



بنك الاتحاد
Bank al Etihad

Sustainability Report 2022

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1. About this report

We are delighted to present Bank al Etihad's second consecutive sustainability report, which showcases our environmental, social, and governance (ESG) performance from 1 January 2022 to 31 December 2022, across all our branches and offices.

By sharing our sustainability performance through this report, we aim to demonstrate our unwavering commitment to shaping a more sustainable future for our company, employees, and the communities we serve.



1.1 Our approach to sustainability reporting

This report has been prepared in accordance with the GRI Standards, the most widely used framework for ESG reporting.

At a national level, our approach to sustainability is influenced by Jordan's Economic Modernisation Vision, National Vision 2025, and the Amman Stock Exchange's guidance on sustainability reporting.

On a global scale, our approach aligns with the United Nations Global Compact's (UNGC) Principles and the United Nations Sustainable Development Goals (SDGs), which encourage businesses to adopt

sustainable and socially responsible policies and practices. Our participation in the UNGC initiative signifies our commitment to upholding the principles of corporate sustainability and responsibility in the areas of human rights, labour, environment, and anti-corruption. This commitment demonstrates our dedication to operating in a way that supports the UN's SDGs and allows us to collaborate with other organisations to develop sustainable solutions for a positive impact on society and the environment.

Scope of the report and alignments:



GRI accordance

We report in accordance with GRI Standards for the period 1 January 2022 to 31 December 2022.



Comparable data

The figures accompanying disclosures showcase our performances across 2022, 2021 and 2020. Data restated from previous reports are highlighted in relevant sections.



Assurance

We opted for an internal assurance process that involved internal stakeholders reviewing and approving content related to their department.



Entities

ESG performance covered in this report is for Bank al Etihad only, unless otherwise stated.



Monetary values

All monetary values in this report are expressed in Jordanian Dinars (JOD) unless otherwise stated.



Financial performance scope

The shared financial figures in this report cover Bank al Etihad Group's financial performance only unless otherwise stated. Please refer to our Annual Report for more information about our financial performance.



Contact point

For any inquiry about this report, kindly contact sustainability@bankaletihad.com

Reporting quality principles



Accuracy

The information presented in this report was obtained through a process that involved employee engagement, reliable data collection tools, multiple rounds of review and a thorough approval process to ensure data accuracy.

The Greenhouse Gas (GHG) calculations in the environmental footprint chapter were calculated in adherence to GHG Protocol guidelines.



Balance

The report maintains an unbiased approach to the presentation of data. To remain transparent and identify where progress still needs to be made, data indicating underperformance is shared where available.



Clarity

We publish our sustainability reports in English and Arabic, and they are accessible on our website.

The language used in the report is accessible and the content is organised in a fluid manner to optimise reading experience.



Comparability

In terms of comparison, this report includes data regarding our performance in 2020, 2021, and 2022 unless data is not available.



Completeness

The report includes all data available for use and is guided by global standards and disclosures.



Sustainability context

The report highlights our environmental impact, contribution to society, and alignment with the SDGs.



Timeliness

We follow an annual reporting cycle to generate sustainability reports.



Verifiability

We follow a rigorous data collection process that ensures quality, accountability, and facilitates a smooth assurance process.

We value feedback from our stakeholders regarding this report and our sustainability performance. We invite you to share your thoughts with us through the channels provided. Your feedback is greatly appreciated and will help us improve.



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2. About Bank al Etihad



2.1 Our bank

Bank al Etihad is a customer-centric financial services group founded in 1978. The Group has a solid leading position in Jordan and comprises a central exchange unit, a financial brokerage company (Etihad Brokerage), a financial leasing company (Etihad Leasing), and a financial technology company (Etihad Financial Technology Company). Bank al Etihad owns a 10% stake in The National Bank TNB in Palestine and assumes one seat on its board, in addition, the bank acquired a controlling stake in Safwa Islamic Bank in 2017.

We prioritise digital innovation, empowerment, collaborating with individuals, entrepreneurs, businesses, to support their unique paths to success. Currently, we employ 1,324 individuals, actively contributing to the local economy. With a wide range of banking services, including savings, current accounts, loans, credit cards, and insurance. Our 62 branches across the Kingdom and convenient mobile banking options ensure easy access to accounts for our valued customers.



Our values



Endlessly entrepreneurial

We're courageous by nature. We didn't get to where we are today by following the herd. We relentlessly seek new business opportunities, markets, and ideas. When we recognise that spirit in others, we're prepared to back them up.



Always learning

The financial landscape is in a constant state of flux. We're always looking to expand our knowledge and use new technologies to evolve and grow with it. We're just as passionate about sharing what we learn.



Championing creativity

We understand art and culture's impact on helping us grow as individuals and communities. The more we embrace them, the more we increase our imagination. This allows us to dig deeper, approach traditional problems from fresh perspectives, and uncover what makes a business or investment truly special.



Community spirited

We consider our customers an integral part of our family and always prioritise their best interests. Our commitment is to support them through any challenges they encounter, offering our extensive business network, banking tools, and expertise to assist them in achieving success.

Our purpose

To empower and engage



We exist to help our customers grow and achieve their ambitions by allowing them to bank on their terms, anywhere and anytime. Whether saving for a holiday, buying a house, or starting a new business, we're committed to supporting their success.

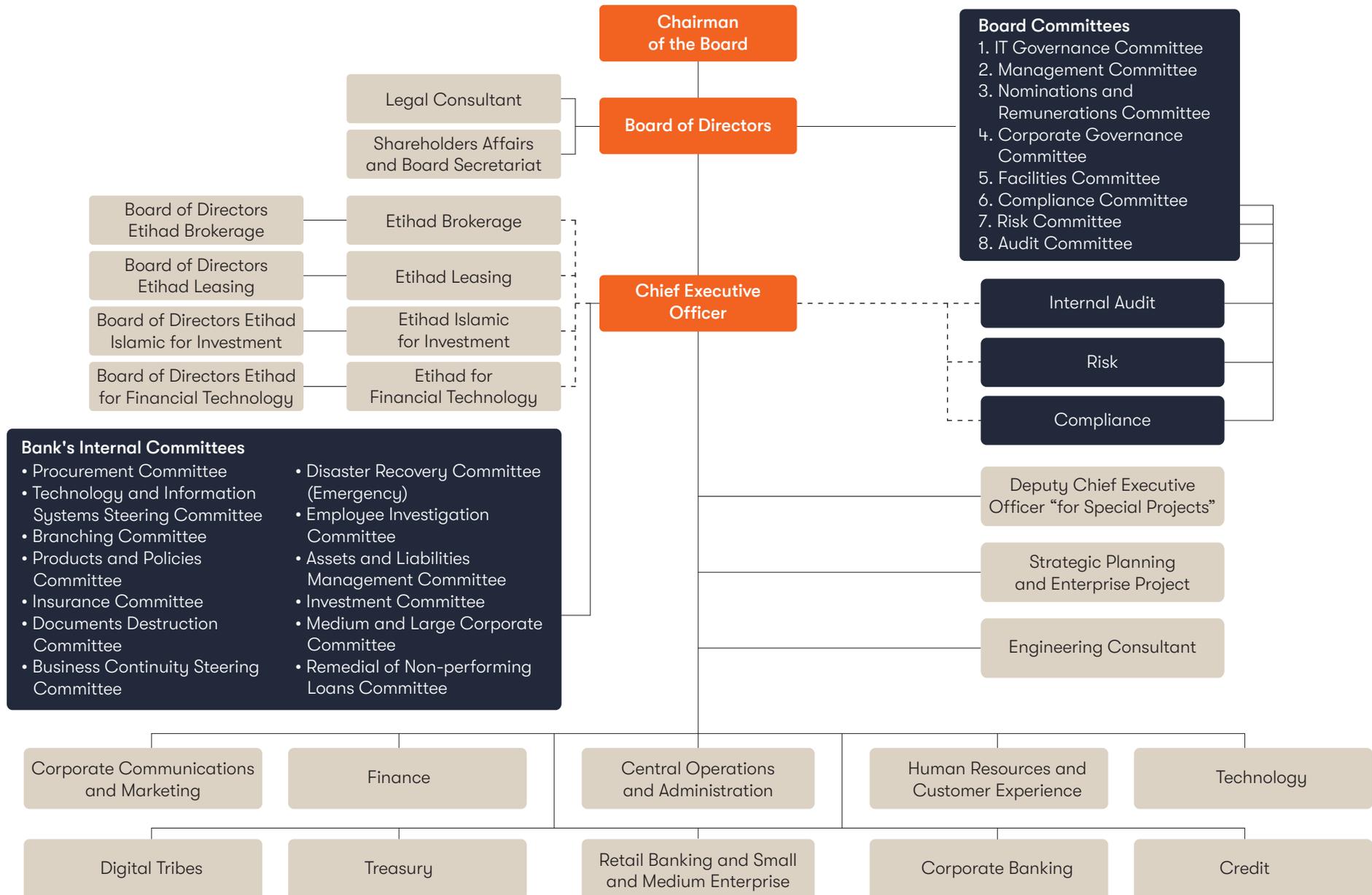
Our promise

Shape your future



We empower our customers to shape their future. By championing innovation, entrepreneurialism, and new technology, we develop progressive services that help people meet their needs and reach their ambitions. Life is full of challenges, but money management shouldn't be one of them. We always put our customers first and are committed to helping them build a bright future.

Bank al Etihad's organisational structure



2.2 Overall strategy

Having a well-defined group strategy is critical for long-term business success, growth, and sustainability. Our strategy enables us to efficiently prioritise and allocate financial and human resources to activities that will deliver the most significant impact in achieving our organisational goals.

Our strategy team, comprising of the CEO and senior leadership, is responsible for developing, executing, and sustaining the corporate strategy, including reviewing key strategic priorities and translating them into a comprehensive strategic plan, tracking and monitoring major business and departmental projects, and evaluating information about industry and market trends. The strategy team work closely with department heads to ensure the successful delivery of strategic initiatives, establish and review KPIs and targets, and report monthly and quarterly performance of strategic initiatives to the board. Additionally, the strategy team acts as a resource to increase broad synergies for strategic plans and assist with the evaluation process to ensure alignment with the bank's strategic goals.

Our strategic goals

We have an ambitious vision to become the leading digital bank in Jordan and provide the best customer experience possible. Our purpose is to empower and engage, and we exist to help our customers grow and achieve their ambitions by enabling them to bank on their terms, anywhere and anytime.

In 2018, our bank created a strategic plan that set out our priorities and goals for the next five years from 2019 to 2023. However, due to the pandemic, we had to revisit and reprioritise this plan to help our bank and customers adapt to the changing circumstances.

To achieve our vision, we concentrate on 3 primary strategic pillars.

Enhancing customer experience

Customer experience sits at the heart of our operating model and drives our decision making to deliver what really matters to our customers.

Improving efficiency

We are focused on enhancing our operational efficiency by creating optimised processes that leverage the limitless technological opportunities available.

Driving employee productivity

We are dedicated to boosting employee productivity by enhancing our value-added services and upskilling our employees for the future of work.

We are pleased to report that we achieved our long-term targets for the bank for the year 2022.

83%

of our overall processes have been digitised since the launch of our strategy.

19%

increase in our customer base from 2021.

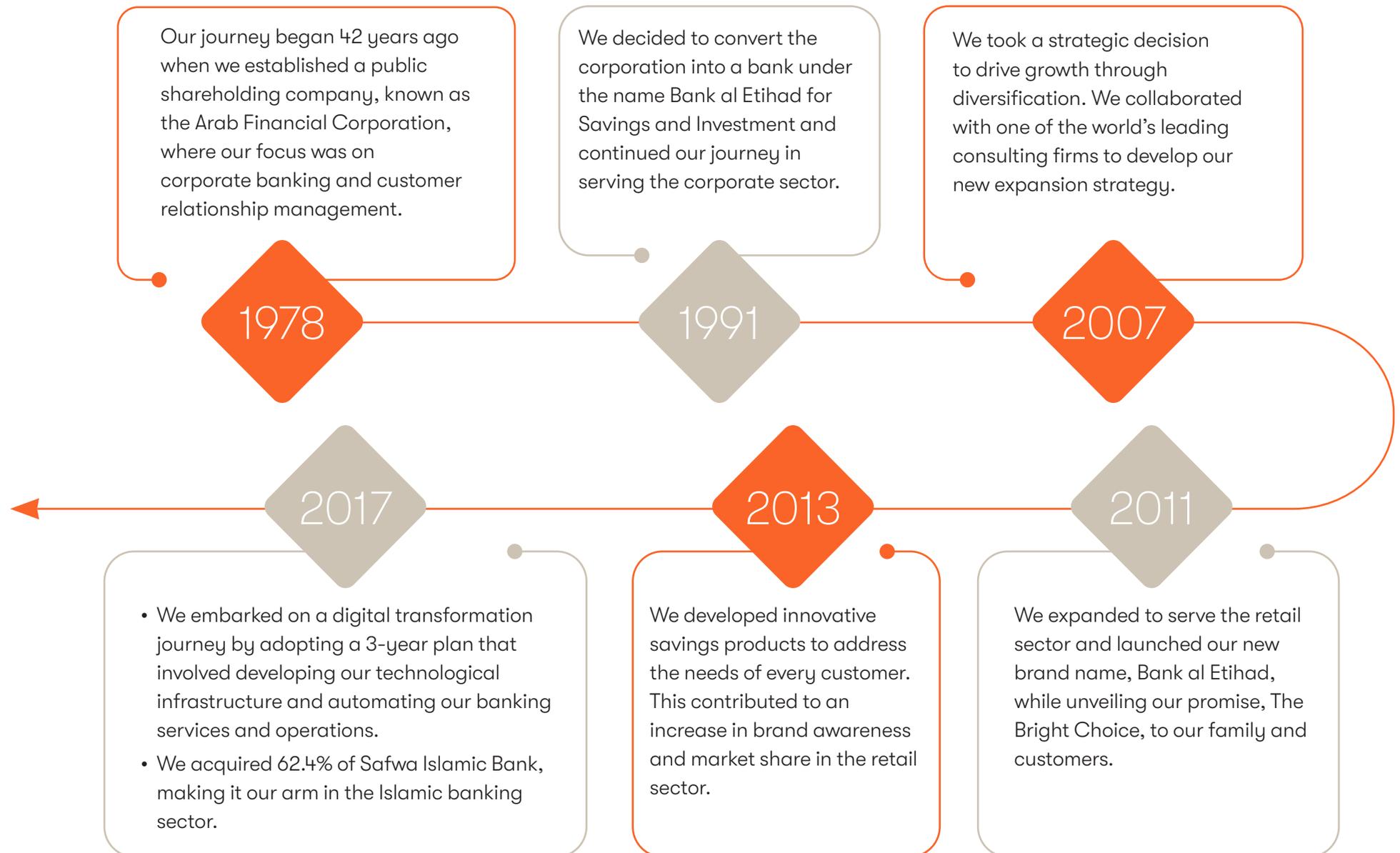
88%

of retail customers are registered on our mobile banking app and 59% of our newly onboarded retail customers in 2022 were digitally onboarded.

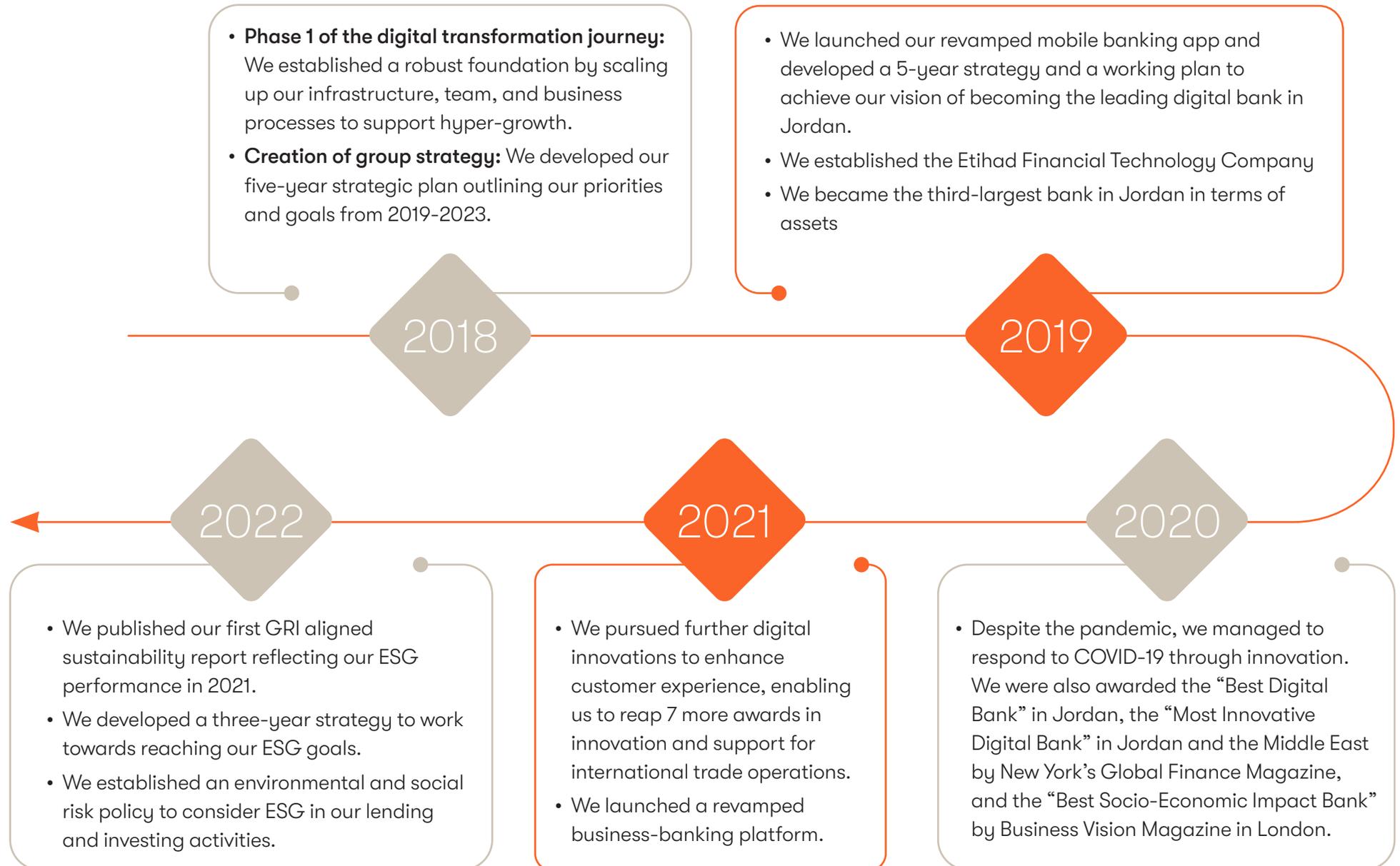
Customer NPS

of 55 in 2022, growing from 53 in 2021 and 42 in 2020.

Our strategic journey



Our strategic journey



Our sustainability strategy

In 2022, we embarked on developing a sustainability strategy taking an important step in our transformation towards becoming a more responsible and greener bank.

We believe that a sustainability strategy can help us identify and mitigate potential short and long terms risks and liabilities associated with environmental, social, and governance performance enabling us to secure our long-term future. We also envision this strategy will enable us to drive more innovation and efficiency by promoting the responsible use of resources, reducing waste, and improving social impact.

Based on the above beliefs, we developed a comprehensive roadmap and framework to steer our journey towards a more sustainable and responsible business model. This roadmap is critical in outlining the necessary steps and initiatives to achieve our sustainability objectives and provides a clear direction for our team and stakeholders to follow.



