

2022

ESG REPORT



Arab Bank PLC
**Environmental Social
and Governance
Report**

البنك العربي
ARAB BANK



Success is a journey



WELCOME TO OUR 2022 ESG REPORT

This report captures the impact of Arab Bank on significant sustainability issues. It provides information on our approach to environmental, social, and governance (ESG) topics, together with our progress, performance and ambition for the future.

Reporting Period

The reporting period covers the fiscal year that began on the 1st January 2022 and ended on December 31st, 2022.

The bank published its last report in May 2022 which covered the 2021 fiscal year.

All past reports can be accessed through the bank's website <https://www.arabbank.com/mainmenu/home/sustainability/sustainability-reports>

Reporting Framework

The bank has reported in accordance with the GRI Standards for the period January 1st 2022 to December 31st 2022.

Data

Unless otherwise noted, the data presented in this report covers Arab Bank's activities and operations in Jordan. In some specific cases, Arab Bank PLC Group data is presented in line with the bank's reporting policies.

Assurance

The bank's Internal Audit function has conducted a limited assurance of the report. This report has not been reviewed by an external auditor.

Feedback

We value your feedback and engagement as we strive to create long-term value together at the following email:
Together@arabbank.com.jo

Navigate This Report



Read more or refer to another report for further information

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A MESSAGE FROM THE CEO



Dear stakeholders,

I am pleased to present Arab Bank's ESG Report for the year 2022.

We believe that success for a bank is not only measured by financial performance but also by our contribution to the wider society and the environment. For this reason, we have had a longstanding commitment to the ongoing integration of sustainability into our business strategy and operations, this report is an opportunity for us to share our progress with you.

The world is facing significant challenges that require urgent action. Climate change, social development needs, and environmental degradation are some of the most pressing issues that we face as a society. The global banking industry understands that it has a responsibility to address these challenges, and there is a growing recognition of the role that finance can play in achieving a more sustainable future. At Arab Bank, we are committed to contributing to this global effort.

In the Middle East region, we face unique challenges such as water scarcity, energy dependence, and socio-economic development. Nevertheless, we recognize that these challenges also present opportunities to make a positive impact, and we are committed to using our expertise, resources, and influence to support sustainable development in the region.

Sustainable finance is a significant area of growth in our sector. Our customers and stakeholders increasingly expect us to finance projects and initiatives that have an impact on improving society and the environment. In 2022, we developed and launched a comprehensive Sustainable Finance Framework that lays the groundwork for us to issue financial instruments such as green, social and sustainable bonds.

Our Environmental and Social Risk Policy has also been enhanced and now allows us to ensure sustainability principles are integrated at the heart of our portfolio. Both the framework and the policy help us to prioritize projects that not only align with our internal sustainability objectives but also with the international Sustainable Development Goals (SDGs).

We recognize that our responsibility also begins at home, and we are committed to reducing our internal environmental footprint and promoting sustainable practices within the organization that ensure we nurture great talent. That is why, we have launched the Arab Bank Women Empowerment Strategic Framework in 2022.

We also believe that we have a responsibility towards improving local communities across the country and region. As such, we continue to make substantial community investments through our non-profit cultural and social responsibility arm – the Abdul Hameed Shoman Foundation, which the bank established in 1978. Today, the Foundation has become a beacon of knowledge and innovation in Jordan and the Arab world as it continues to play a positive role in enriching local and regional culture, and advancing the scientific scene through knowledge, innovation, research and dialogue.

In 2022, our investment into community-based projects and initiatives exceeded USD 20 million.

Finally, we recognize that sustainability is a journey, and we are committed to continuously improving our sustainability performance and reporting transparently on our progress and challenges. We have been issuing sustainability reports annually since 2010, and this evolved ESG report looks to provide even more relevant data and information for our various stakeholders.

A handwritten signature in black ink, appearing to read "Randa Sadik".

Randa Sadik
Chief Executive Officer



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ARAB BANK AT A GLANCE

Established in 1930, and headquartered in Amman, Jordan, Arab Bank has one of the largest global banking networks of any Arab financial institution, with over 600 branches spanning five continents.

5
continents
+600
branches

Arab Bank's presence across major global financial markets

CONSUMER BANKING AND WEALTH MANAGEMENT

An extensive range of feature-rich banking solutions for individuals, delivered through a vast branch network and integrated digital banking channels, locally and regionally. We offer a comprehensive range of financial programs that are specifically designed to cater to the needs of a diverse consumer base.

CORPORATE AND INSTITUTIONAL BANKING

Providing international, regional and local companies with a full range of financial solutions through an extensive branch network and digital channels.

The bank also offers a comprehensive wealth management products and services with a wide range of financial solutions tailor-made for Arab Bank customers leveraging on the strength and capabilities of Arab bank group entities including Arab Bank Switzerland, AB Invest & Europe Arab Bank.

TREASURY

Manages the bank's liquidity and market risk, while providing a broad range of investment and risk management products for consumer, corporate and sophisticated customers.



AWARDS AND RECOGNITION

Throughout 2022, the bank received several awards and accolades from leading publications associations and institutions. Most notably Arab Bank received the award for Best Bank in the Middle East from Global Finance Magazine for the 7th consecutive year.

GLOBAL FINANCE

- World's Best Financial Innovation Labs
- World's Best Integrated Consumer Banking Site
- Best Bank in the Middle East (seven consecutive years)
- Best Open Banking APIs in the Middle East and Jordan
- Best Trade Finance Provider in the Middle East and Jordan
- Best Bank for Cash Management in the Middle East and Jordan
- Best Integrated Consumer Banking Site in the Middle East and Jordan
- Best Information Security and Fraud Management in the Middle East and Jordan
- Best Bill Payment and Presentment In the Middle East and Jordan
- Best SME Banking in the Middle East and Jordan
- Best Foreign Exchange Provider in Jordan
- Best Trade Finance Services in Jordan
- Best Sustainable Finance Bank in Jordan
- Most Innovative Digital Bank in Jordan
- Best Mobile Banking Adaptive Site in Jordan
- Best Mobile Banking App Corporate Institutional in Jordan
- Best Mobile Banking App / Consumer in Jordan
- Best in Social Media Marketing and Services in Jordan
- Best in Lending in Jordan
- Best Online Deposit, Card and Investment Product Offering in Jordan
- Best User Experience (UX) Design in Jordan

EUROMONEY

- Best Bank in Jordan
- Best Bank for Digital Solutions in Jordan

EMEA FINANCE

- Best Cash Management Services in the Middle East
- Best Trade Finance Services in the Middle East
- Best Bank for Corporate Social Responsibility in the Middle East
- Best Local Bank in Jordan

THE BANKER MAGAZINE (PUBLISHED BY THE FINANCIAL TIMES)

- Bank of the Year in Jordan

GLOBAL TRADE REVIEW

- Best Trade Finance Bank in Jordan

MEED

- MENA SME Bank of the Year

Refinitiv ESG Scores

Arab Bank has been recognized for adopting an effective approach to managing sustainability and ESG topics by various international organizations, including Refinitiv ESG Scores. Refinitiv has provided Arab Bank with an ESG score of "Good" as of December 31, 2022. The bank achieved a rating of 69, surpassing local banks and ranking among the top four in the region.

Award for Best Corporate Social Responsibility (CSR) in the Middle East

The Bank has also been granted the best Corporate Social Responsibility Award in the Middle East by EMEA Finance. Further validation of the bank's leadership in delivering strategic community engagement and impact.





ESG AT ARAB BANK

IN THIS SECTION

- ESG and Sustainability Approach
- Arab Bank Material Issues
- Engaging Stakeholders
- Arab Bank and the Sustainable Development Goals (SDGs)

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ESG at Arab Bank

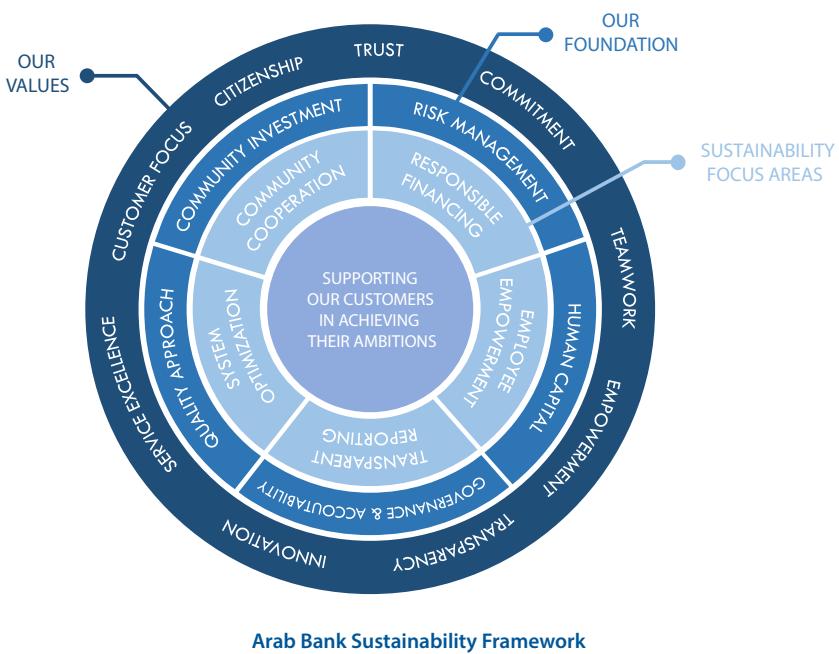
The bank is committed to the integration of Environmental, Social and Governance (ESG) considerations into the core of the business. By embedding ESG principles across our operations, we aim to create long-term value for our stakeholders, minimize potential risks, and contribute positively to global efforts to address pressing environmental and social challenges.

Arab Bank's Strategic Approach to Sustainability

Our sustainability strategy, as illustrated by the sustainability framework (see image), is rooted in 'Our Values' which in turn form the basis for 'Our Foundation' of stable and principled banking practices.

Our goal is to gain a competitive edge by prioritizing sustainability, which encompasses not only economic and ethical considerations but also social and environmental factors. This is represented by 'Our Sustainability Focus' areas, which include: responsible financing, employee empowerment, transparent reporting, system optimization and community cooperation.

This strategic approach helps us to implement sustainability consistently across the business, contribute positively to the community, environment and create value for our stakeholders. Addressing the socio-economic and environmental factors that our customer and communities face today and into the future, means we can better support them to achieve their ambitions.



Arab Bank Sustainability Framework

From Sustainability to ESG

Sustainability refers to the ability to maintain or support a certain level of economic, social and environmental activity over time. It involves taking a long-term perspective and considering the impact of current actions on future generations. Sustainability can encompass a broad range of issues, including climate change, resource depletion, social inequality, and economic growth.

ESG, on the other hand, refers specifically to a set of criteria used to evaluate the environmental, social and governance performance of a company or investment. ESG criteria may include factors such as a company's carbon emissions, labor practices, board composition, and ethics policies.

ESG is used by investors to assess the sustainability of a company or investment and to make informed decisions about where to allocate their resources.

The bank has evolved its reporting from broad sustainability reporting to more precise ESG reporting, reflecting its commitment to responsible investment and the measurement of its impact in relation to ESG concerns. This includes developing a comprehensive framework with specific ESG indicators tied to the bank's investment activities.

Arab Bank ESG Framework

In 2022, the bank established a reporting framework for ESG that will be used as a tool to evaluate and manage the bank's ESG performance. By adopting this reporting framework, we hope to improve our transparency and accountability, and deliver positive social and environmental outcomes.

The framework consists of the three ESG pillars, each with a strategic objective and key topics that must be addressed to achieve this objective.

Governance – Arab Bank is committed to integrating ESG in our Governance Model.

This pillar outlines the bank's approach to integrating ESG considerations into its governance model, including in its decision-making processes and risk management strategies. By doing so, Arab Bank ensures that it aligns with its commitment to sustainability, which, in turn, promotes responsible and sustainable practices throughout the bank's operations.

Areas covered under this pillar include:

- Good governance
- Conduct and trust
- Governance of ESG

 For further details on our governance approach and performance, see page 11 of this report.

Environmental – Arab Bank is committed to supporting the transition to a low-carbon economy.

Climate change is one of the greatest challenges facing our global society and economy in the 21st century. Its impact on the physical environment, human health and its potential to adversely impact economic growth is widespread and proven. We recognize the scale of the challenge, and we are fully committed to be part of the solution. As a major financial institution in the region, we have a unique role to play in achieving the required transition to a low carbon economy.

Areas covered under this pillar include:

- Environmental finance tools.
- Reducing the environmental impact of our portfolio.
- Reducing the environmental impact of our operations.
- Reducing the environmental impact of our supply chain.

 For further details on our environmental approach and performance, see page 15 of this report.

ARAB BANK ESG FRAMEWORK

GOVERNANCE

Integrating ESG into the Arab Bank governance model

- Good governance
- Conduct and trust
- Governance of ESG

ENVIRONMENTAL

Supporting the transition to a low-carbon economy

- Environmental finance
- Reducing the environmental impact of our portfolio
- Reducing the environmental impact of our operations
- Reducing the environmental impact of our suppliers

SOCIAL

Advancing social development in the community

- Our customers – finance for impact
- Our employees – employer of choice
- Our community – corporate citizenship
- Our suppliers social impact – supporting local vendors

Stakeholder Engagement

Effectively responding to the needs and expectations of our internal and external stakeholders, allows us to create greater value as a bank.

To achieve this, we consistently engage with our stakeholders, ensuring we are aligned with their evolving priorities and seamlessly incorporating them into our ESG Strategic approach.

Our approach involves routinely mapping our key stakeholder groups, evaluating our engagement techniques, identifying priority concerns for both the bank and stakeholders, and diligently monitoring our response to these matters. In the following section we will outline our principal stakeholders and elaborate on the ways in which we create value for each of them.

CUSTOMERS



How we deliver

Addressing the needs of consumers, businesses and institutions by offering seamless, innovative and safe financial services

SHAREHOLDERS



How we deliver

Providing an appropriate return on investment over the long-term, in an ethical and well-governed manner

EMPLOYEES



How we deliver

Creating an inclusive work environment where the best talent can thrive

GOVERNMENT



How we deliver

Maintaining good governance and business conduct practices, adherence to regulations, and transparent reporting

COMMUNITY



How we deliver

Supporting local communities where we operate to address local social, and environmental issues

SUPPLIERS



How we deliver

Sourcing goods and services responsibly, providing suppliers with stability and fairness

THE ENVIRONMENT



How we deliver

Supporting the transition to a climate resilient future



A full description of how we engage and create value for our stakeholders can be found in Appendix B.

Materiality Assessment

Our sustainability efforts and strategic priorities are informed by the wider context around us. We use a materiality assessment process to identify topics that are important to our stakeholders and are strategically significant to the business.

