on digital innovation helps us remain agile in a fast-changing financial landscape, empowering our clients with tools that simplify their financial management and offer enhanced convenience.
- Through active membership in various industry associations, participation in seminars and conferences, and recognition through prestigious awards, we continuously share knowledge, learn from peers, and contribute to the growth of Bahrain's financial services sector.

Our Impact



At Al Salam Bank, our continuous focus on digital innovation enables us to support the development of wider financial ecosystem. In being digital-first, we also contribute to the financial industry's growth and innovation priorities. Our continuous focus on engaging with market participants, industry peers, investors, customers, and other relevant stakeholders has enabled us to drive collaboration towards achieving shared sustainability goals.



Bahrain's Economic Vision 2030 includes a competitive, productive and efficient economy as one of its objectives. Our efforts related to innovation and engagement are critical towards achieving these objectives.

Sustainability Report 2024 (continued)

Innovation & Engagement – Data & Outcomes

Data Privacy

Disclosure G.4. – Data Privacy

- At Al Salam Bank, we are committed to maintaining the highest standards of privacy and data protection, in alignment with both local regulations and global best practices. In adherence to the Personal Data Protection Law (PDPL) of Bahrain, the Bank has established comprehensive policies and procedures to safeguard personal data of our clients, employees, and all stakeholders. As part of our ongoing efforts to ensure transparency and accountability, the Bank outlines its data processing practices, which are rooted in the principles of confidentiality, security, and compliance.
- Personal data is collected through direct interactions, automated systems, and third-party sources in a manner consistent with the requirements defined under the Privacy Data Protection Law. These lawful bases include obtaining explicit consent, fulfilling contractual obligations, complying with legal requirements, safeguarding vital interests, and pursuing legitimate business interests. The Bank upholds the highest standards when processing sensitive and biometric data. Personal data related to health, criminal records, or biometric identifiers is handled with the utmost care, and biometric data used for authentication is not stored. Furthermore, we ensure that any international data transfers are made in accordance with applicable legal frameworks, with appropriate safeguards in place to protect data privacy.
- In addition to robust data protection measures, the Bank actively encourages transparency by providing stakeholders with clear information about their rights under the PDPL. These include rights to access, rectify, erase, or block personal data, as well as the ability to withdraw consent where applicable. We respect these rights by ensuring that our processes are designed to be both efficient and responsive, ensuring compliance within the legally required timeframes. Our commitment to data security is reflected in the Bank's ongoing investment in cutting-edge security technologies, such as encryption, firewalls, and secure access protocols, alongside employee training programs to ensure adherence to strict confidentiality standards. We also require third-party service providers to follow similar security protocols and treat personal data with the same level of respect and care.
- Al Salam Bank's data retention policy aligns with regulatory, legal, and accounting obligations, ensuring that personal data is only retained for as long as necessary to fulfill its intended purpose. Afterward, data is securely anonymized or destroyed. These practices form part of the Bank's overarching commitment to responsible and ethical business operations, and we continue to monitor, update, and enhance our data protection practices to reflect evolving legal requirements and industry standards.

Innovation & Engagement – Data & Outcomes

Key Highlights

MENA Banking Excellence Awards 2024 – Retail Bank of the Year

Al Salam Bank has been named MENA Retail Bank of the Year at the MENA Banking Excellence Awards 2024, marking the second consecutive year the Bank has received this prestigious recognition. This achievement reinforces the Bank's leadership in innovative, client-centric retail banking across the region. Al Salam Bank's award-winning retail banking experience is driven by a digital-first approach, offering a comprehensive range of Shari'a-compliant financial products and services. These are seamlessly delivered through a robust network of branches, ATMs, Self-Service Kiosks, and its highly-rated mobile app, which is continuously updated to meet the evolving needs of its growing client base. New features, such as "Buy Now, Pay Later," "Salary Advance," and other digital enhancements, have been added to elevate the overall client experience.



The Bank's commitment to client convenience extends beyond its mobile app to its state-of-the-art Self-Service Kiosks, the first of their kind in the Kingdom. These kiosks offer biometric and eKYC authentication, 24/7 access to digital banking services, and video call support for personalized assistance. Additionally, the Bank launched an innovative ATM service that allows clients to withdraw cash and check account balances using their ID cards. Recognizing the key role Micro, Small, and Medium Enterprises (MSMEs) play in the national economy, Al Salam Bank has partnered with leading service providers to offer tailored solutions. This includes Al Salam Takaful, a Shari'a-compliant insurance offering in partnership with Solidarity Bahrain, covering auto, travel, and group medical insurance plans for individuals and businesses.