Inform

We conducted a comprehensive ESG review, including materiality assessment, benchmarking analysis, and examination of international and national ESG standards and agendas, to evaluate our current position.

Organise

After gathering the necessary information, we developed a strategy that involved identifying the key pillars, addressing critical issues, defining action plans, and establishing KPIs to achieve our sustainability goals.

Activate

The next step is to validate and activate the strategy and roadmap by gathering feedback from focal points within the bank, refining the strategy accordingly, and presenting it to the executive management team for approval.

Monitor and report

Finally, we monitor and report the progress of our strategy implementation through regularly tracking KPIs and publishing an annual report for stakeholders, providing transparency on our commitment to sustainable business practices.

By adopting and implementing a comprehensive sustainability strategy, we aim to achieve several outcomes that will facilitate our transformation into a more responsible and greener bank. These outcomes include:



Green commitments

Our sustainability strategy includes developing policies, allocating resources, appointing ambassadors, increasing internal awareness, and providing training for staff to align with national and global standards which will enable us to make greener commitments.



Green products and services

Our goal is to develop a comprehensive sustainable finance framework that emphasises credit products and trade finance instruments while also exploring the inclusion of advisory services and potentially sustainable investment instruments.



Eco-efficiency and supply chain

Our goal is to improve eco-efficiency and sustainability by reducing resource consumption and waste, measuring and reducing our carbon footprint, implementing sustainable procurement policies, and obtaining environmental certifications.



Risk management

Integrating ESG factors into risk management will help mitigate short and long-term risks. This involves developing an environmental and social risk policy, creating an exclusion list, and incorporating ESG considerations into our stress testing frameworks.

Memberships

Being an active member of society and collaborating with other organisations is important for our bank. As such, we provide different organisations with our support and expertise, by being members or board members, to drive their agendas forward and help them succeed.

Member

Member

Member

Member

Member

Board Member

Board Member

Board Member

Awards and recognitions

Building on the success of 2021, we are pleased to report that we were awarded the following awards in recognition of our efforts in 2022:



2.3 A message from our CEO

It brings me great joy to present to you Bank al Etihad's 2022 sustainability report. This report showcases our journey towards becoming Jordan's leading digital bank while staying true to our commitment to sustainability. We're excited to share our progress with you and demonstrate how we're staying true to our purpose and our values.

This report also serves as a reassertion of our dedication to supporting the 10 Principles of the UNGC, which focus on 4 core areas: Human Rights, Labour, Environment, and Anti-Corruption. As a member of the UNGC, Bank al Etihad recognises the importance of taking a responsible and sustainable approach to business practices, and this report details the progress that has been made towards fulfilling this commitment.

Our ongoing efforts to integrate ESG factors into our decision-making and daily operations have been positively received by all stakeholders, reflecting a fundamental shift in how we perceive our environment, resources, and the community's overall well-being. In 2022, we implemented a comprehensive environmental and social risk (E&S) policy to help us embed the consideration of ESG factors in all lending and investment activities. Additionally, we've made substantial progress in developing our three-year ESG strategy, which will be implemented from 2023 onwards, further ingraining sustainability into our business practices.

We're also proud to be the first bank in the Southern and Eastern Mediterranean (SEMED) region to incorporate the Paris alignment methodology of the European Bank for Reconstruction and Development (EBRD) in the financial sector. This collaboration will significantly support our transition towards becoming a green bank. We've teamed up with EBRD to provide a finance package of up to 25 million USD to businesses and individuals in Jordan and, up to 10 million USD for women-led Micro, Small, and Medium Enterprises (MSMEs) under the EBRD Women in Business



“ We believe that small businesses are the backbone of the Jordanian economy. ”

programme in Jordan. This programme will help us adapt our products to better cater to women-led MSMEs, strengthen our lending practices, and enhance marketing and product development.

In addition, 2022 marked the return of Bank al Etihad's Annual SME Awards, which recognise Jordan's most outstanding startups and SMEs. We believe that small businesses are the backbone of the Jordanian economy and are proud to support them continuously.

While 2022 saw a host of new initiatives, we also focused on strengthening our existing initiatives. We expanded our environmental initiative, "Plastiqua," which upcycles expired plastic bank cards into art pieces and accessories. In 2022, Plastiqua upcycled approximately 80,000 cards into 5,000 art pieces and accessories. Last year, we also saw over 1,193 women benefit from our "Shorouq" programme, which is designed to provide financial and non-financial solutions for women. Since its launch in 2014, we have seen a ten-fold increase in our female customer base.

Additionally, the solar farm project that Bank al Etihad has undertaken has made substantial progress and is a crucial initiative in the bank's sustainability efforts. This project has enabled the bank to shift towards renewable energy sources and to rely less on traditional energy sources. As a result, the bank has been able to obtain 97% of its energy from renewable sources, contributing towards the country's efforts to mitigate climate change and promote sustainable practices.

Our commitment to sustainability was a key catalyst for our growth in 2022. Our asset value increased by 6.8% compared to the previous year, and customer deposits grew by 5.6%. Adopting a sustainable approach yields tangible results, as demonstrated by our achievements.

Overall, we are pleased that our customer base continues to showcase increasing interest in our ESG offerings and products, demonstrating the intangible value such strategies bring to our brand. This growing interest in our ESG activities reinforces our customers' trust in us, and we remain dedicated to prioritising sustainability in all aspects of our business practices.

Lastly, we extend our gratitude to all our employees, investors, customers, and stakeholders who have played a role in our accomplishments. While we celebrate our successes, we acknowledge that there is more to be done, and we remain committed to working with our clients and partners to drive the banking sector towards increasingly sustainable solutions that align with their long-term objectives.

We are dedicated to continuing and advancing our sustainability efforts and making meaningful contributions to a more sustainable future for our stakeholders and the broader community. We look forward to sharing our journey as we strive to achieve our sustainability goals in the years to come.

Nadia Al Saeed

CEO of Bank al Etihad

3. 2022 Highlights



Environmental



Social



Governance

7,785,183 kgs

reduction in CO² emissions due to the implementation of the Solar PV systems project

1:1 pay ratio

between male and female employees, ensuring fairness and equality in the workplace

Zero

incidents of non-compliance reported in 2022

66%

of our fleet consists of hybrid vehicles, resulting in a significantly reduced carbon footprint

85%

increased investment in people development initiatives compared to 2021

Zero

reported data security breaches in 2022, for the fourth consecutive year

83%

of all bank processes have now been digitised

52.5%

increase in average employee training hours in 2022

32 million JOD

in booked green finance loans



Environmental



Social



Governance

46,590 kgs

of paper sent for reuse, refurbishing, or recycling

19%

increase in overall customer base compared to 2021

E&S policy

developed to ensure integration of environmental and social factors in lending and investment activities

5,423 kgs

of e-waste sent for reuse, refurbishing, or recycling

1,193

women benefitted from coaching, mentorship, and workshops provided under our Shorouq initiative

3-year ESG strategy

developed to further fuel transition towards becoming a more responsible and greener bank

80,000

plastic bank cards upcycled through our Plastiqa initiative and turned into 5,000 art pieces and accessories

25

annual university scholarships awarded to students across Jordan and Palestine that exhibit academic excellence

Highest rating

possible received for compliance with the Chartered Institute of Internal Auditors (IIA) Standards

4. Sustainability at Bank al Etihad



4.1 Our sustainability approach

Our approach to sustainability is underpinned by our beliefs and our sustainability strategy. Everything we do is designed to achieve our strategy and fulfill our beliefs including our sustainability reporting framework.

Our sustainability beliefs



A sustainable economy depends on sustainable practices

The way we serve and engage with customers and partners can help shape the future of our community. ESG risk management will help drive stability and support economic growth while considering the impact of our decisions on the environment and society.



Influencing sustainable growth

Taking on new challenges is one of the things we're best known for. We take action on sustainability by leveraging our brand to shape a better future for our customers, communities, and planet. We are committed to being an ecosystem player and helping our customers transition to more sustainable business practices.



We're in it for the long haul

We are continuously learning in this environment of constant disruption. ESG and stakeholder capitalism frameworks are guiding us in building resilience and creating long-term value for the bank, our customers, partners, and community.

Bank al Etihad's sustainability reporting framework



Responsible banking

- Governance, ethics, and compliance
- Business continuity and risk management
- Data privacy and cyber security
- Responsible investment and financing



Strategic principles

- Digitisation and innovation
- Financial performance
- Customer experience



People and culture

- Employee value proposition
- Human rights management



Ecosystem player

- Community investment
- Environmental impact
- Supply chain management
- Financial literacy and inclusion
- SMEs and entrepreneurship
- Diversity and inclusion

4.2 Our sustainability governance

We understand that achieving our sustainability goals requires an emphasis on strong governance and accountability at all levels to ensure that our actions align with our values and contribute to positive social and environmental outcomes.

To reinforce this emphasis throughout the organisation, Sustainability Champions have been named within each department to report on and perform according to sustainability KPIs. These champions are responsible for collecting and assessing sustainability-related opportunities and reporting milestones to the sustainability department. Starting in 2023, sustainability will be incorporated into each department's KPIs and business targets per the three-year sustainability strategy.

Furthermore, we have developed and implemented an E&S policy that enables us to integrate environmental and social factors into our lending and investment practices.

Overall, we are extremely committed to sustainability governance and are taking active steps to integrate sustainability throughout our operations and business practices.

Paris Agreement

We became the first financial institution in the region to pilot the development of a transition plan with the European Bank for Reconstruction and Development (EBRD) to align our financial flow and business practices with the goals of the Paris Agreement and integrate climate risk considerations, identify business opportunities, and provide our clients with low carbon products and services.

The agreement comprises of a 35 million USD subordinated loan to support our lending capacity to businesses, individuals and women-led MSMEs. Proceeds from the loan will be used to expand sustainable growth

opportunities across Jordan. In addition, 10 million USD of these proceeds will be designated as loans for women-led MSMEs in Jordan under the local EBRD Women in Business programme. This initiative aims to support these enterprises by capitalising on the significant untapped opportunities and possibilities in the country's growing market.



4.3 Our materiality analysis

Conducting a materiality analysis has been a fundamental component of our sustainability journey to help us define our priorities. The materiality exercise conducted in 2021 allowed us to identify, understand, and prioritise the topics that impact our business and will help us to progress in our sustainability performance.

Our materiality process



Define relevant ESG topics

As a first step, we conducted comprehensive research based on best practice, benchmarking ESG topics against regional and international peers, referring to relevant global frameworks and standards, national visions, and trend analysis. The research focused on identifying topics that impact our business the most and vice versa. Informed by this research, we were able to shortlist 18 topics to include in the materiality assessment.



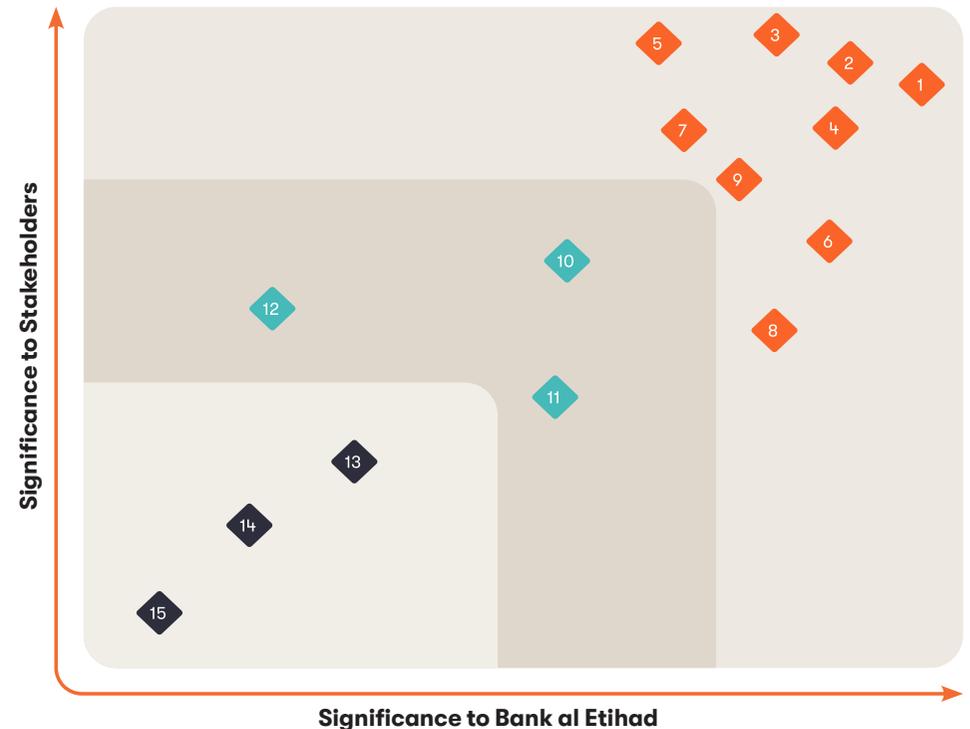
Stakeholder engagement

As a second step, we developed a detailed stakeholder map that captured our needs or expectations. The map suggested our primary engagement methods with stakeholders, which allowed us to delve deeper into understanding their requirements and aspirations.



Analysis and matrix

As a third step, after capturing the essential data through stakeholder engagements, we collated the data and generated our inaugural materiality matrix - as presented on the right. This matrix maps out the identified topics according to their weighted importance from stakeholders and our business.



- | | |
|---|-------------------------------------|
| 1 Customer experience | 10 Financial literacy and inclusion |
| 2 Governance, ethics, and compliance | 11 Digitalisation and innovation |
| 3 Business continuity and risk management | 12 Responsible investment |
| 4 Financial performance and stability | |
| 5 SMEs and entrepreneurship | 13 Human rights management |
| 6 Human capital management | 14 Supply chain management |
| 7 Community investment | 15 Environmental impact |
| 8 Data privacy and cybersecurity | |
| 9 Diversity and inclusion | |

Materiality review

We want to do the right things, and we want to do them right. Driven by this principle, we reviewed our materiality exercise one year after conducting it. Our review process was conducted with an external consultancy and consisted of 3 main steps:

- Investigating and re-evaluating the process conducted in 2021

- Evaluating our performance on our material topics during 2022
- Defining a way forward to incorporate the GRI Impact Materiality into our approach

This review process allowed us to define improvement areas and shift to an impact-focused approach to materiality following the guidance and recommendations of GRI 3: Material Topics 2021.



4.4 Our alignments and contributions

As part of our approach to further integrate sustainability into our business, we refer to global and locally recognised frameworks and visions to ensure our plans align with the international and local community. This gives us more clarity regarding what environmental and social issues we must give our attention and contribution towards. This approach promotes collaboration and further advances progress towards achieving global and local ambitions.

Jordan Economic Modernisation Vision



Pillar	Goals	Our contribution
 <p>Quality of life</p>	<ul style="list-style-type: none"> • Double the percentage of Jordanians satisfied with their quality of life to reach 80% • Have one Jordanian city ranked among the top 100 cities in the world • Improve Jordan's ranking in the Legatum Prosperity Index to the top 30 percentile 	<ul style="list-style-type: none"> • Our employees reported an 84% satisfaction score, reflecting our commitment to providing a better quality of life for our workforce • Rolled out the "Family Matters" programme, which addresses aspects of health and well-being for employees and their families • Bank al Etihad achieved a profit before tax of 71,734,432 JOD, which is a 10% increase compared to the previous year, contributing to stronger economic growth • Sponsored a series of arts and culture events like the Dar Art Exhibition and Jerash Festival of Culture and Arts, and contributed to protecting Jordan's archaeological and cultural sites, including Petra through our annual contribution to the Petra National Trust • Launched the Bank al Etihad Foundation with the aim of promoting the performing arts, music education and training in Jordan and the Arab world
 <p>Economic growth</p>	<ul style="list-style-type: none"> • Accommodate 1+ million young females and males in the labour market • Increase income per capita by an average of 3% per year • Improve Jordan's ranking in the Global Competitiveness Index to the top 30 percentile 	<ul style="list-style-type: none"> • Employed 1,324 individuals, supporting the local economy • Ensured a 1:1 median pay ratio between male and female compensation • 1,193 women benefitted from workshops and mentorship under our Shorouq initiative • 25 annual university scholarships awarded to deserving students • Through partnership with the European Bank for Reconstruction and Development (EBRD), a \$35 million USD subordinated loan was provided to support the bank's lending capacity for businesses, individuals as well as women-led MSMEs in Jordan

Pillar	Goals	Our contribution
 <p>Sustainability</p>	<ul style="list-style-type: none"> • Improve Jordan's ranking in the Global Sustainability Competitiveness Index to the top 40 percentile • Improve Jordan's ranking in the Global Environmental Performance Index to the top 20 percentile 	<ul style="list-style-type: none"> • 97% of electricity sourced from renewable sources of energy • 46,590 kgs of paper and 5,423 kgs of e-waste were sent for reuse • 80,000 plastic cards upcycled through our Plastica initiative • Developing a 3-year ESG strategy to be implemented from 2023 • Implemented an E&S policy to ensure consideration of environmental and social factors in lending and investment decisions

Jordan National Vision



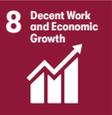
Pillar	Focus	Our contribution
 <p>Society</p>	<ul style="list-style-type: none"> • Safety and security • Rule of law • Active citizenship • Disadvantaged • Jordan communities 	<ul style="list-style-type: none"> • 1,631,588 JOD in total contributed to CSR and philanthropic initiatives designed to building an economically resilient, progressive and innovative Jordan • Various initiatives have been set up to distribute food parcels to families from disadvantaged backgrounds • Sponsored an e-commerce training for 25 women to grow their businesses in partnership with the Giving Joy Foundation and the World Bank • Our "Shabbek Wa Ibtaker" programme targeted 29 unemployed young people, providing young jobseekers with the necessary training to launch their own innovative projects in partnership with local business incubators
 <p>Business</p>	<ul style="list-style-type: none"> • Small and medium business • Capital for growth • Clusters for growth • Trade & competitiveness • Business environment 	<ul style="list-style-type: none"> • Partnered with the European Bank for Reconstruction and Development (EBRD) and signed a 10 million USD Green Economy Financing Facility (GEFF) that includes 0.5 million USD of co-financing from the Green Climate Fund (GCF) • 35 million USD in loans were made available to support the bank's lending capacity for businesses, individuals as well as women-led MSMEs in Jordan through partnership with EBRD • Fully aligned with the government's efforts to promote SME development and participated in every initiative supported by the Central Bank of Jordan, including Inhad, Covid-19 loans, sector-specific financing for agriculture, manufacturing, transport, exporting activities, vocational education, renewable energy, tourism, health, and technology • Our annual SME awards were held to recognise the best SMEs and startups in Jordan • 740,000 JOD invested in the training of employees, marking an increase of 85% compared to 2021

Pillar	Focus	Our contribution
 <p>Government</p>	<ul style="list-style-type: none"> • Macroeconomic stability • Size & work of government • Public sector performance • Resource security • Infrastructure • Decentralisation 	<ul style="list-style-type: none"> • First bank in Jordan to collaborate with the CBJ in automating threat information sharing • Contributed to the creation of more jobs and economic opportunities by employing 1,324 individuals
 <p>Citizen</p>	<ul style="list-style-type: none"> • Workforce participation • Employment • Education • Health 	<ul style="list-style-type: none"> • 211 employees volunteered a total of 763 hours to reach approximately 5,145 children, young men and women through various initiatives • Sponsored 25 annual university scholarships, including scholarships for 9 students under “Al-Aman Fund for the future of orphans” • Increased employees’ training hours by 52% in 2022 • Rolled out the “Family Matters” programme, which addresses aspects of health and well-being for employees and their families • Contributed to raising 120,000 JOD and 132,445 JOD through our strategic sponsorship of the “Save a Life” and “Piggy Bank” initiatives in partnership with the King Hussein Cancer Foundation to spread awareness about cancer and the importance of adopting a healthy lifestyle