Prioritization helps inform our ESG strategic direction, building focus and ensuring relevance in our approach to ESG topics.

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- Business ethics and conduct
- Systemic risk management
- Anti-money laundering and anticorruption
- ESG governance
- Stakeholder engagement
- Data security / financial product safety
- ESG risk management
- Transparency and trust
- Business model resilience
- Financial performance

ENVIRONMENTAL

- Climate change
- Responsible lending and investing
- Operational footprint
- Sustainable procurement

SOCIAL

- Customer protection and transparency
- Innovation and digitization
- Customer experience
- Access and affordability
- Workforce diversity, inclusion and equal opportunity
- Human rights
- Learning and development
- Employee wellbeing
- Child labor
- Compulsory labor
- Employee experience
- Talent attraction and retention
- Supporting SMEs
- Community investment
- Market presence

During 2022, we conducted a materiality assessment that focused on the concept of impact. This approach included a systematic evaluation of the environmental, social, and governance issues that hold substantial influence on our stakeholders' decisions and our organizational success. Identifying and prioritizing these material aspects, enables us to efficiently allocate resources, monitor progress, and transparently communicate our performance to stakeholders, ultimately creating a more responsible and sustainable business.

In 2022, our assessment identified a list of 29 material sustainability issues.

Our approach to identifying material sustainability issues is aligned with the GRI Standards (2021).



A full explanation of our materiality approach and boundaries of the material issues can be found in Appendix C.

Sustainable Development Goals (SDGs)

Achieving the global 2030 agenda for sustainable development will require the mobilization of all parties, including the private sector. Arab Bank is committed to being a positive force in the achievement of the SDGs by embedding its objectives into our ESG strategic approach and daily operations.

On this page, we provide a comprehensive overview of how our various activities and our robust sustainability approach are designed to effectively contribute to the achievement of the United Nation's SDGs. Our work touches on a broad range of SDGs, however, we strategically concentrate our efforts on 12 specific goals where we believe our organization can create the most significant and lasting impact.

By aligning our objectives with these 12 priority SDGs, we ensure that our initiatives not only advance our organizational mission but also contribute meaningfully to the global pursuit of sustainable development. Our commitment to these goals reflects our dedication to creating a more equitable, prosperous, and sustainable world for present and future generations.

Goal	Our Contribution	Page Number
 1 NO POVERTY	<ul style="list-style-type: none"> Using digital innovation to advance financial inclusion by expanding financial services to the unbanked, and supporting innovation and entrepreneurship, especially among youth. Supporting local NGOs in their efforts to fight poverty in the community through our community investments and Corporate Social Responsibility (CSR) activities. Enabling the SME sector to grow, creating economic opportunity and lifting people out of poverty. 	20, 21, 22, 27
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Collaborating with NGOs to advance medical coverage, especially for the under-privileged. Promoting the benefits of a healthy lifestyle among employees, enhancing their wellbeing and ensuring a safe work environment. 	24, 26, 27
 4 QUALITY EDUCATION	<ul style="list-style-type: none"> Collaborating with NGOs to invest in the development of education infrastructure and access to quality education. 	27
 5 GENDER EQUALITY	<ul style="list-style-type: none"> Supporting gender equality and the empowerment of women by ensuring full and effective participation at the Bank, and providing equal opportunities for leadership at all levels. Supporting equality and job creation among women in the community. 	23, 27
 6 CLEAN WATER AND SANITATION	<ul style="list-style-type: none"> Financing Projects related to the construction, upgrade, renovation or improvement for transportation and treatment of wastewater. Supporting projects that increase water-use efficiency, including water recycling and reuse projects, water saving systems, technology and water metering. 	16
 7 AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> Investing in climate resilient projects that help to reduce the amount of GHG emissions created. Reducing the environmental impact of our operations and associated climate impacts. 	16, 17, 18
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Using digital innovation to help advance financial inclusion by expanding financial services to the unbanked and supporting innovation and entrepreneurship, especially among youth. Enabling SMEs to grow, thus creating decent jobs that results in positive local socio-economic value. 	20, 21, 22
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> Using digital innovation to help advance financial inclusion by expanding financial services to the unbanked and supporting innovation and entrepreneurship, especially among the youth. Ensuring the Bank's infrastructure investments are environmentally sensitive and respond to social concerns. 	16, 21, 22
 10 REDUCED INEQUALITIES	<ul style="list-style-type: none"> Using digital transformation to develop innovative products and services for the unbanked, advancing financial inclusion. Supporting social inclusion and reducing inequality among community members through our community investments and CSR activities. Enabling SMEs to grow and, creating economic opportunity that helps reduce inequality within the community. 	20, 21, 22, 27
 11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> Financing projects related to electric vehicles (EVs), low carbon vehicles and associated infrastructure for public, passenger and freight transportation, including auto loan financing programmes and the deployment of EVs charging infrastructure. Financing projects related to the acquisition, development, construction and refurbishment of buildings that belong to green building categories. 	16
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Providing a platform to develop innovative products and services that incentivize sustainable living, and creating more efficient and effective operating and distribution models for new markets. Supporting our customers shift to a more sustainable lifestyle by offering sustainable products and services that help reduce their energy consumption. 	16, 17
 13 CLIMATE ACTION	<ul style="list-style-type: none"> Investing in climate resilient projects that help to reduce the amount of GHG emissions created. Reducing impact of our operations on the environment and climate. 	16, 17



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GOVERNANCE

Integrating ESG in our governance model

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- Good Governance
- Conduct and Trust
- Governance of ESG

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Good Governance

Good governance is a fundamental principle at Arab Bank. Our Board of Directors (BoD) is committed to ensuring that the highest professional standards are implemented across organization, which helps to ensure the bank operates in a responsible, ethical, and effective manner. This ultimately benefits our customers, shareholders, and the broader community.

Arab Bank Board of Directors

The BoD is the highest authority at the bank and is responsible for the implementation of sound corporate governance. Their role includes setting the bank's long-term strategic objectives and overseeing senior executive management performance in executing strategies to achieve those objectives. The BoD ensures that the interests of shareholders, depositors, creditors, employees, and other stakeholders are met. They certify that internal control systems are effective, and that the bank's activities comply with the laws and regulations in jurisdictions in which it operates.

The BoD, all of whom are shareholders, are elected by the General Assembly (GA) in its ordinary meeting for a term of four years. During 2022, a new board of directors' members were elected

Members are selected based on their qualifications in the fields of finance and banking, taking into account other related competencies and experience.

The BoD held seven meetings in 2022 and was comprised of eleven non-executive members, five of whom are independent.

Throughout 2021 and 2022, a series of informative and engaging awareness sessions were organized for the BoD, aimed at equipping them with up-to-date knowledge on emerging topics of critical importance to the bank. These educational sessions covered a diverse range of subjects, including the intricacies of ESG concerns, the ever-evolving landscape of cyber security risks, and the latest international best practice. By participating in these tailored training programs, they have strengthened their understanding and competency in addressing these crucial areas, thereby enabling them to make well-informed decisions that are relevant and promote long-term success.



Additional information on the BoD, including its committees, is presented in the 2022 Governance Report in our 2022 Annual Report.

Internal Auditing

The Group Internal Audit (GIA) provides the Board Audit Committee with independent assurance that our policies and procedures have been effectively implemented, and that controls, risk management and governance processes are effective to safeguard the organization from significant risks. To maintain impartiality, the GIA objectively reports audit outcomes to the Board Audit Committee directly.



Additional information regarding our internal auditing systems can be found in the 2019 Sustainability Report, page 38.

The internal audit function conducted an assurance review of the bank's 2022 ESG report, in order to verify the accuracy and reliability of the data collection and reporting processes, as well as to validate whether the applied materiality assessment procedures are compliant with the rigorous 2021 GRI Sustainability Reporting Standards. The overall results of the examination conducted revealed general conformance to transparent and responsible ESG reporting, and underlined the bank's dedication to sustainable business practices.



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Conduct and Trust

We take a proactive approach to ensuring good business conduct, strictly complying with applicable local and international policies and regulations while being open and transparent.

Code of Conduct

The Code of Conduct (CoC) is a crucial high-level policy that sets the foundation for our strong commitment to conducting business in compliance with the highest ethical standards and uncompromised integrity across all operations and jurisdictions. The CoC serves as the guidelines to which all employees are held accountable to, ensuring they carry out their responsibilities while adhering to legal and ethical obligations. The CoC is accessible to all our employees through our internal portal "Arabina". All employees are required to acknowledge on an annual basis that they will abide by the CoC.

During 2022, the bank launched a refresher e-learning course on the CoC to all staff across the Arab Bank PLC. It included updates to the CoC regarding employees' duty to report suspected cases of human rights violations by customers or suppliers, such as modern slavery and forced labor, and employees' duty to report potential violations of global combating tax evasion requirements.

Supporting Policies

The CoC is supported by a number of additional bank-wide policies. They cover issues such as privacy, money laundering, terrorist financing, conflict of interest, and bribery, among others. Some of the most important policies in this respect include:

- Anti-Bribery and Corruption Policy
- Know Your Customer (KYC), Anti-Money Laundering (AML), and Combating Terrorist Financing (CTF) Policy.



For additional information on our policies, please refer to the 2019 Sustainability Report, page 38.

Ethics Committee

The Arab Bank Ethics Committee is responsible for monitoring the conduct of our business in accordance with the highest ethical standards across all jurisdictions in which we operate. The purpose of this executive committee is to interpret and enforce our CoC, and to investigate potential legal and regulatory violations, as well as whistleblowing incidents across the Arab Bank plc network. The committee is chaired by the Head of Group Regulatory Compliance and includes the Heads of the HR Division and the Legal Affairs Division.

A Compliance Culture

The enterprise compliance program helps to enhance our reputational capital by demonstrating compliance to the highest ethical standards. It is a robust system for the identification and management of regulatory compliance requirements across all of the jurisdictions in which we operate.

The system is designed to ensure effective and consistent implementation of policies, procedures, and training programs to meet regulatory requirements. It also drives a system of internal controls, including periodic monitoring and reporting, which ensures continuous compliance across our global network. Our approach balances our business practices, revenue growth, customer experience and risk management, so that any risk taken is the risk intended.

With the aim to increase compliance awareness generally among our employees, the bank issues three internal compliance newsletters; "Ethics Aware", "Compliance Aware", and "AML Aware". Additionally, to promote full compliance, we continue building our employees' understanding and awareness of governance aspects and internal policies by providing specialized e-trainings on key issues. In addition to the Code of Conduct e-learning, during 2022, the bank rolled out an updated version of the Core KYC, AML and CTF E-Learning as well as a new E-Learning course on Privacy and Data Protection.

Whistleblowing

Arab Bank's whistleblowing policy instructs employees to promptly report any potential violations of the CoC, Arab Bank policies and / or applicable laws and regulations to the Ethics Committee, while maintaining and protecting their anonymity. If an employee is unclear whether a violation has occurred, they are encouraged to send their inquiries to Group Regulatory Compliance at Head Office.

Proactive Risk Management

Risk is inherent in all aspects of a financial services business, so sound risk management practices are fundamental to long-term success. An informed and responsible approach to risk management is a core competency of Arab Bank. Thus, we have a constant focus on implementing proactive risk management procedures to mitigate and minimize risk.

Group Risk Management (GRM) represents one of the fundamental levels of oversight and is part of the organizational structure framework for managing risk. GRM is responsible for developing a robust and effective system for the identification and management of financial and non-financial risks to which the bank is exposed to.



For additional information on our risk management achievements, please refer to the 2022 Annual Report.

Transparency and Trust

Offering the right product or service to our customers can only be achieved through clear, transparent engagement and fair treatment. This allows us to maintain their trust and loyalty, while empowering them to make the right financial decisions.

The Transparency and Dealing with Customers Fairly Policy requires us to design products and services to meet the needs of each identified customer group, and provide them with professional advice appropriate to their circumstances. This also involves making information fully and clearly available before, during and after every point of sale.



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Governance of ESG

By implementing effective governance practices around ESG issues, the bank can better manage risks and create value for all stakeholders over the long-term.

ESG Governance Structure

ESG factors have become increasingly important considerations for banks and financial institutions in recent years, and the effective governance of ESG is essential for banks to address risks, comply with regulations, and meet the expectations of stakeholders. To effectively govern ESG, coordinated efforts are required across the bank; starting from the BoD, all the way to frontline employees. We believe that it is essential for the bank to establish a culture that values ESG considerations and incorporates them into all aspects of the bank's operations.

The bank is in the process of developing its internal governance structure for ESG, with work scheduled to be implemented throughout 2023, having already been implemented at the board level.

Board of Directors – As the highest governing body, the BoD is responsible for providing strategic direction, ensuring effective oversight, and fostering a strong ESG culture throughout the organization. To ensure that our bank meets the highest standards of sustainability and corporate responsibility, the BoD provides oversight of our Environmental and Risk Management Policy. This policy outlines our approach to identifying, assessing, and managing ESG risks, and the Board's review and approval ensure that our efforts remain relevant and effective.

Additionally, the BoD is responsible for overseeing the bank's ESG risk management efforts. The committee provides guidance and direction to management, reviews key ESG risks and metrics, and ensures that our ESG efforts are aligned with our overall strategy and values.

ESG Risk Management

ESG risk management has gained significant prominence in the banking sector due to its critical role in ensuring long-term financial stability, enhancing reputation, and meeting the evolving expectations of stakeholders. Banks, as key players in the global financial system, must actively address ESG risks to maintain their competitive edge and contribute to a sustainable future.

At Arab Bank, our commitment to ESG risk management reflects our dedication to responsible banking, operational resilience, and sustainable growth.

Our approach to ESG risk management is guided by a comprehensive framework that ensures the identification, assessment, mitigation, and monitoring of ESG-related risks and opportunities. We continuously refine our policies, procedures, and best practices to align with international standards, evolving regulations, and stakeholder expectations.

In 2021, the bank established its Environmental and Social Risk Policy (ESRP) that provides an overview of the bank's approach towards managing environmental and social risks. The bank introduced the policy to strengthen its capacity to handle and manage these types of risks. This was achieved by outlining effective risk management practices in a methodical and uniform approach that address the following aspects:

- Defining roles and responsibilities for managing environmental and social risks within the organization;
- Identifying and evaluating environmental and social risks at both customer and portfolio levels, including the bank's stance on sectors with elevated risk;
- Implementing risk management practices and internal controls to

address and mitigate environmental and social risks; and

- Monitoring environmental and social risks and providing regular updates to the bank's BoD and senior management to ensure informed decision-making.

In 2022, the bank started implementing the Climate Change Stress Test as a first step to understanding the physical and transitional risks in line with Central Bank of Jordan related Stress Testing instructions and scenarios.