This consecutive win as Retail Bank of the Year solidifies Al Salam Bank's reputation as a leading financial institution in the region, demonstrating its commitment to delivering value through digital innovation and contributing to a brighter future for its clients and the Kingdom of Bahrain.

Advancing Islamic Banking Practices

Al Salam Bank hosted the second Shari'a Departments Forum, under the supervision of the Shari'a Audit Department and with the support of the Bank's Executive Management. The event, held at the Bank's headquarters, focused on bridging the gap between the theoretical and practical applications of Islamic Jurisprudence in financial transactions, with the aim of enhancing the qualifications of Islamic banking professionals and strengthening their collaboration with Shari'a Supervisory Boards. Titled "The Shari'a Compliance Function: Reality and Future Prospects," the forum explored the pivotal role of Shari'a compliance in Islamic banking. Discussions covered the key developments within the profession, the essential qualifications required for Shari'a compliance roles, and best practices for archiving Shari'a Board fatwas. The forum also addressed future trends, with a particular focus on the potential applications of Artificial Intelligence (AI) in advancing Shari'a compliance practices.



Sustainability Report 2024 (continued)

Innovation & Engagement – Data & Outcomes

Key Highlights

MEA Finance Awards 2024 – Best Retail Bank in Bahrain

Al Salam Bank was recognized as the "Best Retail Bank in Bahrain" at the MEA Finance Awards 2023 for the second consecutive year. This accolade highlights the Bank's achievements in digitization, its commitment to simplifying retail banking services, and its focus on delivering a personalized, exceptional client experience. The MEA Finance Awards celebrate excellence in digital transformation within the banking sector, and Al Salam Bank has consistently demonstrated leadership in innovative retail digital services. Its forward-thinking approach is designed to meet the evolving needs of clients, ensuring a seamless and exceptional banking experience.

Al Salam Bank has formed strategic partnerships, including a collaboration with Informa Markets, to serve as the exclusive banking sponsor at major exhibitions such as Autumn Fair, Jewelry Arabia, and Scent Arabia. The partnership enhances the client experience by providing seamless digital payment solutions and supporting the Bank's sustainability goals by reducing cash usage. The Bank has also partnered with Solidarity Bahrain to launch Al Salam Takaful, a range of Shari'a-compliant insurance products covering auto, travel, health, and more, positioning Al Salam Bank as a one-stop-shop for both banking and insurance needs. This recognition highlights Al Salam Bank's ongoing efforts to innovate and enhance its digital offerings, including its mobile app, virtual branch, WhatsApp services, and online chatbot, ensuring that clients receive unparalleled banking experiences at every touchpoint.



PCI DSS 4.0 Certification

Al Salam Bank has successfully achieved the Payment Card Industry Data Security Standard (PCI DSS) Version 4.0 Certification, the global standard for safeguarding payment card data. This certification reaffirms the Bank's unwavering commitment to providing a secure and trustworthy banking experience for its clients, highlighting its dedication to maintaining the highest standards of security in the management of payment card data. The certification acknowledges the Bank's compliance with PCI DSS standards and its proactive approach in integrating the latest technologies to strengthen the security of client data. Additionally, it underscores Al Salam Bank's ongoing efforts to ensure the safe use of payment cards, minimizing the risk of fraud and unauthorized access.

The PCI DSS Version 4.0 Certification introduces a variety of updated standards, including improved security controls, enhanced compliance measures, and more robust payment verification methods. The updated framework emphasizes cybersecurity activities, stricter password requirements, and more thorough procedures for testing, all designed to offer comprehensive protection for payment card data.



06 Appendix

CBB Index – Recommended ESG KPIs (1/3)

The Central Bank of Bahrain's Common Volume Part A – ESG Module includes a list of the recommended ESG KPIs. The following ESG index provides a reference to the location within this publication where each CBB Recommended ESG KPI has been reported, in addition to the reasons for its omissions, wherever applicable.