UN Sustainable Development Goals



SDG	Our contribution
<p>1 No Poverty</p>	<ul style="list-style-type: none"> • Provided unemployed youth with the necessary training to launch their innovative projects as part of the “Shabbek Wa lbtaker” initiative. • Contributed to increasing financial literacy among youth through various workshops, blogs, and podcasts • Provided access to financial resources aimed at helping individuals and businesses in low populated and economically disadvantaged areas to build wealth and create economic opportunities • Signed a strategic partnership with Tadamon, an online platform that identifies, verifies, and presents isolated humanitarian cases on its platform, making it easy for donors to support those in need
<p>2 Zero Hunger</p>	<ul style="list-style-type: none"> • Launched a CSR campaign in partnership with the Jordanian Food Bank and Careem Jordan during Ramadan to encourage people to donate their excess food to those in need. We were able to collect a total of 6,673 iftar meals • Continued support for Tkiyet Um Ali by distributing food parcels to 588 beneficiaries and 7 families in need
<p>3 Good Health and Well-being</p>	<ul style="list-style-type: none"> • Contributed to raising 120,000 JOD and 132,445 JOD through our strategic sponsorship of the “Save a Life” and “Piggy Bank” initiatives in partnership with the King Hussein Cancer Foundation to spread awareness about cancer and the importance of adopting a healthy lifestyle • Continued supporting the Training Academy of the King Hussein Cancer Foundation, which aims to enhance the knowledge and skills of workers in the field of cancer care and build the capabilities of the workforce in the institution • Continued partnership with the Medical Aid for Palestinians organisation to purchase medical supplies for the health centres in Palestinian refugee camps • Rolled out the “Family Matters” programme, which addresses aspects of health and well-being for employees and their families
<p>4 Decent Education</p>	<ul style="list-style-type: none"> • Granted 25 scholarships to outstanding students in Jordan and Palestine, including sponsoring 9 students from the Al-Aman Fund for the Future of Orphans to continue their higher education and providing them with capacity-building training sessions to better prepare them for their future

SDG	Our contribution
	<ul style="list-style-type: none"> • 1:1 median pay ratio between male and female compensation • 45% of the total workforce is made up of female employees. This rate stands at more than twice the average rate of other Islamic Banks (20.9%) • We relaunched the Shorouq Comeback Programme, helping 37 women resume their professional journey after a career break. This programme aims to support their reintegration into the corporate world, bridging learning gaps and unlocking their full potential
	<ul style="list-style-type: none"> • Continued the implementation of Solar PV systems and installation of solar panels across various branches and headquarter buildings • Reduced electricity consumption by 9% in 2022 compared to 2021
	<ul style="list-style-type: none"> • We employ 1,324 individuals, which contributes to strengthening the local economy • We have an Employee NPS Score of 68, which indicates the high quality of employee work experience • 740,000 JOD was invested in the training of employees, marking an increase of 85% compared to 2021 • We partnered with the Jordan Trail Association to adopt a 15.7 KM hiking trail, organising community events to support local tourism and sourcing from over 100 local suppliers
	<ul style="list-style-type: none"> • Partnered with the European Bank for Reconstruction and Development (EBRD) and signed a 10 million USD Green Economy Financing Facility (GEFF) that includes 0.5 million USD of co-financing from the Green Climate Fund (GCF) • 83% of all bank processes were digitised and improved, reducing the need for paper • We expanded our services to Jordanian expats residing in the GCC by allowing them to digitally onboard themselves and benefit from a wide range of financial and non-financial services
	<ul style="list-style-type: none"> • Continued support to the Hussein Society for Intellectual Disabilities by providing 2 school scholarships to students with disabilities, in addition to supporting 38 of their beneficiaries to receive prostheses and orthoses • To spread the joy of sharing and the spirit of giving during the holy month of Ramadan, we organised a series of fun activities and Iftar meals for 360 children from disadvantaged backgrounds • Signed a strategic partnership with Abwab to sponsor the “Equal Access to Learning” initiative. The program aims to deliver online-based education to vulnerable refugees and host young community people who face challenges accessing and/or completing formal schooling • Signed a strategic partnership with Tadamon, an online platform that identifies, verifies, and presents isolated humanitarian cases on its platform, making it easy for donors to support those in need

SDG	Our contribution
	<ul style="list-style-type: none"> • Launched the “I Can” environmental awareness curriculum targeting the youth and mothers to encourage them to adopt environmentally compassionate behaviour addressing the problem of littering and its effects on the environment, ecosystems, society, health, and the economy. As a result of the programme, the participants worked on developing 39 sustainable environmental community-based initiatives
	<ul style="list-style-type: none"> • We evaluated our current and new suppliers against Environmental and Social criteria, which has led to sustainable procurement • 46,590 kgs of paper and 5,423 kgs of e-waste sent for reuse, refurbishing, and recycling
	<ul style="list-style-type: none"> • 7,785,183 kgs reduction in CO2 emissions due to the implementation of Solar PV systems project • 66% of our fleet consists of hybrid vehicles, resulting in a significantly reduced carbon footprint • Conducted frequent campaigns to promote environmental awareness among our employees • We expanded the impact of our environmental initiative, “Plastiqua,” to upcycle around 80,000 plastic cards and turn them into 5,000 art pieces and accessories
	<ul style="list-style-type: none"> • Continued partnership with Naua, one of the Crown Prince Foundation’s initiatives and used their “Nahno” platform to reach out to various local community institutions, provide support, and encourage youth volunteering. Through Naua, we implemented 8 community projects that benefited more than 1,800 beneficiaries across different governorates • Partnership with EBRD to aid the transition to greener banking, which is aligned with the objectives of Paris Agreement • We partnered with UNICEF Jordan to sponsor the Local Conference of Youth (LCOY), which hosted youth climate action advocates from different governorates in Jordan. The conference provided a platform for youth from Jordan to come together to share ideas, resources and potential solutions, to promote meaningful action towards climate change • In partnership with UNICEF Jordan and the Ministry of Youth and the Ministry of Environment, we launched the SAWN Youth Climate Action programme to help protect the planet and reduce the negative impacts of climate change • Strategic partnership with BPWA and Amam ventures to expand the circle of female beneficiaries for access to knowledge, new markets, and finance. • Renewed our commitment to the United Nations Women’s Empowerment Principles (WEPs), demonstrating our dedication and ongoing efforts to create a safe, uplifting, and encouraging workplace. Our efforts have resulted in securing us a higher rank than the average MENA score in gender gap analysis

5. Our governance

We recognise that a strong governance model and corporate integrity are essential to accomplish our goals. We maintain a robust governance model that not only promotes transparency and accountability but also helps us manage risk, guarantee regulatory compliance, and make informed strategic decisions. We also conduct rigorous audits to ensure that our systems always function seamlessly.

In addition, it is important that achieving our business objectives is not the only concern. We must also consider the methods by which we accomplish them. Therefore, our employees are guided by various internal policies, norms, and principles. Our code of ethics is based on the fundamental principles of integrity, respect, and equality, with the aim of promoting responsible business practices at all levels of our business.



5.1 Our board of directors

Our board of directors is critical in providing guidance and oversight of the entire bank’s operations. They are responsible for setting our strategic direction, ensuring that we comply with all relevant laws and regulations and risk is appropriately mitigated. Ultimately, the board is accountable to our shareholders and responsible for ensuring that we continue to operate in a manner that protects the interests of our stakeholders.

Bank al Etihad’s Board of Directors comprises a highly experienced and diverse team of 11 members. With their extensive experience, the board members bring valuable insights and perspectives, enabling us to navigate the ever-evolving financial landscape and make informed decisions that benefit all stakeholders. We strive to ensure that our board nomination process is inclusive and promotes diversity across genders, ethnicities, and cultural backgrounds.



Isam Halim Salfiti
Chairman



Basem Isam Salfiti
Vice Chairman



Mughith Ghiath Sukhtian
Member



Jabra “Raja Yaqoub” Ghandour
Member



Riad Abdul-Mohsen Al-Dajani
Member



Imad Mohammad Abdel-Khaleq
Member



“Mohammed Nabil” Abdel-Hadi Mohammed
Member



Rana Jamil Abbadi
Member



Jalal Anwar Al Ajlouni
Represents the
Social Security Corporation



Moussa Alhassan Atiq Ali
Represents the
Libyan Foreign Investment Company



Mohamed Tbani Ali Lagdel
Represents the
Libyan Foreign Investment Company

While we have plans to establish a formal Board Diversity Policy in the future, in the meantime, we are committed to meeting the targets recommended by the Central Bank of Jordan, which is to have a minimum of 20% women on the board of directors. Currently, our board has a 9% representation of women.

	2020	2021	2022
Percentage of board seats occupied by men	91%	91%	91%
Percentage of board seats occupied by women	9%	9%	9%
Percentage of board seats occupied by independent directors	36%	36%	36%
Executive members of the board of directors	0	0	0
Non-executive members of the board of directors	11	11	11
Independent members of the board of directors	4	4	4
Non-independent members of the board of directors	7	7	7

The board of directors is supported by several committees, each with a defined role and responsibility to ensure the smooth operations of our bank. These committees provide the board with findings and recommendations in their respective areas, enabling them to make more informed decisions.



Audit

The Audit Committee oversees internal and external auditing, accounting issues with significant impact on financial statements, and control systems. It also advises the board in matters of appointment, termination, fees, and independence of external auditors.



Compliance

The Compliance Committee oversees compliance policies and procedures, conducts annual assessments of compliance risks, approves reports prepared by the Compliance Department, and supervises the implementation of the compliance policy. The committee sees that compliance-related issues are resolved efficiently by the bank's executive management with the assistance of the compliance department.



Governance

The Governance Committee supervises the preparation and approval of the Corporate Governance Guide, ensuring its compliance with legal requirements and best practices. They provide a letter to the Central Bank confirming compliance and oversee corrections of any observations by the Internal Audit Department. They also report any violations to the Central Bank.



Credit

The Credit Committee is responsible for ensuring that our credit risk exposure is properly managed by assessing and approving credit facilities in accordance with established policies and procedures. The committee monitors the performance of existing loan portfolios, reviews and approves credit policies and procedures, and provides guidance on credit risk management.



Nomination & remuneration

The Nomination and Remuneration Committee assesses the qualifications of Council nominees, evaluates current members, recommends candidates, and nominates qualified individuals for Senior Executive positions. The committee also sees that Board members attend relevant workshops and seminars related to banking issues, risk management, corporate governance, and the latest developments in the banking business.



IT governance

The IT Governance Committee oversees the management of IT-related risks and opportunities, creating alignment between the IT strategy and business goals, and developing policies and procedures to manage risks. It also monitors the IT department's compliance with laws and regulations and advises the board on significant IT matters.



Risk

The Risk Committee oversees the bank's comprehensive risk management strategy, including policies, frameworks, programmes, and tools to manage all types and levels of risks. It oversees adoption of effective work procedures that enable compliance monitoring, and timely prevention and reporting of any violations.



Management

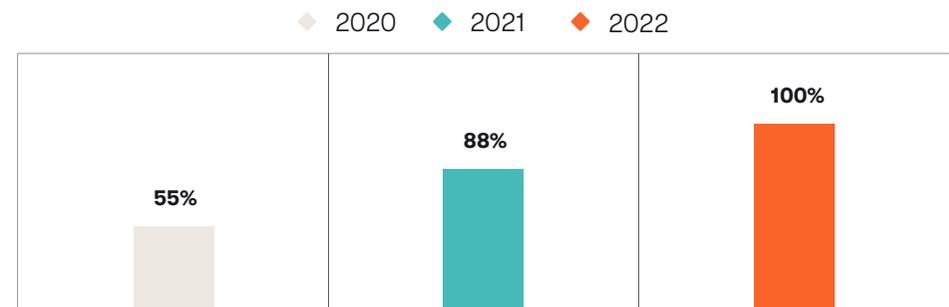
The Management Committee manages various areas of our bank, including investments, expenditures, and overall operations. It evaluates investment opportunities, monitors performance, and ensures expenses align with financial objectives. The committee also oversees management to ensure operations run efficiently and meet strategic objectives.

Our compliance

The compliance department is responsible for ensuring our processes and procedures comply with applicable laws and regulations. This includes maintaining adequate and fully independent staffing, listing and approving the department's main roles, and upholding strict policies to ensure full compliance.

To maintain our high compliance standards, we conduct yearly evaluations and encourage our staff to report any instances of non-compliance anonymously through our grievance hotline. Our employees receive consistent reminders about relevant policies and procedures during compulsory yearly trainings, as well as other training sessions during the year, and through regular communications regarding regulatory modifications.

Percentage of employees trained in compliance



Zero incidents of non-compliance were reported in 2022

Whistleblowing policy

We have a whistleblowing policy that encourages employees to voice concerns early and enables the timely resolution of issues before they cause reputational or financial risks to the organisation. We protect individuals who report information about fraud, corruption, or other misconduct, with good faith and we ensure their anonymity. Our whistleblowing policy undergoes an annual review by the compliance department.

Lastly, the compliance department is a crucial element of our processes and procedures and a key component of the customer experience. We have invested in the customer experience by conducting a thorough root cause analysis of complaints and implementing measures, including education for customers to avoid errors caused by lack of knowledge.

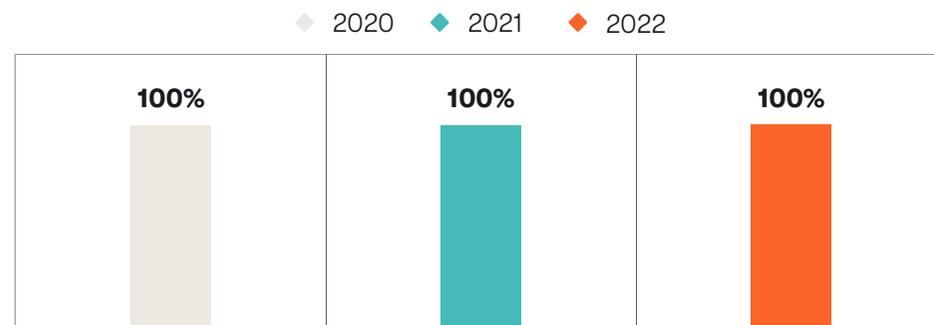


5.2 Our ethics and anti-corruption practices

At Bank al Etihad, maintaining high ethical standards and behaviour is a fundamental value across all levels of the organisation. While the compliance department has a duty to uphold these standards, every employee plays a critical role in ensuring that our institution operates as an ethical and trustworthy entity.

Regular training on anti-corruption practices for all employees are conducted to ensure that the highest standards of ethical behaviour and integrity are maintained in every aspect of our operations.

Percentage of employees trained on anti-corruption policies and procedures



Throughout our organisation and subsidiaries, we are dedicated to preventing and detecting money laundering activities within our products and services. Our organisation has well-documented policies and procedures that adhere to enterprise policy and comply with anti-money laundering and countering the finance of terrorism (AML/CFT) regulations. We have also implemented a financial crime system that strengthens smart compliance and enhances the customer experience.

The following measures have been taken to prevent any kind of corruption:

Keeping records, identifying gaps, and adhering to all regulations, laws, and circulations issued by regulatory bodies on the regulatory compliance management system.

Using World-check as a screening provider and implementing Lloyds as a vessel tracking solution.

Following the best Enhanced Due Diligence (EDD) practices as per the Financial Action Task Force's (FATF) recommendations for customer onboarding/investigation, sanctions screening, correspondent banking, and Ultimate Beneficial Owner verification.

The regulatory technology team conducts weekly productivity analysis of the compliance team monitoring solutions to optimise the productivity of AML/CTF platforms and sanctions screening.

5.3 Our risk and business continuity management

Risk management

The primary function of risk management is to safeguard our customers, business, employees, shareholders, and the overall public interest while facilitating the achievement of our business strategy and promoting sustainable growth. To accomplish this, we have established a robust risk management framework that adheres to world-class standards and is underpinned by our culture and values.

Our risk management framework encompasses identifying and measuring risks using qualitative and quantitative tools, which aim to cover all the risks that could potentially affect our portfolios. The framework consists of policies, guidelines, and monitoring and reporting frameworks that define monitoring responsibilities and frequencies within management and business units. Finally, the department has an escalation process for reporting any breaches outlined in its policies and risk appetite to Executive Management and the Board Risk Committee.

We maintain a proactive perspective on issues that could potentially jeopardise the execution of our strategy or operations over the medium to long term. We constantly identify emerging and heightened risks and incorporate them into the ICAAP to quantify the impact of such risks on internal capital adequacy and other key metrics. This ensures that there are measures in place to mitigate their effects.

Environmental and social risk policy

Our E&S policy is critical to advancing and achieving our E&S goals. This policy enables our employees and management to ensure that clients' business activities are subject to environmental and social assessments, thereby reducing the potential risks and effects of these activities and enabling us to stay true to our environmental and social commitments and goals.

In 2022, our board of directors approved the E&S policy, which serves as the framework for identifying, assessing, and managing environmental and social risks. By establishing this policy, we aim to facilitate responsible decision-making, promote sustainable business practices, enhance transparency, and align our risk management processes with industry best practices.

Our E&S policy is designed to align with the eight principles of the IFC performance standards outlined below:

- PS1 Conducting assessment and management of Environmental and Social Risks and Impacts
- PS2 Upholding Labour and Working Conditions
- PS3 Promoting Resource Efficiency and Pollution Prevention
- PS4 Ensuring Community Safety, Health, and Security
- PS5 Addressing Land Acquisition and Involuntary Settlement
- PS6 Encouraging Biodiversity Conservation
- PS7 Respecting Indigenous People
- PS8 Preserving Cultural Heritage

Our E&S policy extends beyond the risk department and is applicable bank-wide, requiring cross-departmental collaboration. To effectively implement and manage our E&S policy, it is vital that all our employees possess comprehensive knowledge and training about sustainability issues, enabling them to execute the required procedures in their daily operations.

Our E&S policy is specifically applicable to SME and corporate loans and private equity investments. We also have an exclusion list against which all potential credit and investment activities are screened, preventing business activities that potentially negatively impact the environment and society from being approved.

Applications that do not fall under the exclusion list are categorised based on the E&S policy. We have classified such applications into 3 distinct categories, each reflecting varying levels of environmental and social risk. This categorisation helps assess the level of due diligence required for each application and determines the appropriate action to mitigate the risks.

Transactions within the Performance Standards (PS) scope are subject to the Enhanced Environmental and Social Due Diligence (ESDD) process. The ESDD's objective is to identify potential gaps in the client's Environmental and Social Management system that may expose them to risks. Upon conducting the ESDD, a Client Action Plan will be developed, outlining the necessary measures the client must take to address any identified gaps. The client is requested to implement the actions in the plan, which is then incorporated into the credit decision.

Category (A): High risk projects

The client's business activities may give rise to significant or long-term environmental and social impacts. Any lending or investments made to clients under this category are subject to annual reviews, including annual site-visits.

Category (B): Medium risk projects

Clients whose business activities have limited environmental and social risks and impacts, which can be easily prevented or mitigated through feasible technical and financial measures, fall under the medium risk category.

Lending to or investing in such clients is subject to annual credit reviews, where the credit officer reviews the trigger events list to determine whether there has been a significant or material change in the client's E&S risk and updates the system accordingly. If the client's risk is classified as "High" based on new information, the client must complete a self-assessment questionnaire, and the Relationship Manager is required to conduct a site visit and submit a detailed report on the visit.