ENVIRONMENTAL

Supporting the transition to a low-carbon economy

IN THIS SECTION

- Environmental Finance
- Reducing the Environmental Impact of Our Portfolio
- Reducing the Environmental Impact of Our Operations
- Reducing the Environmental Impact of Our Supply Chain

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Climate change is one of the greatest challenges facing our global society and economy in the 21st century. Its impact on the physical environment, human health and its potential to adversely impact economic growth is widespread and proven.

At Arab Bank, we recognize the scale of the challenge, and we are fully committed to be part of the solution. As a major financial institution in the region, we have a unique role to play in achieving the required transition to a low carbon economy.

Our approach to supporting the transition to a low-carbon economy revolves around the following:

- Contributing positively through our Environmental Finance solutions, channeled through the bank's Green Infrastructure Finance and the Sustainable Finance Framework.
- Reducing the environmental impacts of our portfolio.
- Reducing the environmental impact of our operations.
- Reducing the environmental impact of our supply chain.

Environmental Finance

We believe that financial services can help tackle climate change and create a better world for future generations. That is why we focus on financing project that have a positive impact on the environment.

Environmental finance focuses specifically on financing projects and initiatives that have a positive impact on the environment. This includes projects related to renewable energy, energy efficiency, clean transportation, green building, pollution prevention and control, and climate change mitigation and adaptation.

Whether through investing in environmental projects, or through providing our customers with green products or services, we believe that this will support efforts towards addressing environmental challenges and promoting a more sustainable economy.

Green Infrastructure Finance

We play a major role in financing a more sustainable economy and the transition to a low-carbon economy through our green infrastructure finance activities, which also represent a major growth opportunity for our business and our clients. By investing in the deployment of large-scale renewable energy projects, we are adding to the global effort to combat climate change and contributing to the achievement of the SDGs.

Approximately 1,271,000 tons CO₂e

GHG emissions avoided since 2012

785 MW of Renewable Energy

Added to the Jordanian Grid since 2012

Since 2012, the bank has provided over USD 303 million in loans and facilities for green projects.

Financing a Low Carbon Economy: The Arab Bank Sustainable Finance Framework

We recognize the role we can play, as a financial institution, in financing the transition to a low carbon economy, supporting the local and global efforts to meet climate change mitigation targets.

In 2022, Arab Bank launched its Sustainable Finance Framework, which aims to support our sustainability commitments and ESG priorities. We intends to use the Framework as the basis for issuing sustainable debt instruments to advance projects that will contribute to climate action, employment generation as well as supporting the UN SDGs.

The Framework is aligned with the four core components of the Green Bond Principles 2021 ("GBP"), Social Bond Principles 2021 ("SBP") and Sustainability Bond Guidelines 2021 ("SBG") published by the International Capital Market Association ("ICMA"), as well as the Green Loan Principles 2021 ("GLP") and Social Loan Principles 2021 ("SLP") published by the Loan Market Association ("LMA").

The Bank has obtained a Second Party Opinion from S&P Global Ratings which has affirmed the Framework's alignment with the aforementioned ICMA and LMA principles.

Eligible Green Categories the Bank will Invest In

GBP Category	SDGs Alignment
Renewable Energy Environmental objective: climate change mitigation	 
Energy Efficiency Environmental objective: climate change mitigation	  
Clean Transportation Environmental objective: climate change mitigation	 
Green Buildings Environmental objective: climate change mitigation	 
Sustainable Water and Wastewater Management Environmental objective: climate change adaptation, sustainable use and protection of water and marine resources	



Green Products and Services

We aim to improve the environmental impact of our consumer banking products and services. Our approach to achieve this is two-fold; helping our customers reduce their environmental footprint when using our services, and offering them products that can help them adopt sustainability as part of their lifestyle.

We have implemented various measures to reduce the material and energy consumption related to our products and services. One of our primary initiatives is the adoption of digital financial services, which has helped us to significantly reduce paper usage and energy consumption related to printing and mailing physical documents. Among these projects we have extended the use of e-statements and e-advises, allowing our customers to access important information about their accounts online rather than receiving physical documents. This not only reduces paper usage and waste but also provides our customers with a more convenient and efficient way to manage their accounts.

We are also offering our customers products that can help them adopt sustainable practices. For example, the Easy Payment Plan (EPP) allows customers to purchase renewable energy equipment and green products using an Arab Bank credit card and take advantage of a payment period up to 12 months with 0% interest, and a repayment period of up to 24 months with 1% interest. Additionally, we demonstrate our commitment to promoting sustainable practices by offering loans for electric and hybrid cars with 0% processing fees, thus encouraging and supporting our customers to adopt more environmentally friendly transportation options.

Reducing the Environmental Impact of Our Portfolio

We recognize that our lending can have an impact on the environment. As such, we use sound risk management practices to identify, evaluate and mitigate, to the best practical extent, the impact of our lending and financing activities.

Reducing the environmental impact of the bank's investments and loans requires a comprehensive approach that integrates ESG factors into decision-making. Specifically, the bank has taken several steps to address the issue of climate change through our portfolio.

The bank has a robust system in place for identifying and managing lending and financing risks, with environmental and social risks considered as part of the bank's credit policies. The Environmental and Social Risk Policy (ESRP) aims to enhance the bank's resilience to and management of environmental risk, in addition to social risk through setting out sound risk management practices in a systematic and consistent manner.

We recognize there is more work to be done and so the bank has committed to begin measuring scope 3 GHG emissions related to our portfolio as a first step to setting our future targets.



For additional information on our ESRP, please see page 14 from this report.

Reducing the Environmental Impact of Our Operations

At Arab Bank, we are committed to minimizing our environmental footprint and promoting sustainable practices. We recognize that our operations have an impact on the environment, and we are dedicated to reducing this impact through the implementation of sustainable practices and the adoption of environmentally responsible operations.

To do this, we have been working on measuring and managing the direct environmental impact of our own operations, including energy use and related GHG emissions, water use and material consumption.

Energy and Related GHG Emissions

Although our operations are not highly energy intensive, we continuously seek to reduce our energy consumption. Our main sources of energy, which also represents our main sources of GHG emissions, include:

- **Scope 1 - direct energy consumption:** the burning of fuel for heating the Head Office and all branches across Jordan. In addition, energy is consumed in the form of transportation fuel by our vehicle fleet
- **Scope 2 - indirect energy consumption:** the consumption of electricity purchased from third-party suppliers.
- **Scope 3 - other indirect energy:** which includes, business travel and our employees commute to work. Additionally, scope 3 includes the GHG emissions resulting from our lending and investments portfolio. However, we are only reporting at this stage on business travel.



In 2022, around 91% of our total electricity consumption was sourced from renewable energy projects, eliminating harmful GHG emissions from electricity that would have otherwise come from conventional hydrocarbon generation. Our energy consumption increased slightly in 2022 due to the normalization of operations after a long period of Covid-19 restrictions. However, we are evaluating our operational energy consumption to set future reduction targets.



Energy consumption and GHG emissions performance in the ESG Scorecard on page 33.

Paper Consumption

Due to the nature of our business, paper continues to be heavily utilized in our offices and branches, including for contracts and correspondence, services offered to clients and promotional materials. We are focused on reducing paper use for our customers, optimizing our internal operations and recycling unavoidable paper waste.

Our approach to reducing paper consumption is two-fold; optimizing our internal operations by moving to a paperless environment; and introducing digital products and services that reduce and eliminate paper consumption by our customers.

In 2022, we continued to follow our approach in creating a paperless operational environment. Several initiatives have been developed to eliminate paper use through harnessing the benefits of digitization. Those include automating several forms, in addition to reducing number of printing machines and focusing on automating document workflows.

We continue to focus on introducing green banking solutions through digital transformation in order to reduce the environmental footprint stemming from paper-based services, while offering our customers a smoother banking experience.

On the recycling front, we were also able to recycle around 100 tons of paper during 2022.

Water Consumption

Although our water consumption is low, we are aware of the importance of responsible water use especially in Jordan. Our water consumption is primarily from employee usage and for cleaning purposes. We have continued to work on reducing our water consumption by installing water saving devices.

Reducing the Environmental Impact of Our Supply Chain

The goods and services that we procure have an impact far beyond the boundaries of the bank. It is for this reason that we seek to only work with environmentally responsible suppliers.

Reducing the environmental impact of a supply chain is a complex task that requires a multi-faceted approach. At Arab Bank, we ensure that all our suppliers are adhering to the environmental standards and regulations of the country of origin. We also encourage our suppliers to develop their own environmental policies, to focus on reducing waste and minimizing the environmental impact of their operations. To ensure our suppliers comply with the bank's environmental requirements, we have included the environmental requirements in our Suppliers Code of Conduct, which all our vendors ratify before conducting any business with the bank.

The bank has a series of procedures that ensure checks are completed on suppliers throughout the procurement process. The checks not only ensure we are getting good value for money but seek to minimize the impact of suppliers on the environment.





SOCIAL

Advancing Social Development

IN THIS SECTION

- Our Customers – Banking Solutions for Impact
- Our Employees – Employer of Choice
- Our Community – Corporate Citizenship
- Our Suppliers' Social Impact

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Our Customers - Banking Solutions for Impact

Banking solutions represents a powerful approach to addressing some of the most pressing social issues of our time. By leveraging financial services and capital, we have the potential to drive positive change and make a meaningful difference to our customers and beyond.

We believe that our banking solutions play a critical role in driving progress towards a more sustainable and equitable future. Our approach to advancing social development for our customers is manifested through:

- Supporting SMEs to enable economic and social growth in society.
- Using digital innovation as a tool to advance financial literacy and inclusion.
- Enabling our customers to perform their financial transactions with ease while safeguarding their data and security.

Supporting SMEs - Fostering Social and Economic Growth

Small and medium-sized enterprises (SMEs) are the backbone of the global economy as well as Jordan. At Arab Bank, we understand the critical role that SMEs play in driving economic growth and job creation, which is why we are committed to supporting their success.

We recognize that many SMEs struggle to access the finance and capital they need to thrive and grow, which is why we have created a multi-dimensional approach to supporting them. Our tailored products and financial offerings - both offline and online - are designed to meet the evolving needs of SMEs and enable their growth plans.

Through our services to SMEs, we offer a range of financing options, including loans, overdrafts, and lines of credit, as well as investment and trade finance solutions. In addition to guidance, we provide resources to help SMEs navigate the challenges of running a business and to help them to achieve growth.

We believe that by supporting SMEs, we are not only contributing to the success of individual businesses but also

to the overall economic prosperity of the communities we serve. We remain committed to providing the banking support and resources that SMEs need to thrive and grow, and we are proud to be a trusted partner in their success.

As a leading financial institution committed to SMEs, we have partnered with various stakeholders, like the European Investment Bank (EIB) and Jordan Loan Guarantee Corporation (JLGC) to establish loan guarantee programs. These programs are designed to help SMEs access the finance they need to grow and thrive, by providing a safety net to lenders and reducing the risk of loan defaults.

Through such loan guarantee programs, we work closely with our partners to provide SMEs with access to affordable financing options, including loans, lines of credit, and other forms of financing. By offering these programs, we are helping to level the playing field for SMEs and promote economic growth and job creation.

The bank also provides its SME customers with digital solutions that are more efficient, secure, and convenient, thus meeting their needs for banking solutions that are easy to use and more accessible through online and mobile banking.

ArabiNext – ArabiNext was launched in 2022 as the first mobile application dedicated to SMEs in Jordan. It is a platform that empowers SMEs by facilitating their financial transactions using the latest digital means, and provides them with 24/7 instant payment solutions for their local transfers, bills and salaries. Enrollment to ArabiNext is seamless; clients can self-register to the app adding makers and data enterers and managing approvals as per their authorized signatories' matrix. The app allows customers to transfer funds internationally and to request beyond banking services such as the payment gateway, the point of sale machine, Arabi E-Mart or Shopix services.

ArabiConnect – through the "ArabiConnect" corporate online platform, we provide SME customers with a comprehensive banking tool for account management, cash management and access to services across the region.

SME clients have at their disposal a single gateway to oversee their accounts, transact and constantly maintain comprehensive 360° visibility across their local and regional branches.

It includes a real-time and forecasted view of their financial position, empowering them to make critical decisions related to their liquidity and handle any expected shortages efficiently.

ArabiConnect is also equipped with a trade finance module, which encompasses the views and means to enable our clients to effectively manage their trade finance business, simplifying the document-intensive nature of such transactions.

Arabi MobiCash and Point of Sale – we continue to collaborate with more SMEs on our Arabi MobiCash platform allowing merchants to accept wireless card and QR code payments and bill forwarding options.

Arabi Mobicash and POS services are offered to SMEs with preferential rates while settlements are done to SMEs accounts instantly. Now, SMEs also have the option to download the point of sale app on delivery chauffeurs mobiles for more convenience.

Furthermore, Arab Bank gives SMEs access to our AB Merchants Portal to view daily transactions and grants them dedicated relationship managers in addition to 24/7 support from our Customer Care Center.



Arabi Emart – A large number of SME customers entered the e-commerce market through Arab Bank's market place "Arabi E-Mart" and were able to create new sales channels and sell their products online. "Arabi E-Mart" is an e-commerce marketplace website that allows SMEs to upload pictures of their products with details for customers to buy. Arabi E-mart supported SMEs by driving traffic to their products and allowed buyers to complete their purchases via Arab Bank's online payment gateway.

Shopix – we have developed a website builder "Arabi Shopix" for SMEs in Jordan to create their own customized company website with an embedded end-to-end purchase cycle. Arabi Shopix is equipped with simple and user-friendly tools for easier website design and personalization of color, theme and branding. SMEs can import their product details, prices and photos to build an online store. SME websites will have integrated payment methods using Arab Bank's online payment gateway. To add more value for SMEs, Arabi Shopix will be integrated with a logistics company to offer third-party shipping services.

Investing in Digital Solutions

AB Ventures – a testament to Arab Bank's foresight and visionary leadership, AB Ventures was the first Corporate Venture Capital fund to be set up by any bank based in the Middle East and North Africa. With the fourth year of investment underway, AB Ventures remains steadfast on its innovation imperative; expanding Arab Bank's capacity to develop by allowing it access to unique Intellectual Property, and cementing its leading market position by investing directly in the industry's trailblazers.

To date, AB Ventures has attracted over 2,500 FinTech investment opportunities from across the globe, inducted over 550 deals into its pipeline, and made 11 initial investments and 5 follow-on investments. More than two-thirds of the portfolio companies operate in the key sub-verticals of lending and payments with the remaining one-third offering solutions in regtech, security, wealth management and trading.

Social Impact: The Arab Bank Sustainable Finance Framework

Arab Bank has taken a significant step towards advancing social issues by launching its Sustainable Finance Framework in 2022. By utilizing this framework, Arab Bank aims to issue sustainable debt instruments to finance projects that address social issues and make a positive impact on society.