No.	Key Performance Indicator	Reference(s)	Reason for Omission
Environmental			
1	E.1. Environmental Oversight	Section 02 – Our Sustainability Strategy (Page 07) Disclosure E.1. Environmental Oversight	-
2	E.2. Energy Consumption	Section 03 – Environmental Impact - Detailed Disclosures (Page 12) Disclosure E.2. Energy Consumption	-
3	E.3. Energy Intensity	Section 03 – Environmental Impact - Detailed Disclosures (Page 12) Disclosure E.3. Energy Intensity	-
4	E.4. Energy Mix	Section 03 – Environmental Impact - Detailed Disclosures (Page 13) Disclosure E.4. Energy Mix	-
5	E.5. Green House Gas Emissions	Section 03 – Environmental Impact - Detailed Disclosures (Page 13) Disclosure E.5. Green House Gas Emissions	-
6	E.6. Emission Intensity	Section 03 – Environmental Impact - Detailed Disclosures (Page 14) Disclosure E.6. Emission Intensity	-
7	E.7. Climate Risk Mitigation	Section 03 – Environmental Impact - Detailed Disclosures (Page 14) Disclosure E.7. Climate Risk Mitigation	-
8	E.8. Water Usage	Section 03 – Environmental Impact - Detailed Disclosures (Page 14) Disclosure E.8. Water Usage	-
9	E.9. Waste Generation	Section 03 – Environmental Impact - Detailed Disclosures (Page 15) Disclosure E.9. Waste Generation	-
10	E.10. Emission Target	Section 03 – Environmental Impact - Detailed Disclosures (Page 15) Disclosure E.10. Emission Targets	-

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Social			
1	S.1. Total Workforce by Sex, Age-Group, and Employment Type	Section 04 – Social & Community Impact - Detailed Disclosures (Page 18) Disclosure S.1. Total Workforce	-
2	S.2. Child & Forced Labor	Section 04 – Social & Community Impact - Detailed Disclosures (Page 18) Disclosure S.2. Child & Forced Labor	-
3	S.3. Employee Turnover	Section 04 – Social & Community Impact - Detailed Disclosures (Page 19) Disclosure S.3. Employee Turnover	-
4	S.4. Gender Pay Ratio	Section 04 – Social & Community Impact - Detailed Disclosures (Page 19) Disclosure S.4. Gender Pay Ratio	-
5	S.5. Health & Safety	Section 04 – Social & Community Impact - Detailed Disclosures (Page 20) Disclosure S.5. Health & Safety	-
6	S.6. Non-Discrimination	Section 04 – Social & Community Impact - Detailed Disclosures (Page 20) Disclosure S.6. Non-Discrimination	-
7	S.7. Nationalization	Section 04 – Social & Community Impact - Detailed Disclosures (Page 21) Disclosure S.7. Nationalization	-
8	S.8. Community Investments	Section 04 – Social & Community Impact - Detailed Disclosures (Page 26) Disclosure S.8. Community Investments	-
9	S.9. Human Rights	Section 04 – Social & Community Impact - Detailed Disclosures (Page 21) Disclosure S.9. Human Rights	-
10	S.10. Management Composition & Diversity	Section 04 – Social & Community Impact - Detailed Disclosures (Page 22) Disclosure S.10. Management Composition	-
11	S.11. Development & Trainings	Section 04 – Social & Community Impact - Detailed Disclosures (Page 22) Disclosure S.11. Development & Training	-

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No.	Key Performance Indicator	Reference(s)	Reason for Omission
Governance			
1	G.1. Board Composition	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 30) Disclosure G.1. Board Composition	-
2	G.2. Collective Bargaining	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 30) Disclosure G.2. Collective Bargaining	-
3	G.3. Whistleblowing	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 31) Disclosure G.3. Whistleblowing	-
4	G.4. Data Privacy	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 34) Disclosure G.5. Disclosure Practices	-
5	G.5. Disclosure Practices	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 31) Disclosure G.5. Disclosure Practices	-
6	G.6. Conflict of Interest	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 31) Disclosure G.6. Conflict of Interest	-
7	G.7. Supplier Code of Conduct	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 32) Disclosure G.7. Supplier Code of Conduct	-
8	G.8. Incentivized Pay	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 32) Disclosure G.8. Incentivized Pay	-
9	G.9. Ethics & Anti-Corruption	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 32) Disclosure G.9. Ethics & Anti-Corruption	-
10	G.10. Assurance	Section 05 – Governance, Innovation & Engagement – Detailed Disclosures (Page 32) Disclosure G.10. Assurance	-

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