Category (C): Low risk projects

Clients whose business activities have minor or few environmental and social risks and associated impacts, fall under this classification. Lending or investment activities made to clients under this category do not require further assessment or reviews unless there is a trigger event. In the event of a trigger event, the E&S risk of the client is revisited and re-evaluated, considering the new information.

Throughout the entire duration of the loan, we diligently monitor the client's environmental and social risk profile to confirm that the agreed-upon E&S standards are consistently met.

Climate change risk management

Our Risk Management department has identified stress testing scenarios concerning Climate Change Risk by identifying clients in vulnerable sectors that are exposed to physical and transition risks and the subsequent financial impact on the value of the bank's assets. We also evaluate the potential impact of physical risks on the bank's assets, profitability, liquidity, and capital adequacy through stress testing.

We incorporated a climate change risk assessment in the bank's ICAAP (Pillar II requirements) and quantified the impact on the bank's Pillar II risk weighted assets and internal capital using both quantitative and qualitative models.

Business continuity management

We recognise the critical role of business continuity management in our risk management framework. As part of our commitment to providing uninterrupted services to all customers, even during disasters and crises, we have implemented a comprehensive business continuity plan. To create this plan, we have identified various risks including earthquakes, bomb threats, civil unrest, pandemics, and identity management compromise, among others.

Each risk has been thoroughly assessed concerning the impact it would have on business operations, and a comprehensive plan has been established detailing how we will manage incidents during disasters or other disruptive incidents. This plan outlines how we will mitigate and restore our activities within set timeframes, aiming to minimise damage and maintain customer confidence in our ability to deliver uninterrupted services.

Our business continuity plan encompasses all critical activities within the scope of our information security management system, including our IT infrastructure and business processes and all staff members, both inside and outside the organisation, who have a role in ensuring business continuity and implementing this plan, have received comprehensive training.



5.4 Internal audit

Internal audit provides independent, objective assurance and consulting to add value and enhance our operations. We conduct risk-based audits to test the effectiveness of relevant internal controls and recommend actions to address potential gaps in the internal control environment. As a result, the internal audit department supports the bank in achieving its objectives by evaluating and improving the effectiveness of risk management, control, and governance processes.

The oversight of our auditing strategy and execution is entrusted to the Audit Committee, which comprises 5 board members. Meeting at least twice per quarter, most committee members are independent, and the chairperson does not concurrently serve as the chairperson of any other committee, in line with the Audit Committee Charter and Corporate Governance Instructions.

The Audit Committee approves the internal audit strategic plan, which aligns with our overarching goals. This plan is based on 4 key pillars, each contributing to the protection and enhancement of our operations.



Fast and innovative bank

We have adopted an agile methodology that relies on continuous data analytics to detect exceptions on the transaction level and conduct more frequent risk assessments to swiftly identify risks at the activity level. Quarterly audits are performed at the bank level to assess strategic risks, including cybersecurity, IFRS9-ECL, and AML. We also conduct emerging risk reviews every quarter to keep abreast of industry changes and raise follow-up results to the audit committee and executive management. Once approved on the audit workflow automated system, we promptly communicate the results and corrective actions through internal dashboards.



Cost efficient

We have implemented an automated workflow system, utilising an in-house developed automation solution which has reduced costs associated with relying on the legacy system, such as licenses, maintenance, and development. This workflow will facilitate future integrations with other business models, enabling Internal Audit to capture risks faster through continuous audits and risk reassessments. A dedicated annual operational audit is also conducted to review any non-value-added steps in our processes.



Top destination for digital talent

We have created a diverse, agile, and inclusive culture that encourages teamwork and continuous development. This has laid the foundation for our department to obtain credentials from professional bodies, confirming alignment with international best practices. Additionally, our culture has catalysed a shift in the mindset of Internal Audit staff through specialised training in data analytics, lean banking, disruptive innovations, and cybersecurity. By showcasing these milestones on social networking platforms, we have attracted data and tech-savvy talent who have effectively assisted in introducing and applying visualisation, robotic process automation, and machine learning.



Distinctive customer experience

Our Internal Audit team conducts a dedicated annual operational audit to review Service Level Agreements (SLAs) for both internal and external customers, implementing automated processes where applicable and eliminating non-value-added steps in our processes. We also review customer complaints and provide recommendations as needed. Through these efforts, we can continue to provide an unparalleled customer experience.

Auditing process

Our internal audit department comprises of specialised teams, each with a distinct focus area and set of responsibilities. This structure allows us to conduct thorough and regular reviews of our operations. By allocating specific teams to each area, we can ensure that our audits are comprehensive and effective in identifying potential gaps in internal controls.

Our internal audit department is composed of the following teams

1. Departments and subsidiaries
2. Branches
3. Technology
4. Governance and follow up

To ensure that our audits are consistent, thorough, and comprehensive, we adhere to a well-defined process encompassing several stages. These stages involve planning, data collection, analysis, and reporting. By adhering to this process, internal audit can offer valuable insights and recommendations to management, helping us make informed decisions that enhance the overall effectiveness and efficiency of the organisation.

Preparation

Prepare for new audit missions using a documented “Readiness Checklist,” which includes reviewing regulatory instructions, internal policies and procedures, incident reports, and previous internal/external audit findings, in addition to conducting surveys, interviews, walkthroughs, and opening meetings.

Audit plan

Devise an audit plan/checklist based on the activity’s fraud and non-compliance risks and the associated internal controls defined in the bank’s operational risk system. Implement dual control (Maker-Checker) throughout the audit process in accordance with IIA Standards.

Engagement

Engage with relevant employees, managers, chiefs, and other auditees related to the audit mission. Where needed, seek consultation from external auditors.

Send surveys at the beginning and end of audit missions to determine any breaches or recommendations from audit clients. Additionally, annual audit customer satisfaction surveys are sent to our chiefs.

Audit sample

Choose an audit sample based on a documented sampling policy and archive all working papers on the related system.

Quality assurance

Perform quality assurance by having the checker verify the accuracy and completeness of a sample of working papers.





Report findings

Raise internal audit findings on the automated workflow system to be approved by the checker before they are received by the auditee.

Discuss important audit finding drafts with the CEO to ensure prompt corrective action, if needed, before officially reporting them. Automatically and instantly report high-risk findings to the audit committee and executive management to issue prompt recommendations if needed. Other audit findings are shared with related departments/branches.



Update risk profile

Coordinate with the operational risk department to reflect newly identified risks or amend controls and fraud schemes on the operational risk system during or at the end of the mission.



Follow up on findings

Follow up audit findings automatically on the system, depending on agreed-upon correction dates.



We introduced several innovations in our internal audit methodology to improve audit quality and effectiveness.



Data analytics

Analyse large sets of data to identify patterns, trends, or exceptions that can reveal potential risks and control weaknesses through continuous audits focusing on exceptional reports.



Robotic process automation

Automate routine, repetitive, and time/effort-consuming tasks, which reduces the risk of errors, improves the accuracy and consistency of audit results, and allows auditors to allocate this reduced time on other audit tasks.



Artificial intelligence and machine learning

Detect red flags by identifying unusual patterns of transactions or behaviour that may indicate fraud or misconduct.



Automated workflow system

Manage the implementation of audit tasks in a way that helps implement compliance with IIA internal audit standards and automate the follow-up process.

We are pleased to report that following an external assessment by PricewaterhouseCoopers (PwC). The internal audit department achieved the highest rating possible for compliance with the Chartered Institute of Internal Auditors (IIA) standards.

5.5 Data privacy and cybersecurity

We recognise data privacy and cybersecurity as crucial material risks for our industry; hence, protecting our clients' personal and financial information against sensitive data leakage and unauthorised access is of utmost importance to us.

As a result, we maintain a comprehensive cybersecurity framework that covers several components, including governance, risk management, access control, incident response, monitoring and detection, and continuous improvement. Additionally, we constantly invest in our cybersecurity programme throughout the year, conducting multiple scenarios, assessments, and simulations to test its resiliency. We also conduct penetration testing and vulnerability assessment regularly throughout the year.

In 2022, we took significant steps to enhance our information security and management systems. This included the implementation of file integrity monitoring, which allows us to detect and prevent unauthorised changes to critical files and systems. We also introduced data leakage prevention mechanisms to safeguard our clients' sensitive data from being compromised or leaked outside the organisation.

In addition, we have taken a proactive approach to data classification by manually setting criteria for deployment in 2023. This will help us identify and classify various data types based on their sensitivity, ensuring proper protective measures are in place.

As a leading Jordanian bank, we recognise the importance of collaboration and information sharing in addressing cybersecurity threats. Therefore, we were the first bank in Jordan to collaborate with the Central Bank of Jordan in automating threat information sharing. This collaboration has significantly improved our ability to promptly detect and respond to cybersecurity threats.

Our cybersecurity policy

We have established a cybersecurity policy outlining guidelines and procedures to ensure confidentiality, integrity, and availability of our information and assets. It provides measures to protect our networks, computer systems, and sensitive information from unauthorised access, theft, or damage.

The policy is reviewed and updated annually to cover any changes and requirements. All our policies are based on industry best practices and comply with the cybersecurity framework recommended by the Central Bank of Jordan.



Enhancing employee competence in data security

To safeguard the privacy and security of sensitive information, we have implemented rigorous measures targeting employees who have access to such information.

These measures include training programmes, password policies, bring-your-own-device guidelines, and employee identification procedures. Our security measures are supported by a range of high-level tools and technologies designed to mitigate security risks.

In 2022, we conducted our annual cybersecurity training for employees, which achieved approximately 78% participation. The training addressed

important topics like phishing, cybersecurity standards, and regulations such as ISO and GDPR.

2022

marked the fourth consecutive year with zero reported incidents of data security breaches.

We are pleased to report that our efforts in information security management have been recognised with an award for the best bank in information security management by Global Finance Magazine. This accolade is a testament to our commitment to safeguarding our clients' information and maintaining their trust.



6. Our shared values



6.1 Our financial performance

We are pleased to announce that our financial results for the fiscal year 2022 show another year of success and continued growth. This success enables us to continue providing value and contributing to the prosperity of the people and economy of Jordan.

Below, we present an overview of the financial performance of Bank al Etihad and our subsidiaries. For a more detailed analysis of our financial performance, please refer to our 2022 Annual Report.

	2022 (JOD)	Growth from 2021	CAGR (3Yr)	CAGR (5Yr)
Net income	43,800,423	5.7%	4.8%	4.7%
Total assets	6,690,890,953	6.8%	13.5%	13.2%
Customer deposits	5,186,344,444	5.6%	13.2%	14%
Profit before tax	71,734,432	10.1%	5.4%	6.6%

Company Name	Ownership of the Bank (%)	31-Dec-22		Nature of Operations	Date of Acquisition	Location	For the year ended December 31, 2022			
		Paid-up Capital (JOD)	Investment Amount (JOD)				Total Assets	Total Liabilities	Total Revenues	Total Expenses
Al-Etihad for Financial Brokerage	100	5,000,000	5,000,000	Financial Broker	2006	Jordan	10,689,988	904,385	804,347	(385,498)
Al-Etihad for Financial Leasing Company L.L.C	100	12,000,000	12,000,000	Financial Leasing	2015	Jordan	46,654,874	31,361,155	3,177,359	(2,106,604)
Al-Etihad Islamic Investment Company L.L.C®	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan	114,583,584	33,732	3,742,215	(10,359)
Al-Etihad for Financial Technology Company	100	100,000	100,000	Manufacturing, programing development and supplying programs	2019	Jordan	934,139	966,136	2,540,316	(2,658,214)
Total		130,139,028	82,662,636							

6.2 Our customer experience

At Bank al Etihad, our promise is to empower people to shape their future for the better. We deliver on this promise by building trust with our customers through an unparalleled customer experience, products, and the expertise of our employees.

Exceptional customer experience is deeply rooted in our vision as a financial service provider; hence, we are continuously expanding and exploring new ways to engage with our customers and improve their experiences. To ensure world class service, we follow the Customer Experience Professionals Association (CXPA) six-pillar framework to shape and guide our approach to designing and delivering customer experiences:



To be more customer-centric, we frequently conduct internal cultural programmes to nurture a collaborative work environment by sharing the key performance indicators across various teams and executives to better align with our customer focused vision and mission. Additionally, we provide intensive training to our customer-facing employees to facilitate an impeccable customer experience. All our customer-facing employees undergo annual training programmes on multiple topics, including:

- Service standards
- Product knowledge
- Systems and tools usage
- Dealing with customers with disabilities

- Emotional intelligence
- Leadership

Furthermore, as part of our efforts to prioritise customer satisfaction, we have established a dedicated customer-centric team within our organisational structure. This team is responsible for:

- Building customer centricity
- Customer experience management process
- Culture programmes
- Aligning short-term and long-term KPIs and incentives to help us fulfil our promise to our customers

As a testament to our efforts, we have grown our customer base by

19% in 2022

Listening to our customers

It is important that our customers are aware of their rights and obligations during their engagement with us, and that our employees are always working in their best interest. To facilitate this, we have established the following elements to build a robust governance infrastructure to manage our customer experience and day-to-day operations.





Customer code

Establishes our values in dealing with customers, from understanding their needs to solving their problems. It provides guidance on how we present ourselves to customers and how to nurture our relationship with them through communication, earning and maintaining their trust, and simplifying their financial management so they can bank on their terms.



Service standard guidelines

Establishes how employees interact with customers in meticulous detail. It sets our communication standards across all channels, employee appearance and behaviour, premises appearance and servicing guidelines.



Code of ethics and culture code

Establishes principles on how employees work together and the expected behaviours and values to abide by, which is reflected in how employees service customers.

Being close to our customers is imperative for our business’s success and continuity. We believe that the closer we are to them, the better we can cater to their needs and meet their expectations. We assess the quality of our customer experience through interaction channels or product usage. Our teams consistently follow up with customers to ensure their problems are solved in a timely manner. All our efforts resulted in improved customer experiences as measured by the CX Index. the CX index improved to 75.6% from 72.5% in the previous year.

The improvement is also reflected in our low complaint rate, where only 0.14% of our customer base filed complaints in 2022.

We encourage our customers to voice their complaints by informing them how to use our grievance process. We do so by implementing the following actions:

Grievance policy is available and easily accessible on our website

A complaint box is displayed in each branch

The branch and call centre employees guide the customers when requesting information

Sending notifications via Voice of Customers surveys

Receive complaints via email at info@bankaletihad.com

	2020	2021	2022
Number of customer complaints received	790	524	588
Number of customer complaints solved	100%	100%	100%
Number of customer complaints escalated to top management	11	9	6

Our customer experience metrics

Since 2021, we started using the Customer Experience Index to measure the experiences our customers are having across channels, products, and journeys. This index includes multiple measurements such as the Net Promoter Score (NPS), Customer Satisfaction (CSAT), First Contact Resolution (FCR), Customer Effort (CES) and Service Standards Adherence (Mystery Shopping Score) to generate a high-level index, namely the Customer Experience Index. This aggregated index allows us to look at our customers' experience from different angles and have a more holistic understanding of their experience.

For all the customer feedback gathered, we make sure to close the small loop and the big loop. Through the small loop, the bank immediately follows up (within 24 hours) with the dissatisfied customers, making sure that their issues or frictions are resolved. Meanwhile, through the big loop, the feedback is analysed collectively through AI text analytic tools to be able to identify the root causes of customers' problems and provide solutions.

Metric	2020	2021	2022
Customer Experience Index	-	72.5%	75.6%
Net Promoter Score (from -100 to 100)	43.1	53.8	55
Employee Experience Metric (eNPS)	49	53	68



6.3 Digitalisation and innovation

At Bank al Etihad, we consider digitalisation a crucial element of our strategy and believe that the integration of innovative technologies and digital solutions is essential to meet the dynamic needs of our customers and maintain a competitive edge in the market. As a result, we are continuously enhancing our digital capabilities and investing in new technologies to improve our services and offerings.

Building on our achievements from 2021, this year, we focused on improving our banking experience and streamlining processes by implementing the following initiatives:



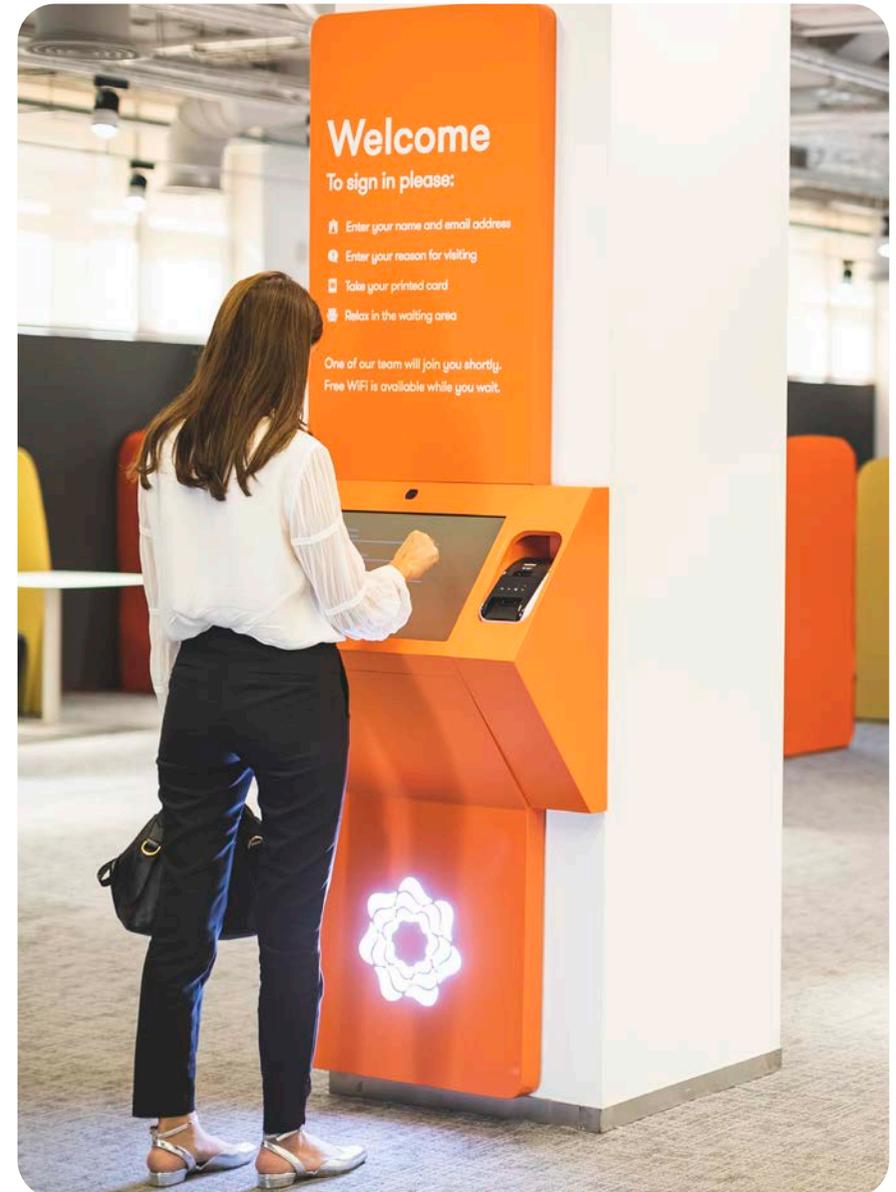
Enhancing lending experience

We focused on providing personalised and efficient services to enhance the lending experience. We leveraged technology to provide a more efficient banking experience by automating all loans and credit cards on the Business Process Management platform, offering instant credit scoring and faster processing times. We also introduced an in-app card replacement feature to simplify the process of getting a new debit card.