Social Category	Focus	SDGs Alignment
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	Financing and/or refinancing of loans to SMEs	
Social objective: equitable employment opportunities for all	Target Populations <ul style="list-style-type: none">• SMEs• Women-owned and women-focused businesses	

Further details on the Arab Bank Sustainable Finance Framework can be found on page 16 of this report.

A key development for 2022 was the recalibration of focus on MENA-based opportunities. Indeed, AB Ventures completed two new investments in Saudi Arabia and the UAE this year with plans for more in 2023.

For further information regarding AB Ventures, please visit: <https://abventures.vc/>.

AB Innovation Hub "iHUB" – the bank established the AB "iHub" as a dedicated co-creation space that allows our employees to connect with FinTech startups and foster new innovative ideas, prototype, and experiment together. It is also an awareness and education center to bring the staff up to speed with the latest innovation, debate use cases and reflect on how to exploit new technologies and wider ecosystem.

AB Accelerator – Invests, collaborates, and partners with early-stage technology startups globally, with a focus on the Middle East and Africa (MENA), whose business models have strategic synergies with the Arab Bank and can disrupt or expand the financial services industry and the new digital economy.

AB Accelerator is a specialized program that is product-centric, applying a lean approach to product launch and integration development. It provides startups with the opportunity to test their solutions through a proof of concept and the possibility of moving into a pilot deal with real enterprise customers.

The program aims to help the bank adopt emerging technology solutions that enhance, improve, and reimagine the way we add value to our customers.

Digital Innovation – A Catalyst for Financial Literacy and Inclusion

In today's rapidly evolving digital landscape, financial institutions, particularly banks, have a unique opportunity to leverage digital innovation to enhance financial literacy and foster inclusion for individuals across all walks of life. As the world becomes more interconnected through technological advancements, bridging the gap between the financially knowledgeable and the underbanked has become a critical mission for banks and financial service providers.

Digital innovation not only offers an unprecedented level of accessibility to financial services but also provides a platform for educating and empowering users to make informed financial decisions. Arab Bank uses a combination of digital tools, resources,



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and personalized support to offer a holistic approach to financial literacy and inclusion. This helps our customers and members of our community to build financial resilience, achieve their goals, and ultimately, create a more inclusive and prosperous society.

At Arab Bank, we recognize the importance of digital innovation in advancing financial literacy and financial inclusion. Our commitment to embracing these technological advancements is reflected in our diverse range of initiatives and programs specifically designed to address this critical issue.

Reflect – the first neobank in Jordan, has made significant strides in advancing financial inclusion since its launch in September 2021. This mobile-only neobank offers an innovative and personalized banking platform. By providing a seamless and integrated banking experience through smartphones, Reflect is bridging the gap in financial accessibility for everyone, fostering greater financial inclusion and empowering them to take control of their financial futures.

Arabi Junior App – this digital financial platform is designed to promote financial literacy among children aged 12 to 18. Catering to both existing and new Arabi Junior customers. This innovative platform, which is part of a broader Arabi Junior Program, aims to make saving enjoyable while teaching children the fundamentals of financial responsibility. By enabling young users to set and track their financial goals, the Arabi Junior Application lays the foundation for a generation of financially savvy and responsible individuals, contributing to a future of greater financial awareness and stability.

Shabab Program – Shabab program is designed for youth between the ages of 18-25 years, with multiple benefits that suit their lifestyle and accompany them towards the future they aspire to. This includes a wide range of banking and non-banking benefits.

Digital Onboarding – this plays a crucial role in advancing financial inclusion by simplifying and streamlining the process of opening and managing financial accounts for individuals. Arab Bank was a pioneer in introducing digital onboarding in Jordan through its Mobile Application, making financial services more accessible, affordable, and tailored to individual needs.

e-Payments – As a driving force for financial empowerment, Arab Bank offers e-payments services, like eFawateer.com and CliQ, to its customers to expand the accessibility of banking and financial services to previously unbanked and underbanked populations. Through an inclusive environment, the bank is enabling individuals and businesses to participate in the economy more seamlessly.

National Financial Educational Program - The bank also works on advancing financial literacy by supporting the Central Bank of Jordan initiated national financial educational program. This initiative works to increase financial literacy among school students, teach them smart saving habits and how to make sound financial decisions.



For further of the National Financial Educational Program, please see page 27 of this report.

Information Security, Data Privacy, and Cybersecurity

At Arab Bank, we take all necessary precautions to protect our business information and safeguard customers' personal information. We also communicate extensively with our customers and the community at large on how they can protect themselves too.

Our comprehensive set of controls and procedures are constantly monitored, reviewed and maintained to ensure their relevancy and effectiveness. Our approach focuses on prevention, detection and correction through different channels.

Our model ensures ongoing compliance with all central banks' regulations across five continents (where the Bank operates) and the alignment with best practices (i.e. ISO/ISMS, ITIL & COBIT) as applicable to the bank's business model. Arab Bank maintains Payment Card Industry (PCI) compliant status wherever it is required.

The bank's modular approach to information and security management has been a foundational component of our rapid progress in digitalization and has proven to be vital in safeguarding both employees and customers.

In addition, we consistently strive to enhance the understanding of our customers and employees about current cyber threats and the most effective methods of self-protection.

Our efforts to educate customers encompass various channels and formats, including frequent alert messages, informative displays in branches, and valuable resources made available through our digital platforms. By adopting this comprehensive approach, we actively contribute to building a more secure and resilient digital banking environment for all stakeholders.

Our Employees – Employer of Choice

Arab Bank is committed to fostering a dynamic, diverse, and motivated workforce that embodies the exceptional talent Jordan has to offer. Our priority lies in empowering our employees by providing comprehensive training, support, and an enriching work environment. By investing in the growth and development of our employees, we ensure that individuals, teams, and the bank as a whole can thrive, contributing to a prosperous and sustainable future.

Inclusion and Diversity

The key to creating a sustainable, future-ready organization that is reflective of the broader community that it serves, is to build an inclusive and diverse workplace. Inclusivity encourages diversity of thought and perspective, which ultimately drives innovation and enables our people to create greater value for our stakeholders.

We encourage the success of our employees by providing them with equal opportunities, competitive benefit packages and a safe and nurturing work environment.

Our internal policies, including the Code of Conduct (CoC), provide clear guidance on the respect for human rights. At the bank, we do not tolerate discrimination based on ethnicity, gender, language, national or social origin, economic status, religion or belief. We implement our day-to-day operations in line with international human rights standards. In 2022, no incidents or complaints were escalated to the Employee Relations Committee in relation to discrimination or human rights.

We are also committed to nationalization as part of the bank's efforts to improve economic empowerment within local communities. In 2022, the bank's total workforce reached 3,492 in Jordan, with 99.7% being Jordanian nationals.

Championing gender diversity and equality, we place a strong emphasis on attracting, developing, and retaining exceptional female talent within our organization. Over the years, we have witnessed the growth and progress of female employees throughout the bank,

supported by our equitable processes that ensure women have the same opportunities to showcase and utilize their skills and expertise.

In February 2022, Ms. Randa Sadik became the first female CEO in the bank's history. Ms. Sadik's ascension serves as a testament to the increasing recognition of women's capabilities and leadership qualities and echoes the progressive shift towards gender equality and inclusion in the workplace based on merit. We believe it will inspire countless women across the bank and the industry to pursue their full professional career potential.

Working mothers at the bank are supported through the provision of maternal leave and their kids' childcare. Approximately 105 female employees took maternity leave in 2022.

The return-to-work rate for female employees who took maternity leave reached an impressive 86.6% with a retention rate of female employees that took maternity leave reaching 97.8%. Additionally, the bank actively assists working mothers in securing reliable

childcare while at work by contracting with nurseries to care for children under the age of five. As of the end of 2022, nearly 125 female employees had benefited from this program, with 156 children enrolled within our contracted nurseries, further demonstrating our commitment to fostering a supportive and inclusive work environment for all.

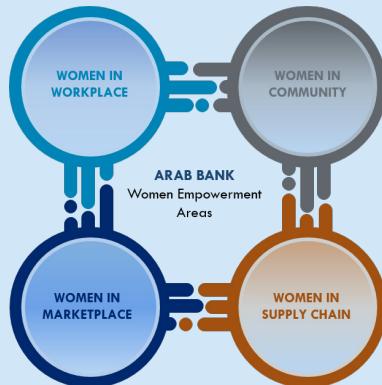
Furthermore, the bank has taken steps to support our male employees in their parenting roles by providing three consecutive paid paternity leave days. In 2022, 124 male employees took the paternity leave.

Beyond gender diversity, we also seek to support employees with different life experiences, ages, abilities, and backgrounds. This accessibility strategy supports the employment and integration of those with a disability. At the end of 2022, the bank had 92 employees with physical disability.

ARAB BANK WOMEN EMPOWERMENT STRATEGIC FRAMEWORK

In 2022, the bank established its Women Empowerment Strategic Framework (WESF). The WESF is a comprehensive initiative designed to promote gender equality and foster the inclusion of women across various domains, including the workplace, marketplace, supply chain, and the community. This visionary framework aims to create a more equitable environment by implementing a set of targeted policies and strategies that address the unique challenges faced by women.

In the workplace, the framework emphasizes the importance of equal opportunities, offering training and development programs to help women excel in their careers, and implementing policies that promote work-life balance, such as flexible working arrangements and parental leave provisions. The bank is committed to achieving gender equality in leadership roles, ensuring women's voices are equally represented in decision-making processes.





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Competitive Benefits

We believe in investing in our employees by providing them with competitive rewards and remuneration that reflect their knowledge, competencies, and performance. Our fair and flexible compensation and benefits programs are designed to attract, retain, and motivate top talent, thus ensuring that we have the necessary skills and expertise to drive business success.

Our approach to compensation is based on key elements such as market and business alignment, internal relativities, job value and demands, individual competence, and performance. Salaries are determined independently of gender and so reflect the true value of each employee's contributions.

Arab Bank also runs an Employees' Children University Scholarship Program setup to assist employees' children to pursue a university education. In 2022, 127 students were awarded a university scholarship under the Program, with the total amount of support reaching JOD 200,029.

Employee Engagement and Wellbeing

By proactively engaging with our employees through various channels such as annual performance reviews, internal newsletters, and the intranet platform "Arabina", we strive to foster a sense of value and purpose that strengthens their commitment to the bank's vision and mission, ultimately resulting in a greater sense of wellbeing and motivation.

Our dedicated Employee Relations Committee ensures that employee feedback, including complaints, are addressed and processed in a timely and effective manner, enabling us to continuously improve our engagement efforts and create a more fulfilling work environment.

Digital Solutions – in today's digital age, we recognize the importance of utilizing innovative solutions to engage our employees and meet their needs in an efficient and effective manner. To this end, we have implemented a range of digital tools and platforms, such as employee self-service portals, which enable our employees to stay connected and engaged no matter

where they are located. These solutions also allow our employees to access important information, benefits, and services quickly and easily. In 2022, the bank introduced several digital solutions directed towards employees, including Instant Digital Loans.

Working Environment – ensuring a safe, secure, and productive working environment where all employees are treated with fairness and respect is an essential prerequisite that we prioritize at the bank. To this end, we have established a dedicated Occupational Health and Safety Committee, consisting of five members from various departments, which focuses on advancing health and safety systems and plans. The committee actively tracks and addresses all occupational health and safety-related queries and complaints, while meticulously documenting the results of any inspections, incident reports, and action plans. Our commitment to maintaining a safe and healthy work environment is unwavering, and we strive to continuously improve our practices to better protect the well-being of our employees.

The morning rush hour can be a stressful and challenging time for many employees. To address this, we offer a flexible one-hour morning attendance policy, which allows our employees to arrive at work at a time that is more convenient and safe for them, allowing them to attend to their family's needs.

This policy not only reduces the stress and anxiety associated with commuting during peak traffic hours but also enables our employees to start their workday feeling more refreshed and energized.

Building Skills for the Future

The bank thrives in a dynamic, expertise-driven sector, with our most significant competitive edge stemming from the know-how and abilities of our staff. We consistently motivate our employees to pursue new skills during their professional journey, fostering a culture of perpetual learning that allows the bank to adapt to the ever-changing landscape of the financial sector.

Our educational initiatives comprise of both in-house and external training opportunities. The courses are conceived and crafted internally or in partnership with training providers, depending on the evaluation of employees' learning and growth requirements. Additionally, we support employee career advancement through resources such as talent management and succession planning strategies. During 2022, we provided 41,477 training hours to our employees, with an average of 12 hours of training per employee.

LEADERSHIP PROGRAM

Arab Bank has recognized the importance of keeping pace with the ever-evolving digital landscape and has responded with a robust strategy to prepare its leaders for success in the face of the 4th industrial revolution. With a focus on sustainable growth in business, personnel, and culture, Arab Bank has implemented a comprehensive leadership development program for senior management, to ensure long lasting success amidst the ongoing process of digital transformation.

This program targets the senior leadership team and middle management levels, including Country Managers, EVPs, SVPs, VPs, and Senior Managers. Utilizing a blended learning approach, the program aims to enhance their learning experience by focusing on various aspects, such as personal leadership, guiding others, accountability, innovation, growth mindset, talent management, collaboration and communication, and strategic planning and implementation.



Our Community – Corporate Citizenship

The bank continues to support the communities where it operates, going beyond offering products and services to improving socio-economic conditions. We utilize our expertise, skills, and resources to support those in need and make a positive impact at a grassroots level. Our commitment to community engagement fosters trust, collaboration, and shared values, reinforcing our role as a responsible financial institution dedicated to the well-being and success of those we serve.

Generating Direct and Indirect Economic Value

We contribute to the development of the Kingdom through the generation and distribution of economic value. It is a simple equation: we generate revenue from providing vital products and services; we then distribute those revenues to those we rely on for our business. That distribution is seen in the compensation and benefits we provide our employees, in the commercial transactions we have with our suppliers, in meeting our tax obligations at all levels of government, in the dividends paid to our shareholders, and in the investments we make through our CSR program. This is defined as "economic value distributed" and is used to measure the impact of a company on the economy.



For additional information on our operating expenses, cash dividends and tax expense, visit our 2022 Annual Report.



Arab Bank Community Investments

Our approach with regards to investment in the community is to focus on causes aligned with the bank's sustainability strategy. Our multifaceted approach involves direct charitable donations, CSR based sponsorship, community interventions and initiatives, and employee volunteering. This is also complemented by the bank's substantial contribution made through The Abdul Hameed Shoman Foundation (AHSF); Arab Bank's social and cultural responsibility arm.

We are one of the major private sector contributors to community development in Jordan, with over USD 20,785,818 invested in 2022.

Over USD 20 Million

Arab Bank's community investment in 2022

3.3%

of Arab Bank PLC profits before tax invested in the community in 2022

92,452

Number of community members impacted by our community interventions in 2022



Arab Bank CSR Program - "Together"

Our Corporate Social Responsibility (CSR) program, "Together," fosters a culture of active community engagement by empowering our employees, customers, and NGOs to take on proactive roles in making a positive difference. By encouraging collaboration and harnessing the collective efforts of various stakeholders, "Together" strives to create lasting, meaningful change within the communities we serve.

The Together program's activities focus on investment in areas that are aligned with community needs and priorities, these include: health, poverty alleviation, environmental protection, education, and orphan support.

For each priority, the bank leverages a number of resources that can bring substantial benefit to local communities. These includes:

- Employee volunteering
- Collaboration with NGOs
- Customer donations through existing banking channels.



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Employee Volunteering

Employees are encouraged to contribute their time, energy, and expertise to execute initiatives and programs that align with our five core community causes. In collaboration with partner NGOs, we strive to provide high-impact volunteering opportunities for our employees and their families. These experiences not only allow them to make meaningful contributions to their communities, but also enhance their understanding of local social and environmental challenges. By fostering a culture of volunteerism, we empower our workforce to become agents of positive change within their communities.

In 2022, there was a resurgence in volunteering activities as we gradually returned to normal face-to-face engagement following Covid restrictions. This significantly boosted our volunteer participation rates, surpassing the numbers we saw in 2021. Throughout the year, our dedicated employees and their family members engaged in approximately 747 volunteering opportunities, generously contributing over 1,940 hours of their time and effort. These contributions were distributed across 63 diverse community programs, reflecting the unwavering commitment and enthusiasm of our volunteers in making a tangible difference in the lives of others.

Capacity Building for NGOs

We firmly believe that one of the most effective approaches to addressing our five community causes is to empower NGOs already operating in these areas, enhancing their knowledge and capacity. To achieve this, we leverage the diverse skills and experience of our employees to train NGO staff, thereby elevating their effectiveness and overall performance.

Since its inception in 2012, our Capacity Building Program has harnessed the expertise of our internal trainers to deliver meticulously designed courses aimed at fortifying the functional, technical, and interpersonal skills of NGO staff members. In 2022, we witnessed the positive impact of this initiative as 167 employees from our partner NGOs reaped the benefits of these courses, completing an impressive 884 hours of training. Through this ongoing program, we are committed to fostering the growth and development of NGOs and ensuring their lasting success in addressing critical community needs.

167

NGO employees benefiting from the capacity building program in 2022

884 Training Hours

Given to NGO employees through the capacity building program in 2022

Customers Donations

To empower our customers to support local community causes, we have seamlessly integrated donation functionality across a variety of banking channels. This streamlined process enables customers to make swift and hassle-free donations through internet banking, ATMs, branches, the Together Platinum Credit Card, and the eFAWATEERCOM payment method through the Arabi mobile application.

These user-friendly channels offer our customers the unique opportunity to contribute to the "Together" program's group of trusted NGOs in Jordan. These organizations are dedicated to addressing pressing issues in areas such as health, poverty alleviation, environmental protection, and education/orphan support. By facilitating effortless and secure donation avenues, we aim to foster a spirit of generosity and social responsibility among our customers, ultimately driving positive change in their communities.

Over

JOD 2,233,000

Donated by Arab Bank customers in 2022

Arab Bank Honors the Volunteers of Its Corporate Social Responsibility Program "Together"

In 2022, Arab Bank honored a group of employees in recognition of their volunteering efforts across community activities and initiatives implemented as part of the bank's corporate social responsibility program "Together". The honoring ceremony took place at the bank's head office building and was attended by Arab Bank's Chairman of the Board of Directors, Mr. Sabih Masri and Chief Executive Officer, Ms. Randa Sadik in addition to several department heads and employees.

This event was part of an annual appreciation designed to boost the volunteering spirit among staff and encourage them to participate in the bank's community efforts.





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In 2022, the bank worked with reputable NGOs that have an established track record in each of the CSR focus areas under the "Together" program; health, poverty alleviation, environmental protection, education, and orphan support. The engagements with these NGOs included developing and implementing initiatives and intervention programs through our community investments.

Below is a list of the key programs we supported in 2022.

Initiatives	Objective	Initiatives	Objective
King Hussein Cancer Foundation - Back to School Program	Supporting cancer patients to resume their education, a key part of providing comprehensive cancer care that deals with the physical, social and emotional needs of patients.	RSCN - Reserves Souq Event	Supporting an event to display various products created by local women at the RSCN handicraft workshops as part of a socio-economic development program.
King Hussein Cancer Foundation - King Hussein Award for Cancer Research	The award is one of the most prominent in the region dedicated to advancing much needed cutting-edge research, filling the gaps in the understanding of cancer in the Arab world while focusing on the study of the Arab gene and ultimately empowering advanced life-saving treatment.	RSCN Natural Reserves Development Projects	Supporting several activities to enhance the green cover and infrastructure for natural reserves in Jordan.
Royal Health Awareness Society (RHAS) – Healthy Schools	Funding the implementation of the program in six schools - building capacity to support students and teachers' physical and social growth, as well as their academic performance.	RSCN - Clean Up the World Campaign	Supporting the cleaning campaign for Dibeen natural reserve in Jerash.
Royal Health Awareness Society (RHAS) – Mental Health Program	Funding the implementation of the program in six schools, to educate school staff on physiological development and mental health challenges.	Orenda Tribe - Water Scarcity Program	Sponsored a program aimed at educating youth about water scarcity through art and storytelling to create a sustainable future.
Jordan Air Ambulance Center (JAAC)	Supporting the work of JAAC to transfer patients with medical emergencies from remote parts of the country to hospitals in the capital, Amman.	INJAZ – Training Courses	The bank's employees supported students through the delivery of technical and interpersonal programs at public schools and universities.
Tkiyet Um Ali – Family Adoption	Supporting underprivileged families living below the poverty line by providing them with monthly food packages.	Queen Rania Foundation - Read!	The program aims to build and support a culture of reading through the provision of school libraries.
Tkiyet Um Ali – Ramadan Activities	Supporting Tkiyet Um Ali programs during Ramadan, including distributing food parcels and delivering iftar meals to underprivileged families.	Madrasati - the Safe and Creative Spaces	Sponsoring the renovation of facilities and infrastructure at public schools, making them healthier, safer, and more stimulating to students.
Tkiyet Um Ali – "Lamset Dafa" Initiative	Supporting underprivileged families across the Kingdom, providing them with blankets to help them cope with the cold winter.	Madrasati - Proud To Be A Teacher	Supporting the program that encourages teachers' personal development, equipping them with social and interpersonal skills, while also increasing their pride in the profession.
Ramadan Food Packages with the Ministry of Social Development	Supporting distribution of ramadan food packages to underprivileged families around the Kingdom.	Madrasati - Masahati	Support for Masahati Student Clubs and Summer Camps which provide students with an alternative learning space to develop socially, emotionally and academically.
Jordan River Foundation - Child Safety Program	Tackling the issue of child safety through activities that address both prevention and intervention measures.	Queen Rania Teacher Academy - Teach Like a Champion	We supported the training course focusing on raising the quality of teaching in Jordan by developing teachers' skills through continuous training and professional development.
Jordan River Foundation – Women Empowerment Program	Supporting the training of vulnerable Jordanian women to become employed at JRF, empowering them with a sustained income.	EDRAAK Online Courses	Supporting online massive open online courses (MOOCs).
Al-Aman Fund	Equipping orphaned students with the education and skills necessary to become self-reliant, productive members of society and therefore, to secure a better future for themselves.	Children's Museum	Raising children's awareness of important local and international issues through educational and interactive programs.
Charity Clothing Bank - Orphans Day	This program entails providing underprivileged orphans with new clothes and toys through the volunteering of our employees.	ICT Employment Initiative	Supporting the Royal Court's "Training that Starts with Employment" project focused on the IT and Communication Technology sector.
SOS	Supporting an orphans house in Amman.	National Financial Educational Program	Support for the Central Bank of Jordan-initiated national financial educational program to increase financial literacy among school students, teach them smart saving habits, and how to make sound financial decisions. The program aims to bridge the gap between financial knowledge and behavior, while acquainting students in grades 7 to 12 with basic economic and financial concepts.

The Abdul Hameed Shoman Foundation

Established in 1978 by the Arab Bank, the Abdul Hameed Shoman Foundation (AHSF) is committed to promoting cultural enlightenment, supporting scientific research, and encouraging creativity in Jordan and the Arab world. As a beacon of cultural and social responsibility, the Foundation has created a strong legacy of contributions that have made a significant impact on society.

In 2022, the AHSF rose to the challenge of mitigating the impact of the Covid-19 pandemic on the cultural sector. Undeterred by the circumstances, the Foundation continued to expand and develop its programs and services on multiple levels, bolstered by a confidence in its programs, team, and the unwavering support of Arab Bank.

To extend its reach, the Foundation established a new "Zarqa Branch" and transferred all its activities to it during the "Zarki Cultural Festival", demonstrating a commitment to supporting cultural events and community engagement. The Foundation's dedication to its cause paid off, as it doubled its visitor numbers and honored its scholars and writers in a grand ceremony. It also organized global cultural events, granted awards that serve knowledge, science, and culture both locally and regionally, and supported projects it believed in, contributing to the development of Arab digital cultural content.

The Foundation's efforts were not limited to these accomplishments alone. In 2022, it expanded its scientific, knowledge, and cultural services to four branches, two of which were launched during the year. Through various events and activities, the Foundation promoted a culture of reading and enabled art in all its forms to flourish within the community of creativity. It provided space for cultural and scientific dialogue and communication, and kept up with the progress of technology to ensure it remains at the forefront of innovation.

DIGITAL TRANSFORMATION OF THE FOUNDATION

Abdul Hameed Shoman Foundation's modern and integrated vision is reflected in its latest technological advancements, which have resulted in the development of new electronic services that adapt to the ever-evolving external ecosystem. To ensure that it provides the best possible experience for its beneficiaries, the Foundation has also updated previously launched electronic services based on technological advancements and feedback from its users. Additionally, the Foundation has updated its infrastructure components to match its ongoing digital transformation, ensuring that it provides its services with the highest quality.

The following are the most prominent achievements and digital programs that the Foundation has introduced:

- Launching the first version of the Foundation's mobile application on Apple, Android, and Huawei platforms.
- Adding new digital services to the decision support system.
- Equipping the new branches of the Foundation in Zarqa and Al-Muqabala with technical equipment.
- Launching an automated response platform on the website.
- Launching a portal to display the Foundation's art collections on the website.
- Launching a reading marathon competition through the phone application.

Abdul Hameed Shoman Foundation's electronic services have made it easier and more efficient for individuals and organizations to apply for awards and competitions. Instead of traditional methods, applicants can now submit digital applications through the Foundation's modernized systems, simplifying the process and reducing paperwork.

In addition, the Foundation's updated infrastructure components have made it possible to complete evaluation processes and extract executive and analytical reports electronically. This has contributed significantly to the development of the Foundation's decisions and future visions, enabling it to make data-driven decisions based on accurate and up-to-date information.

The AHSF achievements in 2022 serve as a testament to its unwavering commitment to promoting cultural and scientific development and its dedication to advancing knowledge, science, and culture in the Arab world.

Expanding Outreach and Engagement Through Social Media – has been a key priority for the Foundation, as it seeks to promote culture and engage with the public in meaningful ways. In 2022, the Foundation's social media channels were instrumental in reaching over 33 million accounts and attracting over 582,000 followers, a testament to its growing impact and reach in the digital space.

In addition, the Foundation's visual content posted across its social media accounts garnered over 13 million views, which included a diverse range of cultural content and introductions to its programs and services. These efforts have enabled the Foundation to connect with a wider audience, foster greater engagement, and promote cultural and scientific development across the Arab world.

Investing in its People – the AHSF is committed to investing in the professional development of its employees to enhance their capabilities, develop their skills, and increase their knowledge base. In 2022, the Foundation registered 90 of its workforce in 57 training courses, providing them with opportunities to learn new skills and stay up-to-date with the latest developments in their fields.

In addition to these training programs, the Foundation's team participated in numerous local and international conferences and exhibitions. These experiences provided them with opportunities to share their unique knowledge, experience, and skills with others in the industry, while also benefiting from the insights and perspectives of other professionals.

More details regarding the Foundation's program achievements in 2022 are summarized in the following pages.

THOUGHT LEADERSHIP

Scientific Research

The Abdul Hameed Shoman Award for Arab Researchers – honored 17 exceptional male and female researchers from different Arab countries in twelve subjects across six scientific fields. The ceremony, held under the patronage of the Chairman of the Arab Bank Board of Directors and the AHSF, Mr. Sabih Al-Masri, was attended by distinguished Arab researchers, scientists, and experts, as well as representatives of various Arab awards.

Abdul Hameed Shoman Scientific Research Support Fund – in 2022, the AHSF continued its support for scientific research, executing 26 projects, eight of which aimed to study the impact of the coronavirus pandemic. Researchers supported by the Foundation published eight scientific papers in international and Arab peer-reviewed scientific journals. Additionally, the Foundation formed a team of distinguished Jordanian researchers to develop a national strategy to advance scientific research in the fields of social sciences and humanities, working towards six objectives.

Young Innovator's Lab

The AHSF comprehensive program to produce a generation of young innovators is making significant strides in cultivating the next wave of scientific leaders. In 2022, the Foundation held an exhibition for its sixth cycle, showcasing 11 projects by young innovators. The Foundation also opened applications for the program and provided training sessions for 45 young innovators, both male and female. The participants produced 10 scientific projects, demonstrating their creativity, ingenuity, and dedication to advancing knowledge and innovation.

Abdul Hameed Shoman Foundation Innovation Award

The Abdul Hameed Shoman Foundation Award for Innovation is making a significant impact on Jordan's innovative landscape. In 2022, the nine winning projects continued to pursue their goals in five fields: green technology and environmental sustainability, agriculture,

labor market and economic productivity solutions, educational solutions, and culture and arts. With a total investment of nearly one million Jordanian dinars, financial and in-kind, these projects received the biggest financial support for innovative projects in the Kingdom.

To further develop these projects, the Foundation implemented the Deep Dive II training program, providing specialized training courses for the winners and their teams to achieve the best outcomes. The winners also received mentoring sessions from specialists to help them realize their visions and achieve their goals for the community. By investing in these projects and supporting innovative ideas, the Foundation is driving progress and advancing Jordan's knowledge-based economy.

Cultural Forum

The Abd Al-Hameed Shoman Cultural Forum continued to be a hub of culture in 2022, hosting 31 events on a variety of topics, including education, politics, environment, economy, health, arts, literature, and culture under the "Monday" Program. The forum welcomed three Arab figures, two international figures, and 79 local figures as lecturers, with 20 male and 14 female facilitators.