Expanding services to Jordanian expats

We expanded our services to Jordanian expats residing in the GCC by allowing them to digitally onboard themselves and benefit from a wide range of financial and non-financial services. By offering digital onboarding, we aim to provide a streamlined and convenient process for expats to open accounts from anywhere in the GCC area. This translates to improved accessibility and convenience for expat customers, as they no longer need to physically visit a branch to complete the process. Moreover, this provides significant benefits to customers, including increased convenience, faster processing times, and improved accessibility.





Reducing environmental impact and maximising operational value

We are committed to reducing our environmental impact through digitalised processes. We are actively working on automating all workflows and end-to-end processes, eliminating the use of paperwork in our operations. With 83% of processes now digitised, we estimate that our efforts have led to a significant reduction in paper consumption. Furthermore, the automation of services has led to significant operational benefits, including reduced turnaround time, elimination of re-work, and increased security through automatic validations. All of this has positively reflected our operational accuracy and customer experience.



Inclusive banking experience

We provide an inclusive banking experience to all customers, especially those with disabilities. Our mobile app and ATMs have been designed with accessibility in mind and are equipped with features to support people with disabilities. Our mobile app includes voice-over technology, font adjustments, and high-contrast options, making it easier for customers with visual impairments to use. Additionally, our ATMs are designed to be accessible for wheelchair users and support voice commands, providing a more accessible and convenient experience for customers who may have difficulty using traditional ATM interfaces. We are continuously exploring new ways to improve accessibility and ensure that all customers enjoy a seamless banking experience.

Employee training on emerging trends

Given that digitalisation is fundamental to our business, it's imperative that our workforce is knowledgeable about the latest technologies in our sector. We offer extensive instruction and certifications concerning all aspects of fintech, including but not limited to ISO 27001 and cybersecurity, to staff in roles that require it. Also, we ensure that all employees, irrespective of their position, receive periodic training sessions and informative resources on various topics, such as privacy awareness and data accumulation.

59%

of all our new accounts in 2022 were opened digitally through our app.

83%

of all processes have now been digitised.



6.4 Empowering SMEs and entrepreneurs

Small and medium-sized enterprises (SMEs) including startups are an essential component of any economy, as they contribute significantly to job creation, innovation, and economic growth. Jordan is also one of Middle East's fastest growing startup environments. Particularly for Jordan's economy, SMEs contribute 50% to GDP, provide 60% of formal jobs and represent roughly 95% of all registered companies. Despite their significance, SMEs often struggle to access the capital needed to grow and expand their operations.

In response to the growing need for capital, we have taken significant steps to provide a wide range of financial and non-financial services to SMEs and entrepreneurs.

A strategic approach to empowering SMEs

We prioritise the empowerment of entrepreneurs and SMEs as a driving force for local economic growth and stability. We strongly believe that empowering them is a win for us and the wider economy. Supporting SMEs fosters robust customer relationships, diversifies our loan portfolio, stimulates economic growth and development, bolsters reputation, and ensures compliance with regulatory standards.



Customer loyalty and retention

Empowering SMEs helps us to build strong customer relationships, which leads to greater customer loyalty and retention.

SMEs will likely stay with a bank that has supported them through their growth journey and provided them with the necessary funding.



Diversification of the loan portfolio

Empowering SMEs helps to diversify our loan portfolios.

SME loans can offer higher returns and lower risks, making them an attractive proposition.



Economic growth

SMEs are key drivers of economic growth and development, and banks that empower them can play a vital role in supporting local economies. As SMEs grow and expand, they create jobs, boost productivity and contribute to the overall prosperity of the region.



Reputation building

Empowering SMEs helps to build a reputation and enhance our brand image. By supporting SMEs, we positioned ourselves as a socially responsible and customer-focused institution committed to supporting local businesses.



National Economic Modernisation Vision achievement

We make sure that our strategy is aligned with the government's policies and initiatives aimed at promoting SME development by being part of every initiative supported by the Central Bank of Jordan, such as Inhad, Covid-19 loans, sector specific financing to agriculture, manufacturing, transport, exporting activities, vocational education, renewable energy, tourism, health, and tech.

Attracting, empowering, and retaining SMEs

To attract local entrepreneurs and SMEs, we have various strategic partnerships that emphasise our commitment to supporting small businesses. We also offer specialised financial products and services tailored to the unique needs of SMEs.

We provide financial education and training programmes to help them understand financial management, credit, and business planning. We also offer mentoring and networking opportunities to connect SMEs with other businesses in their industry. SMEs that receive financial education and training are better equipped to make informed financial decisions, manage their cash flow effectively, and access funding options that can help them grow their business. This, in turn, can lead to increased profitability and sustainability for SMEs, and contribute to overall economic growth.

To retain local SMEs as clients, we focus on building long-term relationships by offering personalised service and support. This includes providing proactive financial advice, ongoing communication through relationship managers, and a very responsive customer service team through all our branches. We leverage technology to provide SMEs with convenient access to their financial services and enable them to manage their finances online through our recently launched Business Banking platform.

We are SME-centric

We always consider the needs of our SME clients, which is why we put them at the centre of our product design and development process. Here are some ways how:



Market research

We conduct market research to understand the specific needs, challenges, and opportunities of SMEs. This includes surveys, focus groups, interviews with SME clients, and analysis of industry trends and market data.



Feedback

We continuously gather feedback from SME clients and their relationship managers on their existing products and services to identify areas for improvement or new product opportunities.



Prototype testing

We usually test products first before launching them to SME clients to gather feedback on the user experience, functionality, and process. This helps identify any issues or areas for improvement before the product is launched.



Ongoing engagement

We maintain ongoing engagement with SME clients to ensure that our products and services continue to meet their evolving needs through our relationship managers and branches.

Overall, engaging with SME clients in the product design and development process is essential for us to develop products and services that are tailored to their specific needs. By adopting a customer-centric approach, we ensure that our products and services are relevant, competitive, and meet the evolving needs of SMEs.

We incentivise entrepreneurs and SMEs to integrate ESG

We recognise the importance of sustainability in business and are committed to supporting our SME clients in adopting environmentally and socially responsible practices.

We offer products that incentivise our SME clients to be more environmentally and socially conscious. For instance, we have introduced the “Green Future Loan” that offers competitive interest rates and 10-15% cashback on loan amounts to businesses that adopt sustainable practices, such as using energy-efficient equipment, reducing waste, and minimising carbon emissions through the EBRD Green Economy Financing Facility (GEFF) signed by the bank in 2022.

Leveraging the European Bank for Reconstruction and Development’s (EBRD’s) Green Economy Financing Facility (GEFF) package, consultants provide our clients with expert advice and resources on implementing sustainable practices in their operations. This includes guidance on how to measure and reduce their environmental impact.

Rewarding innovative and resilient entrepreneurs

We go the extra mile to engage and empower entrepreneurs in Jordan through our SME awards initiative. Launched in 2014 with the aim of expanding SME support and partnership networks, our annual award initially consisted of the following categories: The Best Startup, The Best SME, and The Best Businesswoman of the Year Award. We evaluated applicants based on their impact on society and the environment, as well as their financial strength, creativity, and business sustainability. Between the first edition in 2014 and the sixth edition in 2019, we awarded 18 prizes, 50% of which were won by women-owned businesses.

The pandemic proved to be exceptionally tough for SMEs. Some

businesses struggled but managed to keep going, while others were forced to shut down permanently. However, we are thrilled to say that after redesigning our awards to meet the needs of the times and taking a 2-year hiatus from our annual SME awards, we came back stronger than ever in 2022.

In 2022, our award programme consisted of a single category, resilience. We received more than 162 applications from SMEs that showcased this value and an ability to adapt quickly to change. A committee of judges shortlisted five finalists who took part in a live pitch where they presented to a panel of judges from within the ecosystem. We are proud to see so many Jordanian entrepreneurs working towards improving our economy with innovative ideas.




 KONN

Basma Uraiqtat from Konn Homes was the winner, who showed true resilience by completely shifting their business model. Amidst a global pandemic, Basma and her partner transformed Uraiqtat Architects into a new, technologically driven business that allows customers to design sustainable homes through Konn Homes' online platform and order them within weeks.



6.5 Responsible banking

Responsible products and services

We recognise how ESG issues are becoming increasingly imperative to our clients, stakeholders, and the broader community. Hence, we take our responsibility seriously as an ethical bank by considering these factors in our lending decisions, which is why we partnered with CRIF ITS.

Under this partnership, our clients obtain a measure of sustainability (ESG score) through Synesgy, a digital platform that scores companies based on environmental, social, and governance (ESG) criteria. Furthermore, we aspire to provide unique benefits to clients who demonstrate strong ESG performance.

Sustainable finance

As a financial institution, we recognise that our impact lies where we invest our money. Granted, we are still at the beginning of our sustainability journey, but we strive to always make impactful business decisions to improve our sustainability performance.

While we continue working on our sustainable finance framework; in the interim however, environmental metrics are factored into our lending process. We also focus on social and economic metrics by using Central Bank of Jordan's lending programmes related to employment generation and startup financing extended to SMEs.

Additionally, we have implemented support measures to assist these customers, such as extending payment periods and exempting facility fees, as a way of providing support.

Target audience:

- Affected SMEs from the Covid-19 pandemic
- Women-owned businesses
- Youth SMEs

*Further details on which metrics we consider under each practice are provided in "Table A" in the annex of this report.

The total amount booked from 2016 to 2022
in green energy related-projects is

32,128,001 JOD

The Green Economy Financing Facility (GEFF) partnership

Alongside EBRD, we signed a 10 million USD Green Economy Financing Facility (GEFF), which includes 0.5 million USD co-financing from Green Climate Fund (GCF) as a grant for investment incentive provided by the European Union (EU), as well as technical assistance support provided by multiple donors.

The facility will be on-lend to local private MSMEs in Jordan for climate adaptation and mitigation technologies and services.

This partnership marks the first Green Economy Financing Facility (GEFF) with a Jordanian bank. Investments will bolster an environmentally sustainable, low-carbon, and climate-resilient economy in Jordan, which suffers from water scarcity and is among the countries with the highest annual growth rate for energy demand whilst entirely depending on energy imports. The financing will support individuals, local MSMEs and technology suppliers with sub-loans to finance investments in climate change mitigation technologies and services.

The objectives of GEFF are to provide affordable and accessible financing for projects. To promote energy efficiency and renewable energy, GEFF aims to encourage the adoption of low-carbon technologies, which can help reduce greenhouse gas emissions and mitigate climate change. By providing financing for these projects, GEFF can accelerate their adoption and promote the development of a green economy.



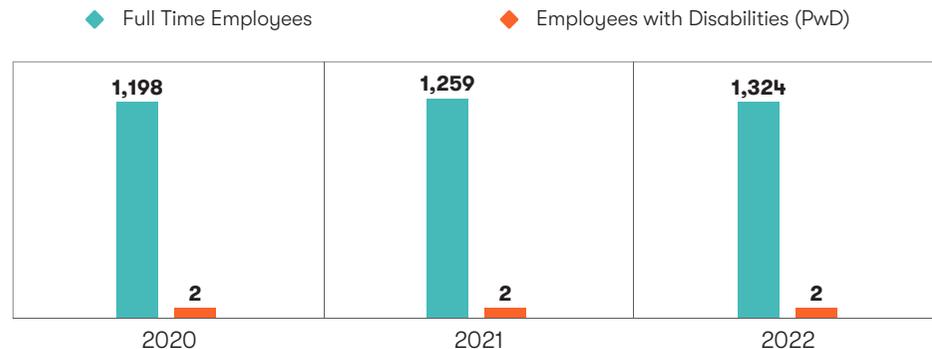
7. Our people



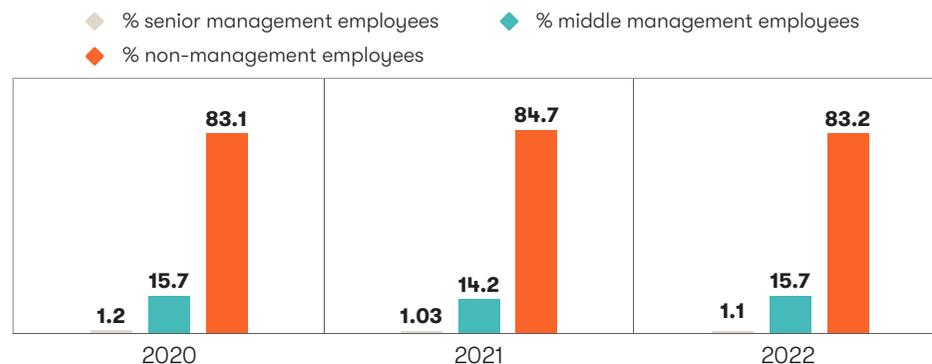
7.1 Our approach to people management

Our purpose is to empower people to lead fulfilled lives, and we strive to bring this purpose to everything we do for our employees, customers, and communities. Founded on family values, we focus on nurturing the principles of humility and interconnectivity among our employees. We are committed to female empowerment and inclusion and to developing meaningful work opportunities for our communities. Our talent attraction and retention model gives access to the best talent in the market, ensuring the continuity of world-class quality banking.

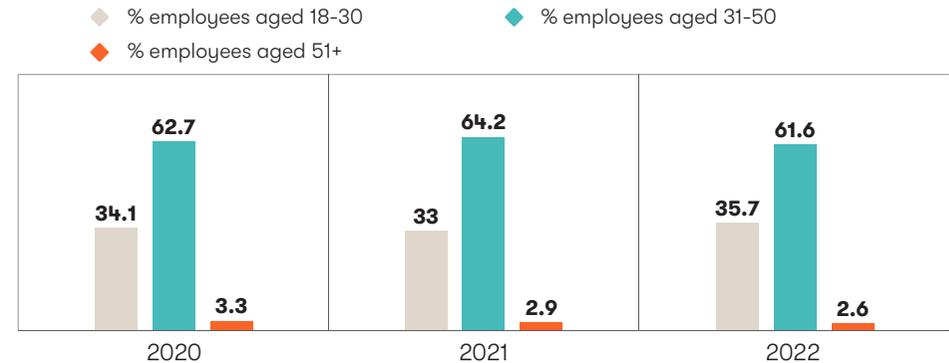
Workforce profile



Workforce by job category



Workforce by age breakdown



Our code of conduct and human rights

Our approach to people management is underpinned by our comprehensive code of conduct which is built upon our core values of integrity, respect, and equality. The code outlines principles, rules, and expected behaviours from all employees. We are committed to creating equal opportunities for all and have robust mechanisms in place to prevent any kind of discrimination, such as Internal Equal Opportunity and an Anti-harassment Policy. Furthermore, we have an internal mobility policy designed to provide equal opportunity, in addition to external hiring policy that encourages external candidates to apply and promotes dignity and fairness in the process.

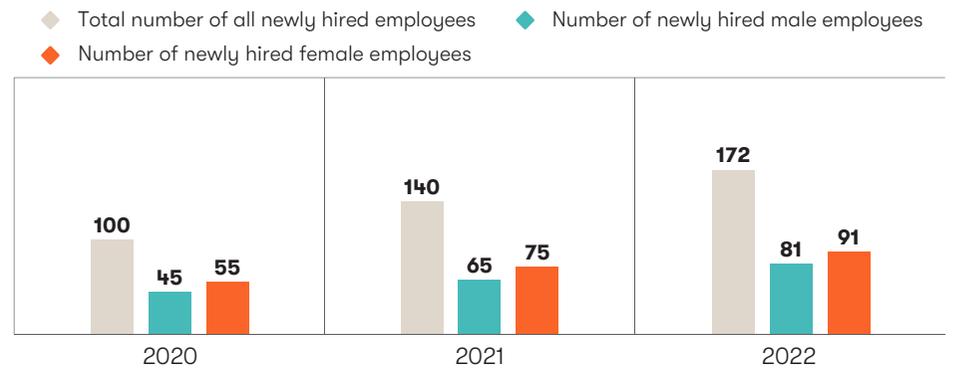
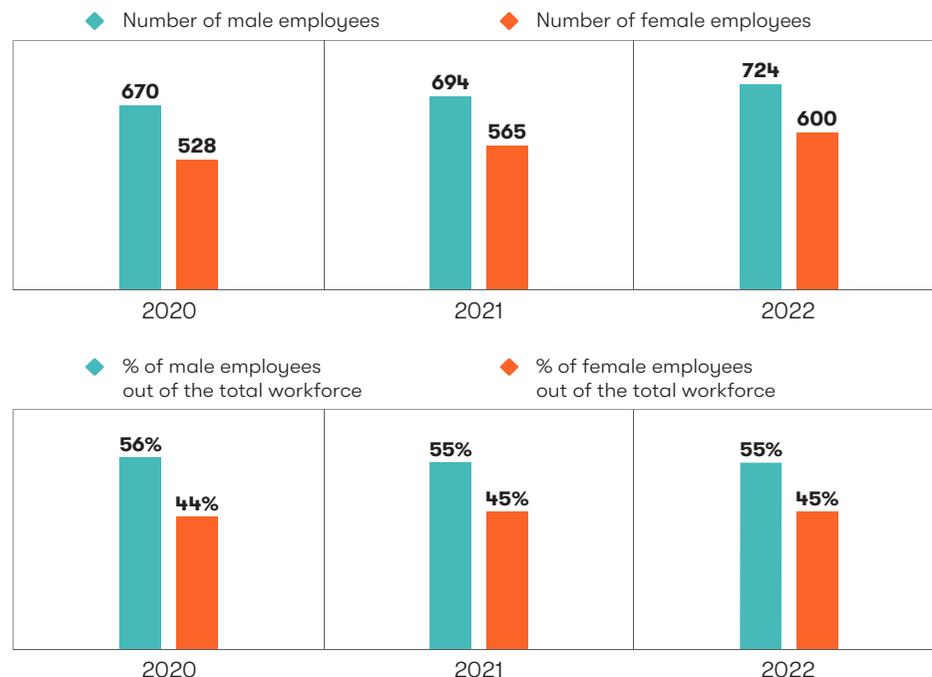
Respecting human rights is fundamental to us. We are fully committed to protecting the human rights of our employees, customers, and the communities in which we operate. We adhere to strict regulations and measures to prevent any kind of abuse, harassment, or discrimination.

7.2 Diversity, inclusion, and female empowerment

We consider diversity and inclusion as key to building resiliency and creativity in our business. Creating an inclusive work environment helps to drive innovation, increase job satisfaction and improve customer experience. Furthermore, diversity and inclusion are more than simple business metrics for us. We make a conscious effort to build a workforce that is fair and respectful to every individual regardless of age, gender, ethnicity, religion, or disability, and we firmly believe that doing so will provide a diverse perspective and competitive advantage, enhancing decision-making and the overall performance of the workplace.

We are proud of our diversity and inclusion activities, and our success is visible through our inclusion rate, which is one of the highest in Jordan's entire banking sector at 45%. However, we aim to increase the number of females in leadership positions to 35% by the end of 2024.

Gender breakdown – all full-time employees



Accessibility training

To be a fully inclusive bank, we designed and implemented a training series named “Accessibility Training” to help our employees be more conscious in their interactions with people with disabilities. Through this training, we have conducted an awareness session for all new joiners since 2020 and front liners working in branches. In 2020, we trained 78 employees. In 2021, we trained 131 employees, and in 2022, we trained 223 employees. The topics covered include how to interact with people with disabilities, raise awareness and provide valuable tips for effective communication.

Female empowerment

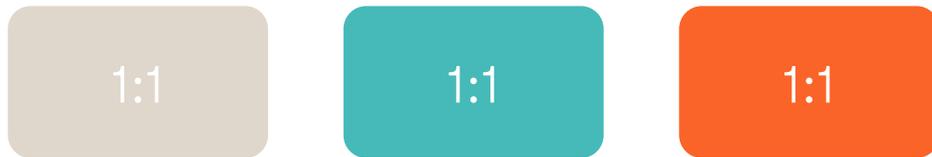
At Bank al Etihad, we are committed to promoting gender equality in the workplace, marketplace, and community through external and internal recruitment policies and providing equal learning opportunities. Going above and beyond gender equality, we strategically focus on female leadership empowerment. We believe in financial freedom and security for all and have curated a suite of tools and initiatives to empower women to achieve their business ambitions.