The forum also organized several other events, the most noteworthy of which was the round table, in partnership with the Scientific Cultural Association for University Professors in Jordan entitled "Prospects for Higher Education in Jordan: The Preparatory Year and

University Debt," which discussed the conditions of universities and the challenges they face. The forum hosted the launch of the report "The State of Archives in State Ministries and Institutions." It also organized a seminar entitled "Arar... The Voice of the Marginalized," in which 16 researchers participated, shedding further light on the creativity of the poet Arar.

During the year, the forum hosted many events that received praise and appreciation, with a distinguished attendance, including:

- the launch ceremony of "The Complete Poetic Works" of Ibrahim Nasrallah,
- the celebration of Ma'an Al-Razzaz: "Twenty Years of Presence Despite Absence",
- "The Arabs in the Second Cold War Era",
- "Updating the Political System... Where Are We and Where Are We Headed?",
- "Misinformation... How Do We Constrain and Reduce Its Effects",
- the launch of an interpreted version of "The Jordanian Constitution: Challenges of Jordan Between the Interior and Exterior",
- "The Municipality of Amman's Environmental Strategy," and
- a poetry evening entitled "The Anthem of the Seeker" by the poet Tamim Al-Barghouti.





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LITERATURE AND ART

Abdul Hameed Shoman Creativity Award for Children and Youth "Ab'de"

The Creativity Award received 1,928 applications in seven fields from children and adolescents of all nationalities. After a rigorous evaluation process and specialized training workshops, winners were awarded a cash prize of one thousand dollars each and honored at a special ceremony. The award is designed to inspire and nurture the talent of the next generation of innovators and artists.

Abdul Hameed Shoman Award for Children's Literature

This award recognized excellence in children's literature in 2022, with a theme of "Inspiring Folktales from Arab Culture for Children aged 9-12". Three female writers from Jordan, Syria, and Saudi Arabia were honored during a ceremony, and their works were published in print and digital formats. The award nurtures the talent of the next generation of writers and storytellers, promoting the cultural heritage of the Arab world.

Abdul Hameed Shoman Public Library

The AHSF library achieved numerous accomplishments in 2022, expanding its cultural services and programs to reach a wider audience. Among the most important achievements were the opening of a new branch in Zarqa and the fourth branch in partnership with Al Hussein Technical University.

The library also established a free space for talent, training, and chess tournaments, and continued to hold extracurricular activities. These include holding five courses on scientific research in both Karak and Zarqa, 151 specialized technology training, six sessions within the author and writer program, announcing 13 books, and holding three poetry evenings.

The library also executed the "Reading Marathon" event on National Reading Day. It was promoted by the Prime Minister's office and is based on the Foundation's intensive efforts to allocate September 29 of each year as a national day for reading. The marathon resulted in the reading of more than 81,417 pages by children and adults in 6 governorates through 12 locations, including 6

locations for adults, 4 for children, and 3 shared locations. The podcast series "S" continued to air, with the library interviewing 12 leading, influential, and pioneering figures about their professional and personal experiences, in addition to broadcasting 12 poetic stations by ancient Arab poets.

The library also implemented innovative activities, including "A Night at the Library" and the "Sixth Library Seminar," which addressed efforts to instill and strengthen the habit of reading in society.

The AHSF library hosted the "Sixth Library Seminar" on the importance of promoting a culture of reading in society. The seminar focused on local and global efforts to encourage reading, and included workshops with the Foundation's team, and a round table to discuss efforts to promote reading within the organization and throughout the Kingdom. The seminar was an important step towards achieving the library's goal of promoting a more informed and literate society.

In 2022, the AHSF library saw an increase in visitors, with a total of 139,188 people compared to 91,628 in 2021. This included visitors to the Ashrafieh, Zarqa, and Al Hussein Technical University branches. The library also had an increase in new subscriptions, the number of borrowed books, and digital books borrowed. The library provided access to over 52,922 books and 18,171 databases, including 1,875 through database devices in Ashrafieh, 843 in Zarqa, and 66 in Al Hussein Technical University branch.

"Knowledge Path" Library for Children and Young People

The "Knowledge Path" Library continued its efforts to promote reading and cultural activities to children and youth across Jordan.

In its efforts to reach a wider audience, the "Knowledge Path" Library strengthened its social media presence, reaching 450,000 people on Facebook and sharing 598 posts promoting reading.

The library implemented 14 summer and winter clubs, some of which were in the governorates, helping to achieve the geographical reach that the Foundation aspires to. Working with the education sector, the "Knowledge Path" team visited 99 public and private schools to implement cultural activities. These were attended by 2,101 male and female students, and involved implementing a program of reinforcement lessons and literacy classes for some subjects.

The library had a busy year in 2022, with a focus on expanding its reach to children and young adults. In addition to conducting over 1,200 storytelling readings and activities, hosting 14 children's writers, and engaging over 300 children in reading clubs, the library launched several new initiatives. These included the "A Reading Household" program, which saw 10 families participate in reading activities, and the "16 Before 16" reading competition for children and adolescents. The library also held a "Night in the Library" event and continued its Young Adults Club program. To develop children's skills, the library implemented several training courses, including creative writing, financial literacy, scientific research, and philosophy, as well as 14 innovation workshops. Overall, the library's efforts to promote reading and literacy were felt throughout the community, and it remained a vital cultural hub in Jordan.

For the second consecutive year, the library provided support to the United Nations Youth Model Program, an international conference aimed at enhancing dialogue, creating change, and advocating for world peace, providing a platform for 450 children and youth to participate.

The library organized the "Reading Marathon" program in collaboration with partner institutions concerned with childhood and culture. It attracted 31,863 children to its branches, with 40,036 books borrowed in various subjects.



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During the year 2022, the library received 31,863 children - 15,381 in the Jabal Amman branch, 10,844 in the Jabal Al Ashrafieh branch, and 5,638 in the Zarqa branch. The children borrowed 40,036 books - 19,166 in the Jabal Amman branch, 16,781 in the Jabal Al Ashrafieh branch, and 4,089 in the Zarqa branch. Note that the Zarqa branch was opened at the end of May 2022. Additionally, approximately 1,448 digital books were borrowed from the "Knowledge Path" Electronic Library from various governorates of the kingdom.

The Foundation also implemented the Zarki Cultural Festival for the first time in its library in Zarqa. It included more than 35 cultural and interactive activities for adults and children, with over 3,050 people from the Zarqa Governorate participating in the festival's events.

Cinema

The Cinema Department at the Foundation continued to offer screenings of selected international and Arab films, in addition to holding discussions about world cinema masterpieces, and write analytical bulletins for films as part of the weekly program every Tuesday evening. During 2022, 64 weekly film screenings were presented, both indoors and outdoors, including 21 screenings at the Foundation branches in Zarqa and Ashrafieh.

The Cinema Department also continued to add new translated international films to the film library. Three specialized cinema workshops were held in 2022, including: a workshop on "Writing the Documentary Film as an Artistic Project" and a workshop on "Small Lenses: Filmmaking with Mobile Devices". A film week was also held, with a rich and diverse program. The first week was titled "Iraqi Directors in Exile," featuring a collection of films by important contemporary Iraqi directors. The second week was titled "Norwegian Film Nights" held in collaboration with the Norwegian Embassy. During the year, 10 monthly sessions were held as part of the Cinema Club program, promoting cinematic dialogue and creating an interactive environment through discussion sessions that brought together cinema lovers for discussions.



Abdul Hameed Shoman Musical Evenings

The Foundation continued to offer its highly anticipated "Sound and Color Evenings", which bring together various forms of art. These outdoor musical events showcase visual arts from the Foundation's impressive collection of Jordanian and Arab visual artists.

Throughout the year, five Sound and Color evenings were held, featuring captivating performances by local and Arab artists. These events provided a platform for the promotion of cultural diversity and artistic expression, further strengthening the Foundation's commitment to supporting and celebrating creativity in all its forms.

SOCIAL INNOVATION

Grants and Support Programs

Over the past nine years, 237 cultural and educational projects have been supported with grants totaling more than 8 million Jordanian dinars, achieving a significant impact in both Jordan and Palestine. In 2022, nine of the projects from 2021 achieved all their main objectives and outputs.

The Foundation provided financial support in 2022 to the 16th cycle of the Jordanian Family Library, affiliated with the Ministry of Culture, with a value of 10,000 Jordanian dinars granted. It also provided support to the Royal Society of Fine Arts to the value of 20,000 Jordanian Dinars. It continued to support the mobile children's library in cooperation with the Haya Cultural Center and the Jordanian Ministry of Culture since its launch in 2007.

Additionally, the Foundation provided a series of project management and entrepreneurship training to 14 beneficiaries of the CEWAS initiative, enhancing their artistic abilities in marketing their projects and obtaining funding, as well as helping them achieve their project goals.

Our Suppliers' Social Impact

The effective management of a bank's supply chain is crucial to creating an overall positive social impact. Through procurement practices, it can ensure the institution and suppliers are aligned with regards to ethical and sustainability standards, fostering responsible growth and promoting social and environmental stewardship.

Suppliers Code of Conduct

Prior to establishing a partnership with a potential supplier, our comprehensive Supplier Code of Conduct outlines the bank's expectations to ensure the suppliers' practices align with our rigorous standards, thus formalizing our mutual approach to sustainable procurement. The code mandates suppliers to comply with labor, employment, environmental and social standards, regulation and legislation.

Contractual Agreements with Suppliers

To reinforce suppliers' adherence to critical social values, particularly those concerning human rights, the bank has strategically incorporated pertinent clauses into all contract terms and conditions under the "Applicable Law and Jurisdiction" section. These values form an integral component of a broader framework of fundamental principles, which encompass the Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO) guidelines, ensuring a steadfast commitment to ethical and responsible practices in every aspect of the bank's operations.

Supporting Local Suppliers

We remain steadfast in our commitment to bolstering the Jordanian economy through our strategic collaborations with locally based suppliers. In 2022, we witnessed a significant contribution by these local suppliers, as they accounted for 65% of our total spending on procurement. This not only showcases our dedication to fostering economic growth within the country but also emphasizes our efforts to empower and support local businesses. By prioritizing the engagement of local suppliers, we contribute to job creation, skill development, and the overall strengthening of the nation's economic infrastructure.





ESG SCORECARD

We monitor and evaluate our progress by utilizing Key Performance Indicators (KPIs) that hold strategic significance for the long-term sustainability and success of our business, with a particular emphasis on Environmental, Social, and Governance (ESG) factors. These carefully selected ESG-aligned KPIs not only serve as vital benchmarks for measuring our performance, but also embody the high level of transparency and accountability that our stakeholders rightfully expect from us in our pursuit of responsible business practices.

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GOVERNANCE OF ESG

GOVERNANCE STRUCTURE AND COMPOSITION				
EXECUTIVE AND NON-EXECUTIVE MEMBERS				
	2019	2020	2021	2022
Number of the Board members who are executive	None	None	None	None
Number of the Board members who are non-executive	11	11	11	11
INDEPENDENCE				
	2019	2020	2021	2022
Number of the Board members who are independent	6	6	4	5
Number of the Board members who are non-independent	5	5	7	6
Independent directors on the Board (%)	55%	55%	36%	45%
GENDER				
	2019	2020	2021	2022
Number of female Board members	0	0	0	0
Number of male Board members	11	11	11	11
CONFIRMED INCIDENTS OF CORRUPTION				
CONFIRMED INCIDENTS OF CORRUPTION				
	2019	2020	2021	2022
Total number of confirmed incidents of corruption				0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption				0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption				0
Public legal cases regarding corruption brought against the bank or its employees during the reporting period and the outcomes of such cases				0
CUSTOMER PRIVACY				
	2019	2020	2021	2022
Total number of substantiated complaints received concerning breaches of customer privacy				0
Total number of identified leaks, thefts, or losses of customer data ⁽¹⁾				0

(1) This represent Extreme or High cases that is defined as

Extreme: Incident which may have a material direct impact on bank's reputation, major legal and regulatory impact, cause loss of data and inability to recover information, major impact on the integrity and confidentiality of bank's data, and/or may require media attention, or involvement of law enforcement.

High: Incident which may have a mild direct impact on bank's reputation, minor legal and regulatory Impact, cause loss of data may be reported, however it can be recovered, and may have a minor impact on the integrity and confidentiality of bank's data.



ENVIRONMENT

GREEN FINANCING				
IMPACT OF ARAB BANK GROUP GREEN INFRASTRUCTURE INVESTMENTS IN JORDAN SINCE 2012				
	2019	2020	2021	2022
Loans and facilities provided to support environmentally friendly infrastructure projects since 2012 (USD Million)				303
Renewable energy capacity added to the Jordanian grid annually (MW)				785
Estimated annual cuts in carbon dioxide emissions (tons CO2e)				1,271
OUR OPERATIONS ENVIRONMENTAL IMPACT				
DIRECT ENERGY USE				
Vehicle Fleet Fuel Consumption		2019	2020	2021
Diesel consumption (liters)		73,961	60,670	94,506
Gasoline consumption (liters)		99,909	90,076	100,878
Diesel consumption (gigajoules - GJ)		2,441	2,002	3,119
Gasoline consumption (GJ)		3,597	3,243	3,632
Total fleet (km)				1,060,511
Fleet average fuel consumption (liter/100 km)				18.4
				18.2
Heating and Standby Electricity Generator		2019	2020	2021
Heating diesel and standby electricity generators (liters)		110,509	90,574	102,255
Heating diesel and standby electricity generators (GJ)		3,647	2,989	3,374
TOTAL DIRECT ENERGY USE (GJ)	9,685	8,234	10,125	11,442
INDIRECT ENERGY USE				
		2019	2020	2021
Total electricity consumption from conventional hydrocarbon resources (kWh)		3,795,014	1,740,000	1,149,276
Total electricity consumption from renewable resources (kWh)		14,190,561	16,258,000	16,850,692
TOTAL ELECTRICITY CONSUMPTION (KWH)	17,985,575	17,998,000	17,999,968	19,288,957
Percentage of consumption from renewable resources		78.9%	90.3%	93.6%
Total consumption in gigajoules (GJ)		64,748	64,793	64,800
Consumption per employee (kWh/employee)		5,558	5,548	5,324
Area occupied (m2)		135,812	137,812	133,367
Consumption per square meter (kWh/m2)		132	131	135
				142



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OUR OPERATIONS ENVIRONMENTAL IMPACT