We provide **equal pay** to our male and female employees.

Pay ratio

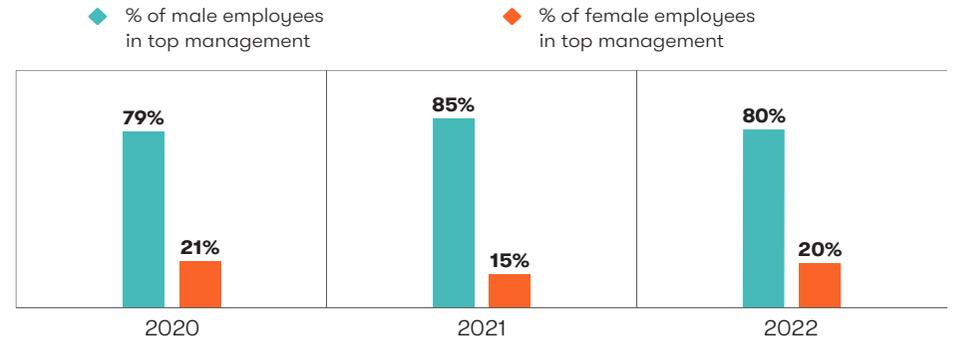
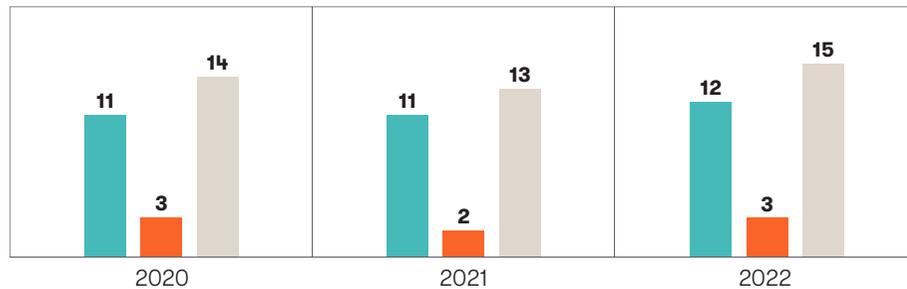
Median male compensation to median female compensation

◆ 2020 ◆ 2021 ◆ 2022



Top management* by gender

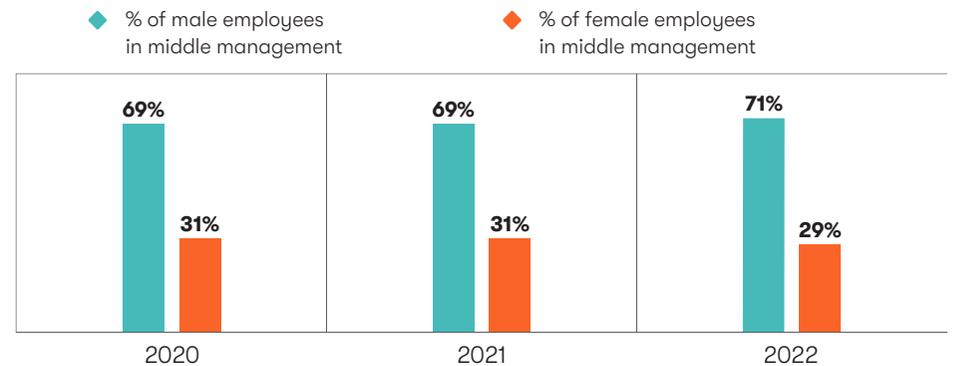
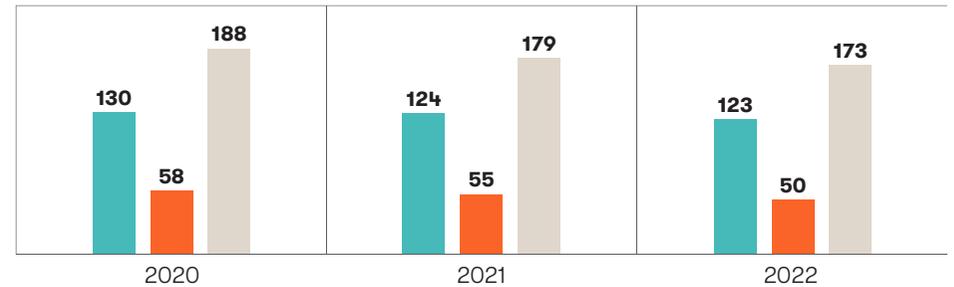
◆ Number of male employees in top management ◆ Number of female employees in top management
 ◆ Total number for all employees in top management



*Top Management includes Chief level positions, CEO, and Chairman.

Middle management* by gender

◆ Number of male employees in middle management ◆ Number of female employees in middle management
 ◆ Total number for all employees in middle management



*Middle management includes senior directors, directors, and senior managers.

7.3 People’s development

Inspired by our core values of “Always learning” and “We’re here to empower,” our approach to learning and development goes beyond increasing performance as we ensure that our programmes cater to the professional and career development needs of our employees.

In a dynamic and constantly changing industry with increased volatility due to the evolving external context, talent and capacity are crucial for business success and resiliency. During 2020 and 2021, we focused on gathering information about the training needs of employees to incorporate them into their career development plans. Building on this, in 2022, we established a competency framework model which outlines the career development journey of each employee based on 3 pillars: Knowledge, Delivery, and Culture. Furthermore, we placed a higher focus on people development by increasing our investment in L&D by 85% in 2022. As such, we increased our average training hours by 52.5% for all employees and 35% for top management.



Knowledge

This pillar aims to assess and determine the level of knowledge of each employee, as it varies from department to department.



Delivery

This pillar aims to assess the performance and delivery of each employee against the set goals, where it varies from department to department.



Culture

This pillar aims to assess people, adaptability, culture, and value skills. It is a 360 review that includes: self-reflection, peer upward feedback, and manager review. It is the same across all departments.

Our career development model

Increased investment in people’s development by 85% in 2022, amounting to

740,000 JOD

E-learning

To stay up to date with the latest advancements in online learning and personal development, we have provided our employees with an E-learning platform. This platform is highly flexible and enables us to deliver a wide range of topics to our employees in a convenient and personal manner. Our employees can easily access the platform and learn at their own pace and according to their specific needs.

	Courses and training completed by employees	Employees completed voluntary e-learning assets	Training programmes overall were attended by all employees
2021	8,287	7,460	8,287
2022	11,604	7,406	11,604

We increased our average employee training hours by **52.5%** in 2022 compared to 2021.

Our talent development programmes

Aspire programme

This programme aims to provide our employees with skills that enable them to grow and develop into an indispensable part of the whole. Aspire is designed for our young, energetic employees as it contains a lot of social and life skills that are important for their career. In addition to social responsibility activities, this is one of the most important parts of this programme.

Participating employees



Managing at Etihad programme

This programme is dedicated to managers and aims to provide them with skills that enable them to grow and develop into an indispensable part of the whole. This programme contains a lot of social and life skills that are important for their career. In addition to social responsibility activities, this is one of the most important aspects of the programme.

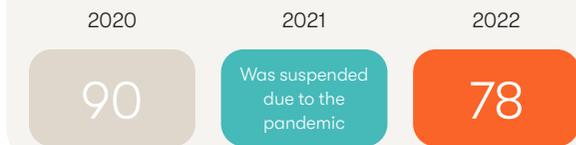
Participating employees



Family matters

This programme aims to spread awareness on the importance of mental health. It addresses aspects of health and well-being for both our employees and their families, including topics related to relationships, pregnancy, raising children, and caring for elderly parents. The topics are selected based on employee needs and interests.

Participating employees



Leadership programme for branch managers

This programme enhances the leadership skills of our branch managers. Under this programme, we worked on the managers' public speaking skills and with their teams, they developed an innovative project that improves their day-to-day work.

Participating employees



Culture programme

This programme aims to strengthen our corporate culture. It includes awareness and brainstorming sessions on our values and culture code. We also conducted a culture tour in which we engaged with all our employees, organised a coffee talk with our CEO, included online training on our E-Learning platform, and launched the Culture Ambassadors' Academy.

Participating employees



Train the trainer programme

The programme aims to attract and engage young professionals, introduce them to the professional world, and help them develop skills to make them attractive candidates in the employment market.

Participating employees

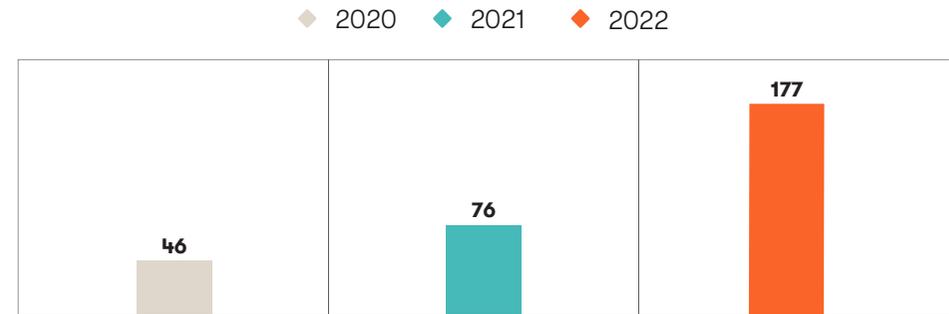


ESG training

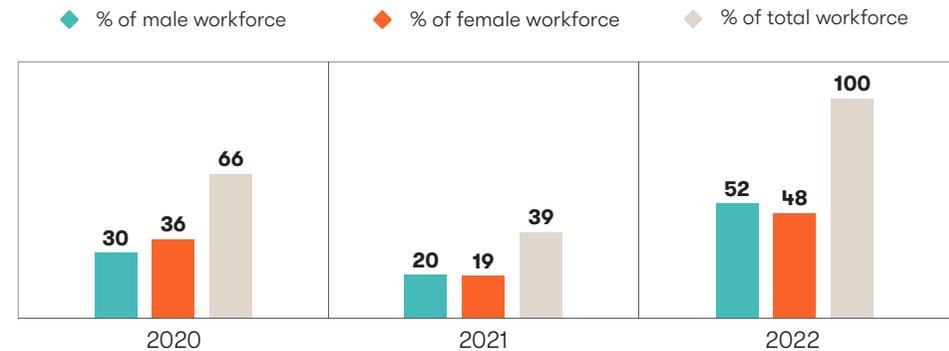
As we move forward in our sustainability journey, we realise that one crucial aspect of our success is acquiring knowledge to help navigate the ever-changing sustainability integration journey. Our focus on ESG and sustainability training started in 2021, where we kicked off with training for the SME and Risk Management team on Environmental and Social Risk Analysis. Moving forward, the topics of our training will be selected based on our sustainability ambitions and needs.

Year	Departments	Participants	Training	Topics discussed
2021	<ul style="list-style-type: none"> SME Risk Management 	2	1	<ul style="list-style-type: none"> Environmental and Social Risk Analysis
2022	<ul style="list-style-type: none"> Risk Management Internal Audit Corporate Communications & Marketing Treasury SMEs Credit 	8	7	<ul style="list-style-type: none"> Sustainability and ESG Sustainability priorities driving global change in internal audit functions ESG and DEI Cambridge Business Sustainability IFC Executive Training opportunity-green and social sustainability bond Corporate sustainability

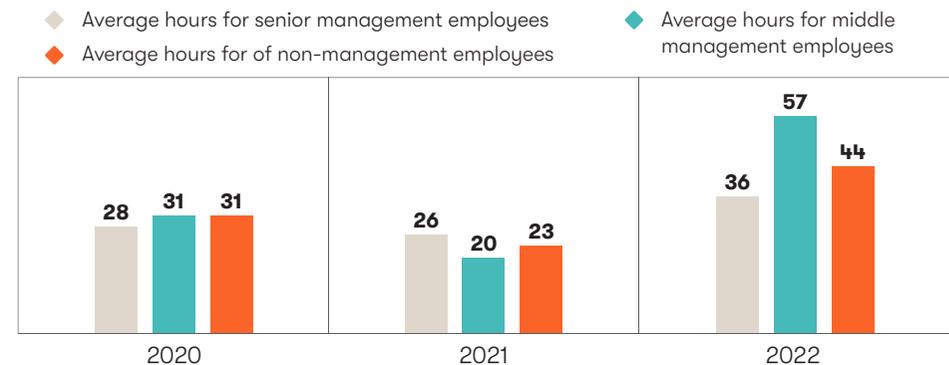
Number of trainees and sponsored students



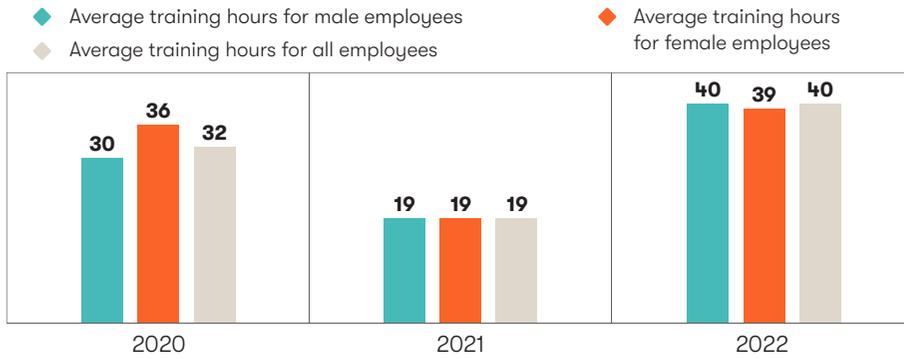
Employees receiving training



Average training hours by job category

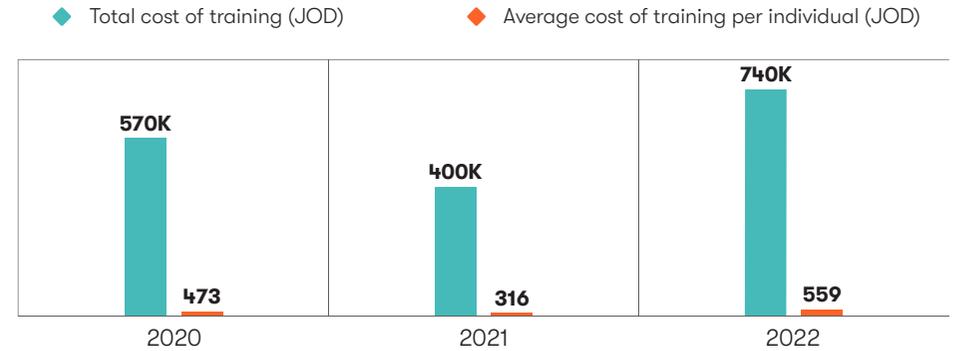


Average training hours- by gender*

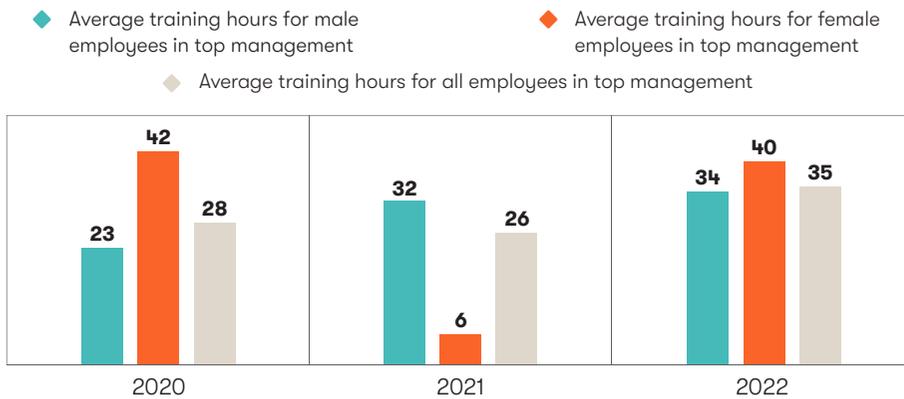


* The table includes training programmes data only

Investment in training



Average training hours - top management



7.4 People's retention and well-being

One of the main lessons we learned from the Covid-19 pandemic is the importance of protecting our employees' mental, physical, and financial well-being. Humanity is at the core of our values, and in line with this, we aim to provide work opportunities where employees feel protected, appreciated, and satisfied. Our commitment is demonstrated through the different initiatives that are highlighted in this section.

Our employee well-being initiatives

Initiative	Initiative description	Number of employees benefitted		
		2020	2021	2022
 Family Matters programme	This programme addresses aspects of health and well-being for both our employees and their families.	90	Suspended due to the pandemic	78
 Work from home flexibility	We integrated WFH as part of our people management model and increased our parental support initiatives to better facilitate a work/life balance for our staff.	All employees except front liners and those who are customer-facing.	All employees except front liners and those who are customer facing.	All employees except front liners and those who are customer facing.
 Edutainment calendar/ employee activities	We organised activities throughout the year related to employees' health, such as: <ul style="list-style-type: none"> • Healthy week • Free doctor consultation day and social activities • Mindfulness sessions • Marathons in the Dead Sea and Aqaba • World No Tobacco Day campaign (quit to win) • Biggest Loser competition • Blood donation • Breast and prostate cancer awareness 	NA	NA	All Employees

Employee engagement and satisfaction score

◆ 2020 ◆ 2021 ◆ 2022



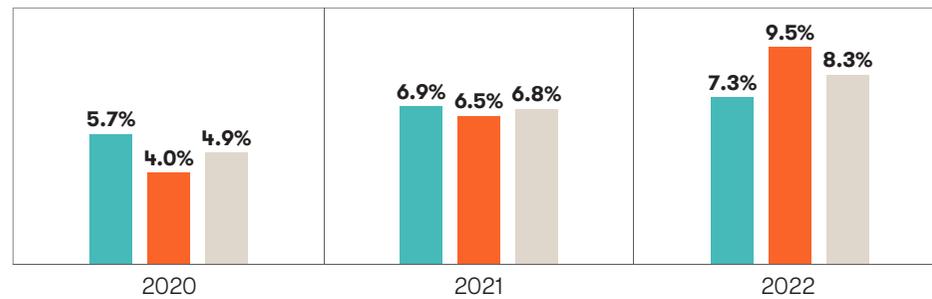
Employee experience metric (eNPS)

◆ 2020 ◆ 2021 ◆ 2022



Turnover rate - by gender

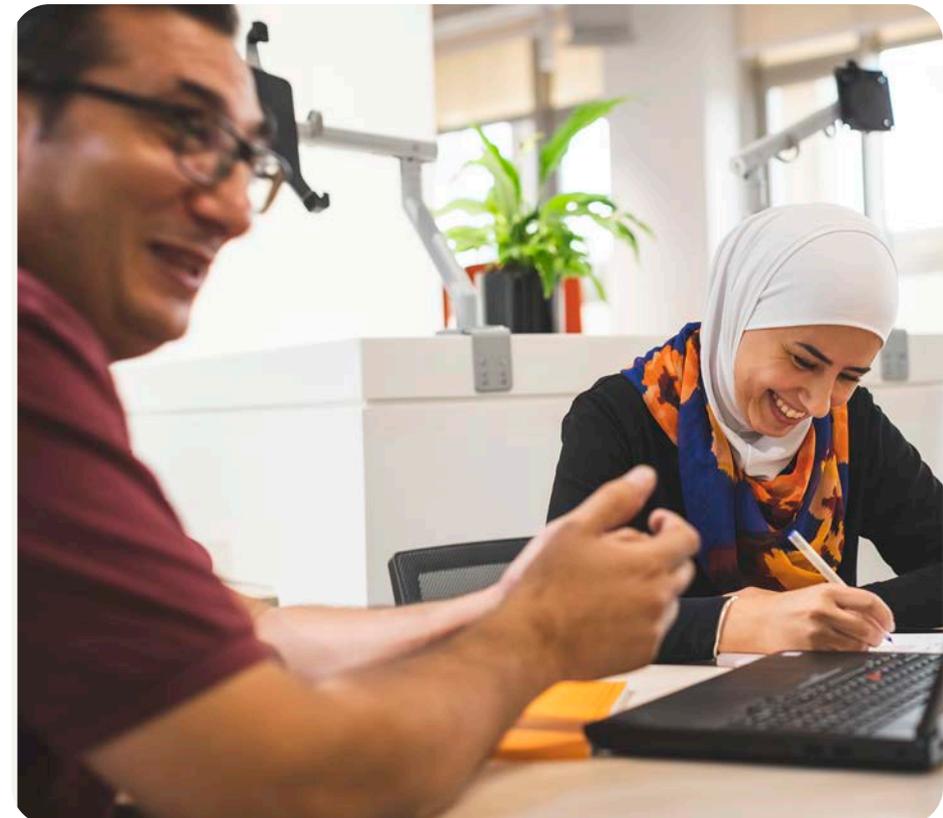
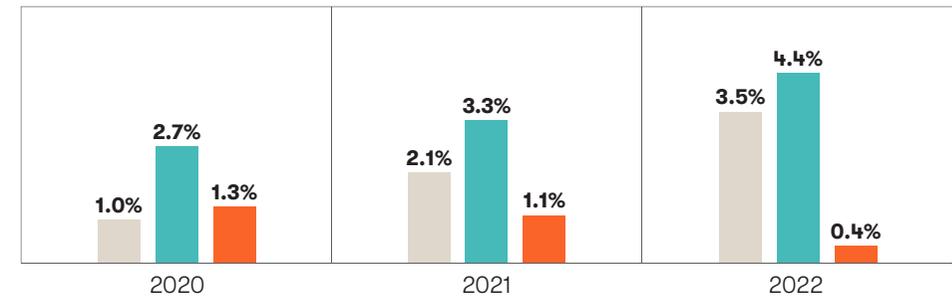
◆ Turnover rate for all male employees
◆ Turnover rate for all female employees
◆ Turnover rate for all employees



*Turnover rate for all employees

Turnover rate - by age

◆ Turnover rate of employees aged 18-30
◆ Turnover rate of employees aged 31-50
◆ Turnover rate of employees aged 51+



Employee benefits

In a competitive employment market, we review our employment packages on a yearly-basis to ensure continuous relevance and maintain our attractiveness as a great place to work.