GHG EMISSIONS (Tons CO2e)				
	2019	2020	2021	2022
Scope 1				
GHG emissions from diesel consumption	198	162	253	218
GHG emissions from gasoline consumption	227	205	229	251
GHG emissions from heating and generators	297	244	275	390
Scope 1 total emissions	722	611	757	859
Scope 2 Location-Based	2019	2020	2021	2022
GHG emissions from electricity consumption	8,845	8,851	8,852	9,486
Scope 3 Location-Based	2019	2020	2021	2022
GHG emissions from business travel			63	196
TOTAL GHG EMISSIONS	9,568	9,462	9,672	10,541
TOTAL GHG EMISSIONS PER EMPLOYEE	3.0	2.9	2.9	3.0
GHG emissions avoided from renewable energy purchased	6,979	7,996	8,287	8,618
NET GHG EMISSIONS FROM OPERATIONS	2,589	1,466	1,385	1,923
WATER CONSUMPTION				
	2019	2020	2021	2022
Utility water consumption (m³)	59,503	45,732	52,710	53,807
Water consumption per employee (m³)	18.4	14.1	15.6	15.4
MATERIAL AND WASTE MANAGEMENT				
	2019	2020	2021	2022
Total weight of paper purchased (tons)				302
Total paper recycled (tons)			52	100
Percentage of paper recycled				33.1%
Total waste generated (tons)			624	520

SOCIAL

OUR CUSTOMERS	2019	2020	2021	2022
OUR CHANNELS	2019	2020	2021	2022
SOCIAL MEDIA CHANNELS	2019	2020	2021	2022
Number of branches (including HO)	80	81	76	73
Number of ATMs	210	216	227	238
Total SMS transactional and marketing alerts sent	43,180,694	56,412,108	73,146,868	85,541,691
Number of incoming and outgoing calls handled by the call center	954,157	1,130,748	1,359,964	1,397,451
SUPPORTING SMEs	2019	2020	2021	2022
SME lending portfolio (USD million)	1,023	1,032	996	1,034
OUR PEOPLE	2019	2020	2021	2022
TOTAL WORKFORCE BY CONTRACT AND GENDER	2019	2020	2021	2022
Total number of employees with permanent contracts	3,236	3,244	3,381	3,492
Number of female employees with permanent contracts	1,283	1,284	1,300	1,367
Number of male employees with permanent contracts	1,953	1,960	2,081	2,125
Total number of employees with fixed term or temporary contract	18	12	17	13
Number of female employees with fixed term or temporary contract			6	6
Number of male employees with fixed term or temporary contract			11	7



OUR PEOPLE				
WORKERS WHO ARE NOT EMPLOYEES				
	2019	2020	2021	2022
Total number of workers who are not employees	273	298	300	300
Number of cleaning workers	161	177	171	171
Number of guards	112	110	110	116
Daily workers		11	11	13
WOMEN PARTICIPATION IN WORKFORCE				
	2019	2020	2021	2022
Women in the workforce (%)	39.6%	39.6%	38.5%	39.1%
Women in senior management (%)	14.6%	12.8%	11.1%	8.0%
Women in middle management (%)	34.7%	35.3%	34.3%	35.0%
WORKFORCE BY AGE GROUP - NUMBERS				
	2019	2020	2021	2022
18-30	1,154	1,092	1,158	1,208
31-40	1,270	1,296	1,319	1,336
41-50	581	614	657	698
51-60	219	229	234	240
Above 60	12	13	13	10
WORKFORCE BY AGE GROUP - PERCENTAGES				
	2019	2020	2021	2022
18-30	35.7%	33.7%	34.3%	34.6%
31-40	39.2%	40.0%	39.0%	38.3%
41-50	18.0%	18.9%	19.4%	20.0%
51-60	6.8%	7.1%	6.9%	6.9%
Above 60	0.4%	0.4%	0.4%	0.3%



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WORKFORCE BY LEVEL				
	2019	2020	2021	2022
Number of senior level employees	48	47	54	50
Number of middle management employees	1,020	1,039	1,094	1,127
Number of non-management employees	1,892	1,890	1,975	2,075
Number of non-clerical employees	276	268	258	240
NATIONALIZATION				
	2019	2020	2021	2022
Nationalization rate	99.6%	99.6%	99.7%	99.7%
Nationalization rate for senior management	85.4%	85.1%	87.0%	88.0%
Nationalization rate for branch and district managers	100.0%	100.0%	100.0%	100.0%
EMPLOYEES WITH DISABILITIES				
	2019	2020	2021	2022
Number of employees with physical disabilities	76	86	92	92
MATERNITY AND PARENTAL LEAVE				
	2019	2020	2021	2022
Total number of female employees that took maternity leave	103	100	124	105
Total number of female employees that returned to work after maternity leave ended	88	81	98	91
Number of females who left employment after maternity leave	3	0	2	0
Total number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work				89
Return to work and retention rates of female employees that took maternity leave	85.4%	81.0%	79.0%	86.6%
Retention rates of female employees that took maternity leave				97.8%
Total number of female employees that are on maternity leave	15	19	24	14
Total number of male employees who took parental leave	56	79	128	124



OUR PEOPLE				
NURSERIES PROGRAM				
	2019	2020	2021	2022
Number of female employees benefiting from the kids nurseries program	103	90	98	125
Number of children benefiting from the kids nurseries program	121	104	117	156
EMPLOYEES CHILDREN UNIVERSITY SCHOLARSHIP PROGRAM				
	2019	2020	2021	2022
Grants provided to employees children to go to Jordanian universities (JOD)	189,756	237,410	260,706	200,029
Number of employees who benefitted from employees children scholarship programme	78	87	106	105
Number of students who benefitted from employees children scholarship programme	97	104	122	127
RATIO OF BASIC SALARY AND REMUNERATION				
By Gender	2019	2020	2021	2022
Ratio of basic salary and remuneration of women to men	1:1	1:1	1:1	1:1
By employment level	2019	2020	2021	2022
Senior level employees	1:1	1:1	1:1	1:1
Middle management employees	1:1	1:1	1:1	1:1
Non-management employees	1:1	1:1	1:1	1:1
Non-clerical employees	1:1	1:1	1:1	1:1
RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE				
By Gender	2019	2020	2021	2022
Ratio: ration of entry level wage to minimum wage for full time employees				149.6%
Ratio: ration of entry level wage to minimum wage for full time female employees				149.2%
Ratio: ration of entry level wage to minimum wage for full time male employees				150.0%
NEW HIRES				
	2019	2020	2021	2022
Total new hires	342	176	447	545
By Gender	2019	2020	2021	2022
Female new hires	145	64	127	203
Male new hires	197	112	320	342



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NEW HIRES (Continued)				
By Age Group	2019	2020	2021	2022
18-30	295	141	384	442
31-40	37	30	51	84
41-50	6	3	5	11
51-60	2	1	7	8
Above 60	2	1	0	0
EMPLOYEES TURNOVER - PERCENTAGE				
	2019	2020	2021	2022
Voluntary turnover			7.0%	10.9%
Involuntary turnover			2.0%	1.5%
Total workforce turnover	7.2%	5.5%	9.0%	12.4%
By Gender	2019	2020	2021	2022
Turnover of female employees	6.5%	5.1%	8.5%	9.8%
Turnover of male employees	7.6%	5.9%	9.1%	14.1%
Turnover by Age Group	2019	2020	2021	2022
18-30	10.7%	7.8%	15.1%	21.4%
31-40	4.6%	3.2%	4.8%	7.8%
41-50	4.6%	3.7%	2.9%	4.4%
51-60	9.1%	12.6%	18.4%	15.4%
Above 60	16.7%	7.7%	0.0%	40.0%
Turnover by Level	2019	2020	2021	2022
Senior level employees	2.1%	2.1%	5.6%	18.0%
Middle management employees	7.6%	5.4%	5.8%	8.3%
Non-management employees	7.8%	5.9%	11.4%	15.2%
Non-clerical employees	1.8%	4.1%	3.1%	6.7%



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EMPLOYEES TURNOVER - NUMBER				
	2019	2020	2021	2022
Voluntary turnover				381
Involuntary turnover				53
Total workforce turnover				434
By Gender	2019	2020	2021	2022
Turnover of female employees				134
Turnover of male employees				300
Turnover by Age Group	2019	2020	2021	2022
18-30				258
31-40				104
41-50				31
51-60				37
Above 60				4
Turnover by Level	2019	2020	2021	2022
Senior level employees				9
Middle management employees				93
Non-management employees				316
Non-clerical employees				16
AVERAGE TRAINING HOURS PER EMPLOYEE				
	2019	2020	2021	2022
Average hours of training per employee	18.9	4.0	10.5	11.9
Average Hours of Training per Employee by Gender	2019	2020	2021	2022
Females	21.9	4.5	10.6	12.3
Males	17.0	3.8	10.4	11.6
Average Hours of Training per Employee by Employment Level	2019	2020	2021	2022
Senior level employees	3.2	0.3	8.9	58.1
Middle management employees	11.9	2.7	4.5	10.8



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AVERAGE TRAINING HOURS PER EMPLOYEE (Continued)				
Average Hours of Training per Employee by Employment Level	2019	2020	2021	2022
Non-management employees	25.9	5.5	15.2	12.5
Non-clerical employees		0.0	0.1	2.5
TRAINING AND DEVELOPMENT				
	2019	2020	2021	2022
Total number of training opportunities provided	27,029	9,772	15,676	20,573
Total number of training courses	664	599	1,029	791
Total training hours	61,278	13,137	35,448	41,477
Total cost of trainings (000' JOD)			957,400	1,949,000
Number of employees attending induction training	191	127	312	481
Number of interns in branches	168	18	32	54
Number of interns in HO	33	21	34	50
OUR COMMUNITY				
COMMUNITY INVESTMENTS				
	2019	2020	2021	2022
Total community investment spending (000' USD)	24,949	26,195	11,640	20,786
Pre-tax profits Invested in the community (Arab Bank PLC)	3.2%	27.5%	3.9%	3.3%
TOGETHER VOLUNTEERING PROGRAM				
	2019	2020	2021	2022
Total number of volunteering hours	3,587	204	240	1,939
Number of volunteers	395	42	23	456
Number of volunteering participation	898	57	44	747
Number of volunteering activities	73	8	19	63
Number of beneficiaries	289,500	126,225	111,625	92,452



OUR COMMUNITY				
TOGETHER VOLUNTEERING PROGRAM BY GENDER	2019	2020	2021	2022
Total number of volunteering hours	3,587	204	240	1,939
Number of volunteering hours - female				919
Number of volunteering hours - male				1,020
Number of volunteers	395	42	23	456
Number of volunteers - female				145
Number of volunteers - male				311
Number of volunteering participation	898	57	44	747
Number of volunteering participation - female				245
Number of volunteering participation - male				502
TOGETHER CAPACITY BUILDING PROGRAM	2019	2020	2021	2022
Number of NGO employees attending courses	126	87	89	167
Number of courses	7	7	7	9
Number of training hours provided	753	369	330	884
CUSTOMER DONATIONS (JODs)	2019	2020	2021	2022
Donations received through internet banking	255,712	269,384	358,613	315,572
Donations received through ATMs	9,165	25,215	5,823	71,957
Donations received through Together platinum credit card	2,659	9,262	16,405	28,851
Donation received through eFawateercom	392,230	1,485,307	1,557,274	1,816,777
TOTAL DONATIONS	659,765	1,789,168	1,938,115	2,233,157
OUR SUPPLIERS				
SUPPORT FOR LOCAL SUPPLIERS				
	2019	2020	2021	2022
Percentage of local procurement spending from total procurement spending	69%	70%	68%	65%
Total number of suppliers	498	575	630	720
Total number of local suppliers	317	400	432	502

APPENDICES

APPENDIX A: Restatements and Calculation Methodology

GHG Emissions Calculations

GHG emissions factors were obtained from the International Energy Agency (IEA) that holds the most up-to-date emissions factors for Jordan up until the year 2019. We have used the 2019 emissions factor for the years from 2020 until 2022 due to a lack of emissions for those years.

We have also included our Scope 3 GHG emissions from business travel for the year 2022. The emissions were calculated using the ICAO calculation tool:

<https://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>

APPENDIX B: Engaging our Stakeholders

At Arab Bank, we engage our stakeholders to effectively respond to their priorities and expectations of the bank. To better understand those needs and expectations, we regularly identify priority issues to the bank and the stakeholders, tracking our response to these issues and channels of engagement.

Stakeholder Group	How we Engage Them	Their Priority Issues	
Customers	<ul style="list-style-type: none"> Arab Bank websites Conferences and events Complaint systems Branches and service centers Customer care 	<ul style="list-style-type: none"> Banking channels Social media Feedback tools and surveys Annual reports 	<ul style="list-style-type: none"> Seamless banking experience Digitization of services Cyber security and data privacy Access to finance
Shareholders	<ul style="list-style-type: none"> Annual meetings Annual, semi-annual, and quarterly reports 	<ul style="list-style-type: none"> Secretary general Investors relations website 	<ul style="list-style-type: none"> Business continuity Return on investment Risk management
Employees	<ul style="list-style-type: none"> Regular meetings Annual performance reviews Arabina intranet portal Human Resources Management System (HRMS) 	<ul style="list-style-type: none"> Trainings and workshops Awards ceremonies Internal newsletters Internal committees Volunteering program 	<ul style="list-style-type: none"> Career development Non-discrimination Safe working environment and remote working Wellbeing (physical and mental)
Government	<ul style="list-style-type: none"> Regulations Monthly reporting to regulatory authorities. 	<ul style="list-style-type: none"> Audit and compliance report Regulatory reviews 	<ul style="list-style-type: none"> Compliance and ethical conduct Tax payment
Community	<ul style="list-style-type: none"> Volunteering campaigns Social media Arab Bank website Sustainability and annual reports 	<ul style="list-style-type: none"> Capacity building program Abdul Hameed Shoman Foundation Sponsorship, donations, and events 	<ul style="list-style-type: none"> Support for social needs of the community
Suppliers	<ul style="list-style-type: none"> Invitations to bid Contracts 	<ul style="list-style-type: none"> Suppliers portal Meetings 	<ul style="list-style-type: none"> Fair selection process On-time payments
The Environment	<ul style="list-style-type: none"> Restoration initiatives Supporting environmental agencies Operational improvements 	<ul style="list-style-type: none"> Green finance Alignment with the SDGs and climate change 	<ul style="list-style-type: none"> Climate risk integration Green finance Reducing environmental footprint of operations



APPENDIX C: Materiality Process

In 2022, we reviewed our materiality process to align with the GRI 3: Material Topics 2021, following the four steps indicated in the standards. The result of this assessment has been used as the basis for the Arab Bank ESG approach and reporting framework. Below is a summary of the materiality assessment process completed this year.

STEP 1: UNDERSTANDING THE ORGANIZATION'S CONTEXT

The bank created an initial high-level overview of its activities, business relationships, the sustainability context in which they occur, and an overview of its stakeholders. This step was completed using the internal experience of the sustainability team and aims to provide an understanding of the context the bank is working within.

STEP 2: IDENTIFY ACTUAL AND POTENTIAL IMPACTS

The bank identified its actual and potential impacts on the economy, environment, and people, including impacts on human rights, across the bank's activities and business relationships. Actual impacts are defined as those that have already occurred, and potential impacts as those that could occur but have not yet occurred. These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

This process involved:

- Identifying a list of actual and potential, positive and negative impacts the bank has on the economy, environment and people, including human rights. This list was compiled using the following sources:
 - GRI topics standards
 - SASB materiality finder for commercial banks
 - Best practice from leaders in sustainability from the banking sector
- Compiling and selecting a final list that reflects Arab Bank impacts.

STEP 3: ASSESS SIGNIFICANCE OF THE IMPACTS

To identify the significance of the impacts, the following steps were completed:

- Quantifying the significance of the negative impacts based on:

- Severity (scale and scope) - on a scale from 1 to 10, with 10 indicating high severity. Severity gets a total weight of 60% of the materiality impact final score, with 1 contributing to 0% and 10 contributing to 60%.
- Likelihood - on five different levels: unlikely, possible, likely, almost certain, certain. Likelihood gets a total weight of 20% of the materiality impact final score, with "unlikely to happen" contributing to 0% and "certain" contributing to 20%.
- Human right - by indicating yes or no. Human rights contributes to 20% of the materiality impact final score.

- Quantifying the significance of positive impacts based on:

- Scale and scope - with a score of 1 to 10 with 10 indicating highest positive impact.
- Likelihood - on five different levels; unlikely, possible, likely, almost certain, certain.

This assessment was completed by internal experts that are sustainability champions in the bank and represent different divisions. A survey was created for each expert to provide his or her score for each impact topic on a scale of 1 to 10, with 1 being the least significant. All survey responses were collected and normalized to an average score for each material topic.

STEP 4: PRIORITIZE THE MOST SIGNIFICANT IMPACTS FOR REPORTING

To determine the impact topics that the bank should report against in the ESG report, the following steps were completed:

- **Setting a threshold to determine which topics are material** - the bank defined the threshold to be 6.00. Thus, the impact topics with a significance score above this threshold were considered material and should be addressed by the bank's ESG approach and reporting. The threshold has been determined based on the scores of the topics that the bank considered highly material.
- **Testing the material topics** - the list of material topics were tested by a group of expert stakeholders to ensure that the bank has not overlooked any material issues that has significant impact on the economic, environmental, people, or human rights.
- **Alignment of material topics** with the GRI Standards - the final list of material topics were reviewed by the sustainability team against the GRI Topics Standards and the team ensured that the bank had not overlooked any material issues.
- **Approval of the material topics** - the material topics list was then reviewed and approved by Head of Branding Division and Head of Sustainability. The bank is planning to move the materiality assessment process to be approved by top management at the bank starting from next year.
- **Determining what to report for each material topic** - for each material topic, a set of KPIs were identified for disclosure in the ESG report. The source for those KPIs included:
 - GRI 2016 Topics Standards.
 - Arab Bank's set of internal KPIs.
 - Amman Stock Exchange list of KPIs presented in their sustainability reporting guidance issued in 2021.
 - Best practice in the banking sector.



APPENDIX D: Material Topics Boundaries

MATERIAL ISSUE	ASPECT BOUNDARIES						
	EMPLOYEES	CUSTOMERS	COMMUNITY	ENVIRONMENT	GOVERNMENT	SUPPLIERS	SHAREHOLDERS
BUSINESS ETHICS AND CONDUCT	✓	✓	✓		✓	✓	✓
SYSTEMIC RISK MANAGEMENT	✓	✓	✓		✓		✓
ANTI-MONEY LAUNDERING AND ANTICORRUPTION	✓	✓			✓		✓
ESG GOVERNANCE	✓	✓	✓	✓	✓	✓	✓
STAKEHOLDER ENGAGEMENT	✓	✓	✓		✓		✓
DATA SECURITY / FINANCIAL PRODUCT SAFETY		✓			✓		✓
ESG RISK MANAGEMENT	✓			✓	✓		✓
TRANSPARENCY AND TRUST		✓			✓		✓
BUSINESS MODEL RESILIENCE	✓	✓		✓	✓		✓
FINANCIAL PERFORMANCE	✓				✓	✓	✓
CLIMATE CHANGE	✓	✓	✓	✓	✓	✓	
RESPONSIBLE LENDING AND INVESTING	✓	✓	✓	✓	✓	✓	
OPERATIONAL FOOTPRINT	✓		✓	✓	✓		✓
SUSTAINABLE PROCUREMENT				✓		✓	
CUSTOMER PROTECTION AND TRANSPARENCY		✓			✓		✓
INNOVATION AND DIGITIZATION		✓	✓		✓		✓
CUSTOMER EXPERIENCE		✓					✓
ACCESS AND AFFORDABILITY		✓	✓		✓		
WORKFORCE DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY	✓		✓		✓		
HUMAN RIGHTS	✓	✓	✓	✓		✓	
LEARNING AND DEVELOPMENT	✓						
EMPLOYEE WELLBEING	✓						
CHILD LABOR	✓		✓			✓	
COMPULSORY LABOR	✓		✓			✓	
EMPLOYEE EXPERIENCE	✓						
TALENT ATTRACTION AND RETENTION	✓						✓
SUPPORTING SMEs		✓	✓		✓	✓	✓
COMMUNITY INVESTMENT	✓	✓	✓	✓	✓	✓	
MARKET PRESENCE			✓		✓		✓

APPENDIX D: GRI Content Index

Arab Bank has reported in accordance with the GRI Standards for the period January 1st 2022 to December 31st 2022. For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.



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GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), DIRECT ANSWERS, AND REASONS FOR OMISSIONS, IF APPLICABLE
THE ORGANIZATION AND ITS REPORTING PRACTICES		
GRI 2: General Disclosures 2021	2-1 Organizational details	2, 4, Annual Report 2022
	2-2 Entities included in the organization's sustainability reporting	2, Arab Bank only reports on the bank's operations in Jordan. Other countries operations, subsidiaries, and affiliates included in the bank's audited Annual Report 2022 are not included in this report.
	2-3 Reporting period, frequency and contact point	2, Annual Report 2022
	2-4 Restatements of information	No restatements
	2-5 External assurance	2, Arab Bank did not conduct an external assurance for the 2022 report. Starting from 2023 report, the bank is committed to conduct external assurance.
ACTIVITIES AND WORKERS		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	4, 32
	2-7 Employees	37
	2-8 Workers who are not employees	38
GOVERNANCE		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	12, 34, Annual Report 2022 (23-36, Governance Report 306-315), Corporate Governance Code (12-18)
	2-10 Nomination and selection of the highest governance body	12, Corporate Governance Code (14-15)
	2-11 Chair of the highest governance body	Chairman of the Board: Mr. Sabih Taher Darwish Masri Annual Report 2022 (23-36, Governance Report 306-315)
	2-12 Role of the highest governance body in overseeing the management of impacts	12, 14, The highest governance body of the Board has ultimate responsibility for approving Arab Bank's approach to risk identification and management.
	2-13 Delegation of responsibility for managing impacts	14, the Bank is in the process of defining its ESG Governance structure, including the responsibility of ESG issues in the top management and this will be available in 2023 report.
	2-14 Role of the highest governance body in sustainability reporting	46, the material topics was reviewed and approved by Head of Branding Division and Head of Sustainability. The bank is planning to move the materiality assessment process to be approved by the Board of Directors and top management at the bank starting from 2023.
	2-15 Conflicts of interest	Corporate Governance Code (21-22)
	2-16 Communication of critical concerns	13, communication of critical concerns is done through the Ethics Committee directly to the Board of Directors. The Committee monitors all the concerns received by the bank and monitor of the business, including the whistleblowing incidents. No critical concerns were reported in 2022
	2-17 Collective knowledge of the highest governance body	12
	2-18 Evaluation of the performance of the highest governance body	12, Annual Report 2022 (Governance Report 306-315), Corporate Governance Code (21)
	2-19 Remuneration policies	12, Corporate Governance Code (22), Annual Report 2022 (83)
	2-20 Process to determine remuneration	12, Corporate Governance Code (22), Annual Report 2022 (83)
	2-21 Annual total compensation ratio	Annual Report (85, 102), Annual total compensation ration for the bank's highest-paid individual to the median annual total compensation for all employees cannot be disclosed due to Confidentiality constraints, as the bank do not disclose the employees median annual total compensation for employees.
STRATEGY, POLICIES AND PRACTICES		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	3
	2-23 Policy commitments	13, 14, 16, 23, 32, policies are not publically available due to confidentiality constraints that prohibit sharing internal policies publicly.
	2-24 Embedding policy commitments	13, 14, 16, 32
	2-25 Processes to remediate negative impacts	13
	2-26 Mechanisms for seeking advice and raising concerns	9, 13, 14, 45, 46
	2-27 Compliance with laws and regulations	34, Arab Bank did not suffer any legal action or fine for non-compliance with social and economic laws or regulations in 2022
	2-28 Membership associations	Association of Banks in Jordan



GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), DIRECT ANSWERS, AND REASONS FOR OMISSIONS, IF APPLICABLE
STAKEHOLDER ENGAGEMENT		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement 2-30 Collective bargaining agreements	9, 45, 46, as part of the materiality assessment process for the year 2022, the bank engaged with a group of expert stakeholders to ensure that the bank has not overlooked any material issues that has significant impact on the economic, environmental, people, or human rights. Arab Bank ensures the freedom of association of its employees and respect their right to associate with legal trade unions in Jordan. In compliance with internal regulations, any employee who is part of a trade union should declare it to his/her manager and Human Resources.
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics	9, 46 9 14, 46
FINANCIAL PERFORMANCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	14, 16-18, 24-25, 47
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change 201-3 Defined benefit plan obligations and other retirement plans 201-4 Financial assistance received from government	25, Annual Report 2022 (Financial Statement) 14, 16-18 24, the bank pays 13.25% of employee social security, which is directed to retirement plan. No financial assistance was received from the government during the reporting year
MARKET PRESENCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 24, 47
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage 202-2 Proportion of senior management hired from the local community	40 23, 39
ANTI-MONEY LAUNDERING AND ANTICORRUPTION		
GRI 3: Material Topics 2021	3-3 Management of material topics	13
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	Arab Bank conducts assessment in terms of corruption controls effectiveness of all the functions exposed to anti-bribery and corruption (ABC) risks and/or entrusted with validation / control responsibilities. Arab Bank CoC are communicated to all employees, as all employees are required to acknowledge on an annual basis that they have read the CoC. This include the bank's vendors through ratifying on the bank's Supplier Code of Conduct prior to conducting business with the bank. Targeted employees from different levels are trained annually on Anti-corruption policies. However, this does not include non-clerical, which the bank is committing to include them in the training during 2023. Data on the percentage of employees and management that took trainings of Anti-corruption policies and procedures are unavailable and the bank is committed to provide such data next year. 34
SUSTAINABLE PROCUREMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 32, 47
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	32, This report covers Arab Bank operations in Jordan, thus the bank defines local, as suppliers registered in Jordan.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken	18, Information unavailable/incomplete. The bank is in the process of defining the methodology for identifying and collecting information. Work on this began in 2023. 18, Information unavailable/incomplete. The bank is in the process of defining the methodology for identifying and collecting information. Work on this began in 2023.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	32, all suppliers are required to sign the Suppliers Code of Conduct that includes compliance with social standards and regulation. 32, no cases of negative social impact were reported in 2022.
OPERATIONAL FOOTPRINT		
GRI 3: Material Topics 2021	3-3 Management of material topics	17-18, 45, 47
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services	17-18, 35 Information unavailable/incomplete. The bank is in the process of defining the methodology for identifying and collecting data regarding Energy consumption outside of the bank. Work on this began in 2023. 35 17-18 Not applicable, as the bank provide financial services and does not engage in sales of products that consume large amount of energy.



GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), DIRECT ANSWERS, AND REASONS FOR OMISSIONS, IF APPLICABLE
OPERATIONAL FOOTPRINT (Continued)		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	18, 36, water is provided by the water authority and private service providers. This topic is not material as we are a service provider and water usage is related to employee usage and for cleaning purposes.
	303-2 Management of water discharge-related Impacts	18, 36, water is provided by the water authority and private service providers. This topic is not material as we are a service provider and water usage is related to employee usage and for cleaning purposes.
	303-3 Water withdrawal	18, 36, water is provided by the water authority and private service providers and no withdrawal of any type happen through the bank.
	303-4 Water discharge	The bank uses utility sewage system. This topic is not material for the bank as we are a service company.
	303-5 Water consumption	18, 36
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	17, 18, 36
	305-2 Energy indirect (Scope 2) GHG emissions	17, 18, 36
	305-3 Other indirect (Scope 3) GHG emissions	17, 18, 36, Arab Bank only reports on Business Travel from Scope 3 Emissions. Other Scope 3 emissions are unavailable/incomplete. The bank is in the process of defining the methodology for identifying and collecting data regarding Scope 3 emissions. Work on this began in 2023.
	305-4 GHG emissions intensity	17, 18, 36
	305-5 Reduction of GHG emissions	17, 18, 36
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable, due to the nature of the bank's business, no ozone-depleting substances are generated.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Applicable, due to the nature of the bank's business, no significant NOx or SOx emissions are generated.
WORKFORCE DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	12, 13, 23, 24, 47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	40-42
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	23, 24
	401-3 Parental leave	23, 24, 39, 40
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	34, 37-39
	405-2 Ratio of basic salary and remuneration of women to men	40
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No legal action or incidents in relation to discrimination were reported in 2022
LEARNING AND DEVELOPMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	24, 47
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	24, 42-43
	404-2 Programs for upgrading employee skills and transition assistance programs	24,
	404-3 Percentage of employees receiving regular performance and career development reviews	24, 100% of employees receiving regular performance and career development reviews
CHILD LABOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 23, 32, 47
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	13, 23, 32
COMPULSORY LABOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 23, 32, 47
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	13, 23, 32
COMMUNITY INVESTMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	9, 13, 24, 47
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	9, 13, 24
	413-2 Operations with significant actual and potential negative impacts on local communities	No operations with a significant actual or potential negative impact on our local communities were reported in 2022
DATA SECURITY / FINANCIAL PRODUCT SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	14, 20-22, 47
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	14
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling were reported in 2022
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship were reported in 2022.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), DIRECT ANSWERS, AND REASONS FOR OMISSIONS, IF APPLICABLE
DATA SECURITY / FINANCIAL PRODUCT SAFETY (Continued)		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	34



Arab Bank
at a Glance

ESG at Arab Bank

Governance

Environment

Social

ESG Scorecard



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2022

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