Employee benefits

Employees benefit from loans, facilities and preferential deposit rates, a provident fund saving scheme, insurance, fuel cards and mobiles for executives and salespeople.



Parental leave

We encourage a good work/life balance in general, which is particularly important when employees are about to welcome a new member to their family. Expectant mothers receive 70 days of paid leave, while fathers receive three days. Our 100% retention rate of new parents indicates how we approach new parenthood and facilitate a good balance with work.

Additionally, in order to provide extra convenience for parents, we have identified nurseries located close to our headquarters and branches to help our employees house their kids in an environment that involves learning, creativity, music, at subsidised rates.



Reward and recognition

In 2022, we launched a Long-Term Incentive programme targeting executives and N-1 (strategic positions) employees. The programme aims to build wealth and share it with our stakeholders. This performance management system is linked to our north star five-year vision.

Parental leave - by gender - all employees	2020	2021	2022
Number of male employees that were entitled to parental leave	447	434	425
Number of male employees that actually took parental leave	45	35	51
Number of male employees that came back to work after completion of parental leave	45	35	51
Number of male employees who returned to work after parental leave ended and were still employed 12 months after their return to work	45	0	51
Retention rate for male employees who went on parental leave	100%	100%	100%
Number of female employees that were entitled to parental leave	314	313	0
Number of female employees that actually took parental leave	47	48	56
Number of female employees that came back to work after completion of parental leave	47	48	56
Number of female employees who returned to work after parental leave ended who were still employed 12 months after their return to work	47	48	56
Retention rate for female employees who went on parental leave	100%	100%	100%

Number of recorded injuries



*Injuries/fall occurred to employees inside the workplace, not directly a result of day-to-day operations.

8. Our communities



We don't consider corporate social responsibility merely a box to check but rather an integral element that guides and informs our decision-making, culture, and operations. Our proactive approach to social responsibility is our commitment to building and developing a better future for our stakeholders, team members, customers, and the greater community.

We want to serve our community and play a vital role in strengthening the economic ecosystem in Jordan by supporting start-ups, elevating financial literacy, and community investment. Moreover, we are devoted to minimising the adverse environmental effects caused by our operational activities.

Our corporate social responsibility is driven by our CSR framework. Everything we do is designed to contribute to our pillars and areas of focus:



Our CSR policy

Our commitment to playing a positive role in the community and considering the environmental and social impact of our business decisions is demonstrated by our incorporation of ESG and SDG considerations within our internal decision-making processes.

With this in mind, we are driven to innovate and believe that an investment in and equal access to education is at the heart of building a better future and equipping members of the community with the skills and knowledge required to help them achieve their goals and aspirations. In alignment with this, we contribute to Jordan's rich cultural scene by creating opportunities that grow arts and culture across the Kingdom. Finally, at the heart of our strategy is our commitment to sustainable development. Our goal is to actively contribute to a more sustainable future that is also in line with the UN's SDGs. We are continuously striving to innovate, develop, and learn how to better reflect the needs of our communities with the goal of sustainable development.

Goals:

			Goal 2: Zero hunger
			Goal 3: Good health and well-being
			Goal 4: Quality education
			Goal 5: Gender equality
			Goal 7: Affordable and clean energy
			Goal 8: Decent work and economic growth
			Goal 9: Industry, innovation and infrastructure
			Goal 10: Reduced inequalities
			Goal 11: Sustainable cities and communities
			Goal 12: Responsible consumption and production
			Goal 13: Climate action
			Goal 17: Partnerships for the goals

8.1 Knowledge

Education and access to knowledge are crucial factors in shaping the next generation. As a result, we are committed to providing young men and women equal access to education and skills. In 2022, we facilitated access to education through:

- Granting 25 scholarships to outstanding students in Jordan and Palestine.
- Launching the “Back to School” campaign, which involved employees donating new school bags to 100 students in need in Al Nuzha Public Schools for Boys. The bags also included stationary and other items for the students.
- Supporting an NGO called “Raneen for audible storytelling.” Raneen aims to develop children’s listening and language skills in less fortunate areas. We implemented this project this year in Um Ma’bad public school to reach 350 students and 7 teachers through 28 workshops on audible storytelling.
- Signing a strategic partnership with Abwab to sponsor the “Equal Access to Learning” initiative. The programme aims to deliver online-based education to vulnerable refugees, hosting young people who face challenges in accessing and/or completing formal schooling.
- Continuing to support the **Queen Rania Foundation for Education and Development** by contributing to two main educational initiatives:

Madrasati

Through sponsoring the “Masahati” extracurricular programme, we reached more than 1,026 students and 70 teachers from Um Ma’bad Secondary School for Girls. The intervention provides students an alternative learning space to learn and grow through after-school student activities and clubs.

Al-Aman Fund for Future of Orphans

Through the Al-Aman Fund, we sponsored 9 students to continue their higher education and provided them with capacity-building training programmes to prepare them for the future.



8.2 Financial inclusion and economic empowerment

As a financial service provider, we are committed to ensuring that our customers and the communities we serve have ample financial knowledge. This commitment stems from our belief that informed customers who develop healthy spending habits make better customers. Financial literacy and inclusion are crucial to improving the lives of people. As a financial institution, we implemented the following to achieve this goal:

- Continued working with INJAZ to support the implementation of the Financial Education Programme in the national curriculum for students across the Kingdom.
- In conjunction with Global Money Week, we hosted our annual Money Talks tour to enhance financial literacy among 375 high school students in Amman. The tour's objective was to expose the students to the value of money management in preparation for university life.
- More than 500 primary school students (6-12 years old) from private and public schools in Jordan were reached through our financial literacy puppet show "Dream Bank." 9 employees from Bank al Etihad, who volunteered to spread financial literacy amongst kids, performed the puppet show.
- For the 4th year in a row, we continued supporting "Wasel for education and awareness" through the "Shabbek Wa Ibtaker" programme, which targeted 29 unemployed youth from different governorates. The program provides young jobseekers with the necessary training to launch innovative projects in partnership with local business incubators. In 2022, eight ideas were adopted by local incubators.
- In partnership with the Jordan River Foundation, we continued supporting 18 women from East Amman working on Jordan River Foundation/IKEA's handicraft production line. In addition to creating jobs for these women, this programme aims to help participants gain pre-employment and on-the-job training led by JRF.
- Sponsored the enrolment of 25 women from Tafileh, Madaba, Amman, and Irbid in a series of e-commerce training programmes designed to help them grow their online businesses. This was done through free mentorship from e-commerce experts in partnership with the Giving Joy Foundation and the World Bank.
- In 2020, we launched our own financial literacy blog, covering everything from the basics of money management, saving, budgeting, and banking to the technologies shaping finance and the banking industry. By 2022, we had published 100 bilingual articles with a growth rate of 13% month-over-month and a 50% growth in readership from the previous year in both languages combined.



- Last year, we also launched the first Arabic financial literacy podcast, “Mali wa Maluk.” The podcast deconstructs banking and financial concepts to give listeners a holistic understanding of money management, saving, debt pay-off, and investing. The podcast was published and is available on all streaming platforms: Apple podcasts, Google podcasts, Spotify, Soundcloud, Anghami, Castbox, and Deezer.

To deliver on our promise of being an accessible and inclusive bank, we utilise presence in most governorates of Jordan to promote financial inclusion and economic growth in all communities. By providing access

to financial services and resources, we help individuals and businesses in these areas build wealth and create economic opportunities, ultimately contributing to more vibrant and resilient communities.

Number of branches in low populated and economically disadvantaged areas.

11

Number of ATMs in low populated and economically disadvantaged areas.

34



8.3 Women's economic participation

In 2014, we launched our “Shorouq” programme, designed to provide financial and non-financial solutions for women. We believe that increasing women's economic participation in Jordan offers significant opportunities to grow the economy and our customer base. Since launching in 2014, our female customer base has grown approximately tenfold.

Along with the financial services, Shorouq offers a range of diversified non-financial services that provide access to knowledge, networks, and markets. These include legal advisory services, networking events and workshops, the Career Comeback programme, and Shorouq Connect, designed to provide opportunities to inspire, empower, and bring like-minded women together.

In 2022, 462 non-financial sessions, such as workshops, mentorship and coaching sessions, were delivered through partners, with more than 1,193 women benefiting from virtual and in-person sessions.

After a 2-year hiatus due to the pandemic, we relaunched the Shorouq Comeback Programme, which enables women to resume their professional journey after a voluntary career break. The programme aims to bridge learning gaps, seamlessly reintegrate women into the corporate world, and harness their true potential.

This year, we selected 37 women out of more than 1,000 applicants. To expand the impact of the programme, we partnered with six like-minded organisations, which allowed us to double the number of beneficiaries. The companies that took part include: The Crown Prince Foundation, PwC, Zain, Hikma, Amam Ventures, and the Business and Professional Women Association.



8.4 Community well-being

We are built on family values and make it our business to help our community wherever and whenever possible.

Our main initiatives in 2022 included:



Goal 2 – Zero hunger

- We launched a CSR campaign in partnership with the Jordanian Food Bank and Careem Jordan during Ramadan to encourage people to donate their excess food to those in need. We sponsored Careem rides so people can donate food to the food bank from the convenience of their homes. Through this campaign, we were able to collect a total of 6,673 iftar meals.
- Our continued support for Tkiyet Um Ali by distributing food parcels to 588 beneficiaries and 7 families in need.

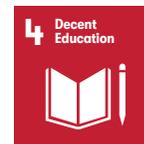


Goal 3 – Good health and well-being

- “100 Wishes”, a CSR donations campaign, was launched during Eid Al Adha. The initiative is designed to collect cash donations that can fulfil 300 wishes of terminally ill children. Both clients and employees participated in the campaign through our mobile banking app. This was done in partnership with a local NGO called Masarah.
- Our ongoing strategic partnership with the King Hussein Cancer Foundation through the sponsorship of the “Save a Life” and “Piggy Bank” programmes. Both programmes aimed to collect donations from school students and staff and spread awareness about cancer

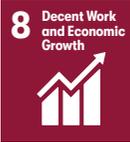
and the importance of adopting a healthy lifestyle. As a result of this partnership, 33 private schools and 12,000 students participated in the “Save a Life” race in 2022, with donations reaching 120,000 JOD. As for the “Piggy Bank” campaign, 46 local directorates and public schools participated, collecting a total of 132,445 JOD in donations.

- In addition to our support for the King Hussein Cancer Foundation, we continued supporting the training academy of the King Hussein Cancer Foundation, which aims to enhance the knowledge and skills of workers in the field of cancer care and build the capabilities of the workforce in the institution. The academy worked on developing and updating content related to oncology in medical colleges in Jordan. As a result of this partnership, 1,990 medical and administrative staff joined the centre for training through 43 training courses in 2022.
- The renewal of our partnership with the Medical Aid for Palestinians organisation to purchase medical supplies for the health centres in Palestinian refugee camps.



Goal 4 – Decent Education

- Our continued support to the Hussein Society for Intellectual Disabilities by providing two school scholarships to students with disabilities, in addition to supporting 38 of their beneficiaries to receive prostheses and orthoses.



Goal 8 – Decent work and economic growth

- As part of our partnership with the Jordan Trail Association, we adopted a hiking trail between the King Talal Dam and the area of Rmimeen with a distance of 15.7 km. We also organised an event for our employees and tourists during the association's HikeThru event to promote local tourism and support the local communities in the area. We aimed to have everything for the event sourced from the local community, and more than 100 local suppliers participated.



Goal 10 – Reduced inequalities

- Signed a strategic partnership with Tadamon, an online platform that identifies, verifies, and presents isolated humanitarian cases on its platform, making it easy for donors to support those in need.
- To spread the joy of sharing and the spirit of giving during Ramadan, we organised a series of fun activities and Iftar meals, for a total of 360 children from disadvantaged backgrounds.



Goal 17 – Partnerships for the goals

- Maintaining our partnership with Naua, one of the Crown Prince Foundation's initiatives, as a founding strategic partner, by using their platform to reach out to various local community institutions, provide support, and encourage youth volunteering through their "Nahno" platform. Through the Naua platform, we implemented eight community projects that benefited more than 1,800 beneficiaries across different governorates.



8.5 Environment

Youth engagement and environmental protection

In collaboration with Himmeh Wa Lammeh and the Jordan Hashemite Fund for Human Development (JUHO), we launched the “I can” environmental awareness curriculum in Amman, Irbid, and Madaba and reached 346 young people aged 10-12, as well as their mothers. Through implementing carefully designed immersive workshops, the curriculum incorporates sports, dance, music and team-building activities to effectively encourage the participants to adopt environmentally compassionate behaviour by instilling self-empowerment and allegiance to our country, as well as addressing the problem of littering and its effects on the environment, ecosystems, society, health, and the economy.

Through the programme, participants worked on developing 39 sustainable environmental initiatives that will be implemented within their communities.

Impactful partnerships - UNICEF

We partnered with UNICEF Jordan to sponsor the Local Conference of Youth (LCOY), which hosted youth climate action advocates from different governorates in Jordan. The conference provided a platform for adolescents and young people from Jordan to come together to share ideas, resources, experiences, and potential solutions to promote meaningful action towards climate change. During LCOY, 100 participants from across the country gathered to discuss pressing climate and environmental concerns and priorities and unite in a call for urgent action through a Youth Declaration on Climate Change. The participants came out of the conference with a solid foundation of knowledge and awareness, paving the way for participation in the Conference of Parties (COP 27), which took place in Sharm El Sheikh, Egypt.

SAWN Youth Climate Action Programme

Through our partnership with UNICEF Jordan, the Ministry of Youth, and the Ministry of Environment, we launched the SAWN Youth Climate Action Programme as part of our responsibility to protect the planet and reduce the negative impacts of climate change.

SAWN, which translates to the word “preserve” in English, is composed of several interventions around the key pillars of awareness raising, capacity building, and support for national advocacy. It aims to reach more than 100,000 youth advocates by 2023.



Plastiqua

We expanded the impact of our environmental initiative “Plastiqua” to reach 20 women from Jabal al Nathif this year. The initiative aims to upcycle expired plastic bank cards and turn them into art pieces and accessories handcrafted by these inspiring women. The proceeds from the sales of “Plastiqua” items will act as a source of income for these women to empower them economically. In 2022, the initiative was able to upcycle around 80,000 plastic cards and turn them into 5,000 art pieces and accessories.

Solar power projects

The implementation of the Solar PV Systems project in three locations (Wadi El-Eis, Sukhna, and the roof of our main administration building) resulted in the following for the year 2022:

- Cash savings of 1,387,696 JOD
- Reduction of CO2 emissions by 7,785,183 kg
- Production of energy totalling 4,988,813.55 kWh
- The connection of 49 Bank al Etihad buildings and branches to our solar energy system.



8.6 Arts and culture

We believe that arts and culture are crucial in building communities, bringing people together, and shaping youth. Over the past year, we have supported the cultural and artistic scene in Jordan by sponsoring a wide range of activities, including:

- The Dar Art exhibition in Sweifieh Village, which saw the participation of a wide range of Jordanian artists and regional artists. The exhibition included art collections from different galleries and more than 160 independent artists under one umbrella.
- Capacity-building to protect Jordan's archaeological, cultural, and natural legacy, particularly in the city of Petra, which is listed on the UNESCO World Heritage List in partnership with "Petra National Trust."
- The thirty-sixth season of the Jerash Festival of Culture and Arts, which was held in the city of Jerash, with an audience of more than 300,000 people from Jordan and the region.
- The "Alwan" Children Street Festival in partnership with "Young Minds for Culture and Entertainment". The festival featured a line-up of street theatre performers from around the world, as well as interactive installations, engaging shows, and arts and crafts activities curated for children between the ages of 6 and 12.
- Palestinian singer Nai al Barghouti's second concert in Jordan, which saw more than 800 attendees. Nai's authentic tarab songs brought joy, beauty and music and a revival of classical Arabic music.
- The old classical adaptation of the "Wizard of Oz" musical at the Mashrek International School which was performed and directed by their students and teachers.
- "Bugsy Malone" marked the biggest stage production in the history of the Amman Bacculaureate School, with more than 1,140 attendees of all ages.
- Stardust Academy's production of "The Greatest Showman" in partnership with the Modern Montessori School with more than 900 attendees.



Bank al Etihad Foundation

The year 2021 saw the soft launch of our non-profit, the Bank al Etihad Foundation. As a long-standing supporter of the arts and culture in Jordan, Bank al Etihad launched its foundation with the aim of promoting the performing arts in Jordan and the Arab world.

The foundation is centred around the Amman Institute of Performing Arts (AIPA), which promotes education and training in Music and the Amman Chamber Orchestra (ACO), offering a series of concerts that combine

Western and Middle Eastern classical music. Alongside the main concert season, orchestra members regularly engage with the wider community in Jordan through outreach and educational work.

- In 2022, the ACO held eight classical musical concerts with a total number of 1,885 people attendees.
- AIPA gave a total of 415 hours of music classes in 2022.
- We organised three outreach concerts at the SOS village, The White Beds Society, and provided children from the “Madarasati” initiative the opportunity to attend a concert at American Community School (ACS).



8.7 Volunteering

We believe cultivating a strong volunteering culture is integral to building a better future for our community. By instilling a sense of belonging and altruism in our employees towards their workplace and the communities they serve, we build a culture that prioritises giving back.

In 2022, our team of 211 employees from different branches and departments contributed 763 volunteering hours and reached approximately 5,145 children, young men and women through 27 volunteering activities.

Donations, grants, and contributions to community service

Access to knowledge	136,536 JOD
Financial inclusion and economic empowerment	244,158 JOD
Community well-being	866,758 JOD
Environment	124,601 JOD
Arts and culture	138,360 JOD
Others	121,175 JOD
Total	1,631,588 JOD



9. Our environment



The current state of the planet calls for collaborative, comprehensive, and worldwide action to tackle the issue of climate change. To achieve this, it is crucial that individuals, organisations, and governments unite to make a collective effort towards a sustainable future.

We recognise the importance of taking responsibility for the planet. As a financial institution, we have a crucial role in driving positive change and ensuring that our business practices align with our commitment

to sustainability. We recognise that we must continue to prioritise sustainability in our operations and portfolios to remain relevant and competitive in a world that demands environmental responsibility.

As a result of the above, we implemented significant changes in our consumption of energy, water, and materials and continue to make progress towards a greener future.



9.1 Our energy and water consumption

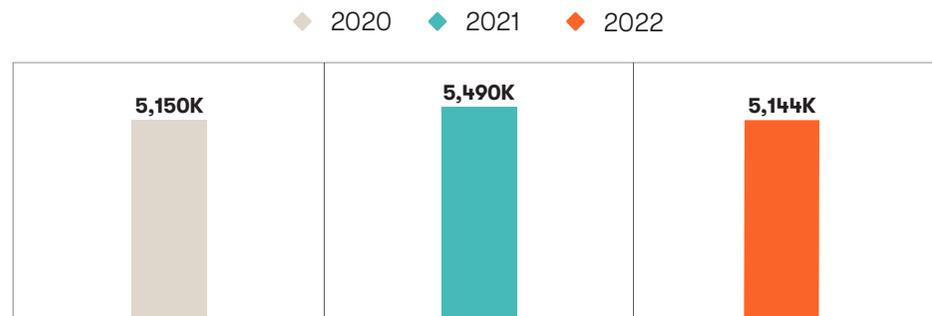
Energy consumption

At Bank al Etihad, we are committed to reducing our carbon footprint by decreasing our electricity consumption and incorporating more renewable energy sources.

To achieve this and reduce our dependency on non-renewable sources, we have two solar panel plants supplying the power we need through wheeling agreements with a total capacity of around 2.763 MWp. We have also adopted scattered rooftop net-metering systems with a capacity of around 380 kWp.

Additionally, we have made efforts to further reduce our energy usage by using LED lighting fixtures, timed operation equipment/fixtures, turning off electrical heaters during the summer season, and replacing outdated A/C units with new inverter technology units. We are also dedicated to expanding the utilisation of Solar Photovoltaic (PV) panels and rooftops wherever possible to promote sustainable energy practices.

Electricity Consumption (kWh)



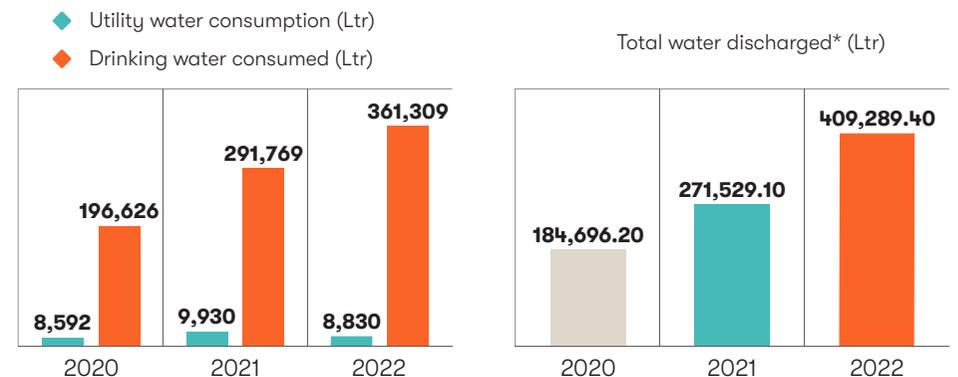
Looking ahead to 2023, we plan to conduct energy audit sessions for high-consumption areas, deploy recommended Energy Saving Measures (ESMs) based on the audit outcomes, and reassess our wheeling and net metering plants to achieve the maximum possible generation and utilisation.

Water consumption

Effective water management is essential for a sustainable future, especially in Jordan and the Middle East, where population growth and climate change impacts exacerbate the demand for fresh water. As the supply of fresh water is becoming scarcer, it is crucial to conserve water resources, reduce water pollution, and ensure an equitable distribution of water.

At Bank al Etihad, we are committed to avoiding the wastage of precious water resources. We prioritise any water leak complaints submitted to our maintenance team, so they are repaired immediately. Our team takes quick action to fix issues such as burst pipes, malfunctioning toilets, and defective faucets that require immediate replacements, to prevent the loss of water.

Water consumption



*Water discharged equals drinking water plus utility water multiplied by 0.9 factor.

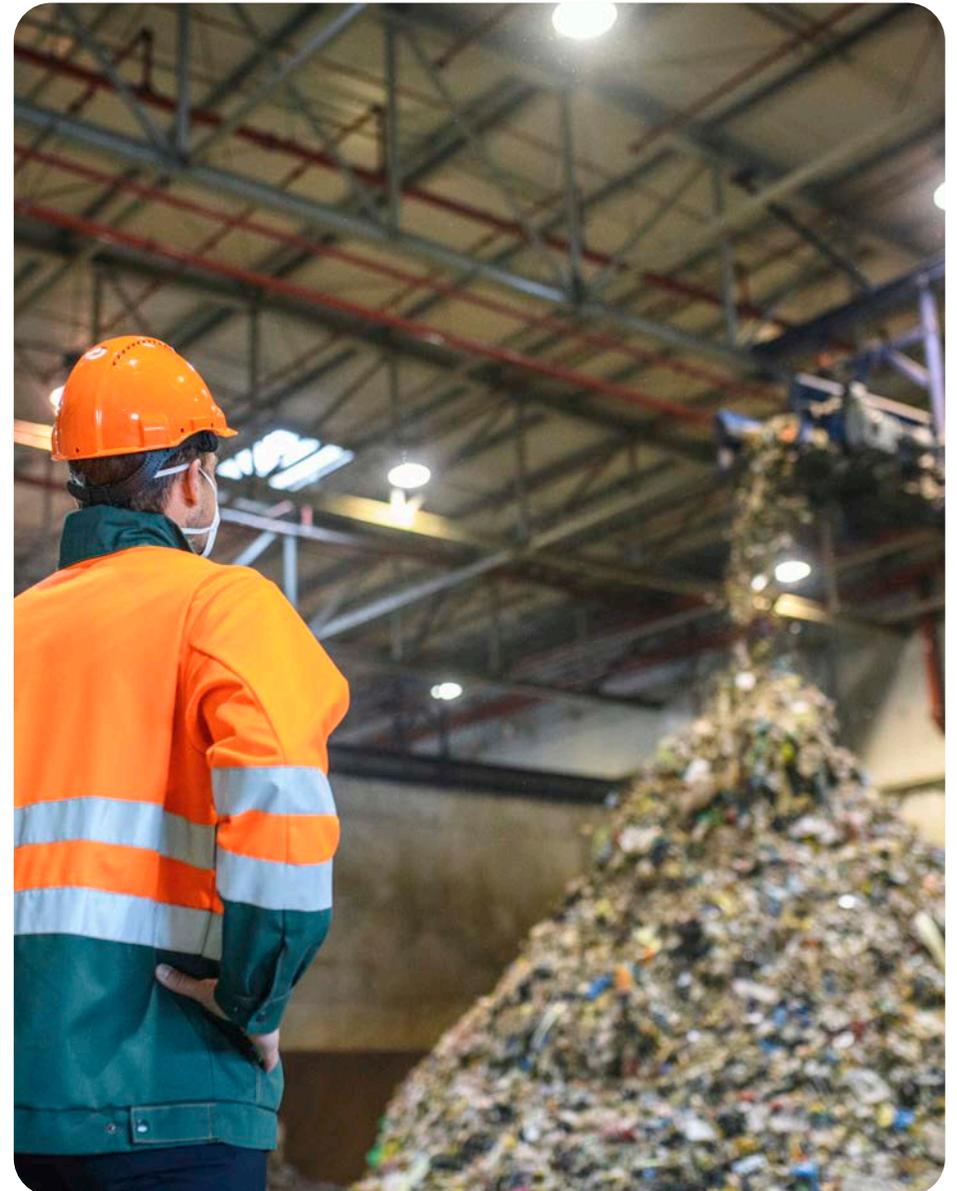
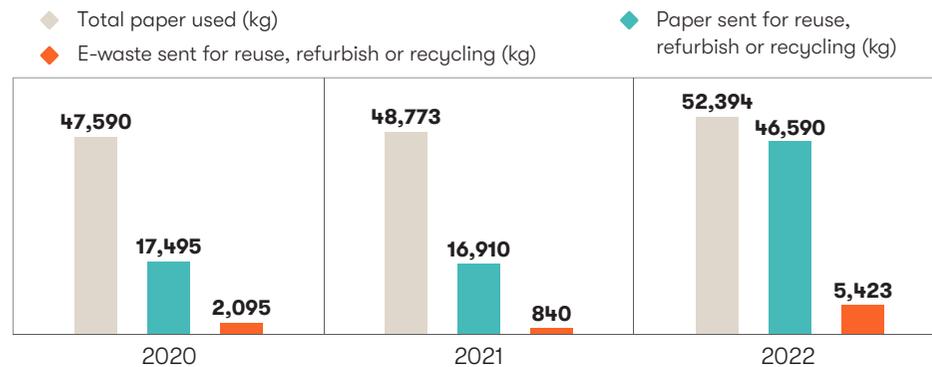
9.2 Waste management

At Bank al Etihad, we are committed to reducing waste across all our operations. One of the areas where we generate the highest amount of waste is through paper usage in our day-to-day operations. To address this issue, we have implemented several initiatives that encourage electronic workflows over paper workflows. We keep our employees conscious of their printing decisions by placing stickers in front of each floor printer as a reminder to reconsider their printing decisions and discourage printing hard copies. Furthermore, we encourage printing on both sides of the paper to minimise waste.

To manage our paper waste efficiently, we have contracted a recycling company that frequently collects all shredded paper waste and recycles it into other usable products.

In addition to paper waste, we also prioritise the recycling of electronic waste. Non-usable or defective electronic fixtures are collected and stored in a transit store. We have contracted an e-waste recycling company to collect and recycle these items and donate the final product to minimise environmental impact and promote sustainable practices.

Waste management



9.3 Our footprint

At Bank al Etihad, we are fully dedicated to taking actionable measures to minimise our carbon emissions and contribute to meeting the Paris Agreement targets.

As part of our strategy, we prioritise using energy from renewable sources and regularly incorporate green spaces and plantations in our outdoor designs. Furthermore, we are proud to report that a significant portion (66.67%) of our leased/owned vehicles are hybrids with a considerably lower carbon footprint.

Alongside these efforts, we conduct frequent campaigns to promote environmental awareness among our employees, keeping sustainability an integral part of our organisational culture.

	2020	2021	2022
Direct emissions - scope 1* (tco2e)	292	266	229
Indirect emissions - scope 2** (tco2e)	2,724.35	2,902.5	2,721.2

*Scope 1 GHG emissions are calculated based on all direct energy consumption from sources owned and controlled by BaE. The emission factors are derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

** Scope 2 GHG emissions are indirect emissions from the generation of purchased energy (electricity) by BaE. The emission factors are derived from country-specific UNFCCC 2021 Harmonized Grid Emission factor data set for International Finance Institutions (IFI) and Ecometrica 2011 data set.



The rule of 'restatement of information' applies to the GHG emissions data for the previous years of 2020 and 2021. This rule ensures accuracy, consistency, and comparability of data across the three reporting years of 2020, 2021, and 2022, considering the calculation methodologies and emissions used for 2022.

We believe that promoting sustainability is not limited to our internal practices alone. As an organisation, we are committed to extending our efforts towards sustainability across our supply chain.

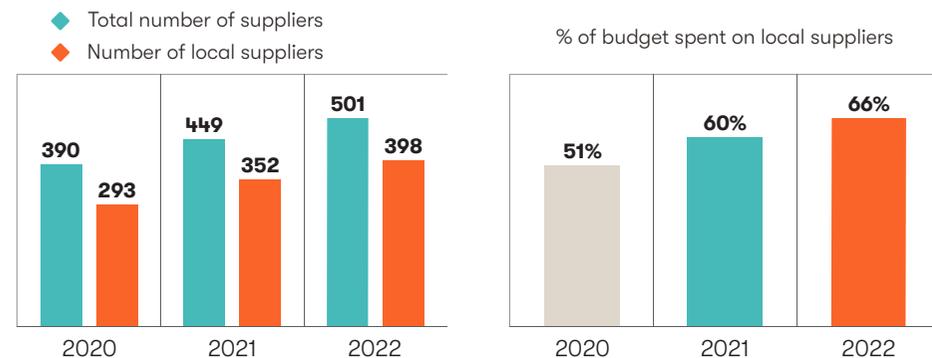
We conduct regular reviews with suppliers on performance, adherence to quality, delivery, and Service Level Agreements (SLA). Additionally, all new suppliers are subject to detailed reviews based on technical, financial, social, and environmental criteria. Similarly, we evaluate our suppliers

against environmental criteria such as noise levels and power consumption, among other factors.

We continuously highlight to suppliers the importance of abiding by local labour laws and encourage female participation in the workforce. Additionally, we regularly engage with our suppliers through our Voice of Partner initiative to understand suppliers' level of satisfaction in working with us.

Initiative	Description	Outcome
Voice of partner	Through the "Voice of Partner" initiative, we engaged with suppliers to measure their level of satisfaction and get their views on how the bank is performing in different criteria.	<p>The outcomes were as follows:</p> <ul style="list-style-type: none"> Overall, our partners report a very high level of satisfaction with Bank al Etihad (CSAT= 97%, NPS= 84). They complimented the professionalism and ease of doing business with us.
Women empowerment	We worked with outsourced human resources companies to increase female participation in the workforce.	<p>The outcomes were as follows:</p> <ul style="list-style-type: none"> Encouraged our Security Provider to hire five female employees at different locations.

Local procurement



In the future, we will continue striving to ensure improved sustainable procurement practices and work closely with our suppliers to promote sustainable methods.

Appendix

Table A: Metrics Evaluated Under Different Green Financing Transactions

Practice	Objective	Evaluated metrics
Renewable energy	Climate change mitigation and carbon reduction	<ul style="list-style-type: none"> • Solar system installation of 5MW minimum • Hydropower projects • Installation of wind turbines • Bioenergy projects • Geothermal energy
Energy efficiency		<ul style="list-style-type: none"> • Investment in equipment, systems, and processes that enable a reduction in primary energy consumption or final consumption of electricity or fuel, e.g., electric forklifts, tractors, machines or assets that are energy saving • Brownfields projects: modernisation, improvement, rehabilitation of existing installations, plants and other facilities, or new installations that directly replace existing installations. Energy saving on a project should be at least 20% • Greenfield projects: development of new installations, plants, and other facilities that do not directly replace existing ones. Energy saving on projects should be at least 20% • Replacing equipment or machines or assets with equipment of higher capacity
Buildings		<ul style="list-style-type: none"> • Construction of new buildings excluding cost of land acquisition. Building shall achieve a minimum certification level of LEED (silver), BREEAM (good), EDGE (standard), passive house (standard), DGNB (bronze) or EPC class B equivalent. Local certification may be used if they achieve an equivalent level of performance • Improvement of an existing building excluding the cost of land and existing building acquisition. Only eligible if buildings achieve a minimum certification level of LEED (silver), BREEAM (good), EDGE (standard), passive house (standard), DGNB (bronze) or EPC class B equivalent • The energy demand of the building is reduced by at least 30% compared to the baseline performance

Practice	Objective	Evaluated metrics
Other examples of green practices	Climate change mitigation and carbon reduction	<ul style="list-style-type: none"> • Windows, Doors, Glazing • Thermal insulation of exterior walls • Thermal insulation of roof, top floor • Thermal insulation of floor • Thermal insulation of partition walls • Biomass stove/boiler • Lighting (low-heat generating) • Solar water heater • Gas boiler • Heat pump (electricity or gas driven) • Building integrated photovoltaic system • Balanced mechanical ventilation with heat recovery • Hot water storage tank • Appliances (air conditioner, refrigerator, freezer or combined)
Energy efficiency in transport		<ul style="list-style-type: none"> • Light duty vehicles (electric cars) • Electric vans, trucks, buses and chargers • Any transport tool with 15% lower GHG or carbon emissions
Climate adaptation that rationalises water use		<ul style="list-style-type: none"> • Equipment, appliances and technologies that enable a reduction in water consumption and/or improve water use. • Water savings of at least 20%
Climate adaptation that improves sustainable land management		<ul style="list-style-type: none"> • Materials, equipment, appliances and technologies that enable a reduction in soil erosion. Investments shall achieve a reduction of at least 20%
Resource efficiency and circular economy activities		<ul style="list-style-type: none"> • Brownfield resource efficiency reduces the use of resources other than energy or water by at least 20% • Greenfield investments in waste/material recycling or recovery • Production of technologies dedicated to resource efficiency, such as drip irrigation and equipment for recycling • Circular economy: circular design, production, circular use and circular value recovery where the company can report expected physical environmental benefits.

GRI content index

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.

GRI Mark placeholder

Statement of use	Bank al Etihad has reported in accordance with the GRI Standards for the period January 2022 to December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None of the available GRI Sector Standards applies to Bank al Etihad.

GRI standard	Disclosure	Page location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	7			
	2-2 Entities included in the organization's sustainability reporting	4			
	2-3 Reporting period, frequency and contact point	4			
	2-4 Restatements of information	87			
	2-5 External assurance	4			
	2-6 Activities, value chain and other business relationships	7			
	2-7 Employees	7			
	2-8 Workers who are not employees	60			
	2-9 Governance structure and composition	9			
	2-10 Nomination and selection of the highest governance body	33			
	2-11 Chair of the highest governance body	33			
	2-12 Role of the highest governance body in overseeing the management of impacts	33			
	2-13 Delegation of responsibility for managing impacts	33			

GRI standard	Disclosure	Page location	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-14 Role of the highest governance body in sustainability reporting	4			
	2-15 Conflicts of interest	37			
	2-16 Communication of critical concerns	36			
	2-17 Collective knowledge of the highest governance body	64			
	2-18 Evaluation of the performance of the highest governance body	35			
	2-19 Remuneration policies	35			
	2-20 Process to determine remuneration	35			
	2-21 Annual total compensation ratio	62			
	2-22 Statement on sustainable development strategy	13			
	2-23 Policy commitments	37			
	2-24 Embedding policy commitments	37			
	2-25 Processes to remediate negative impacts	37			
	2-26 Mechanisms for seeking advice and raising concerns	36			
	2-27 Compliance with laws and regulations	37			
	2-28 Membership associations	14			
	2-29 Approach to stakeholder engagement	24			
	2-30 Collective bargaining agreements	The Bank complies with the laws and regulations applied in Jordan, in relation to collective bargaining agreements.			

GRI standard	Disclosure	Page location	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	24			
	3-2 List of material topics	24			
Customer experience					
GRI 3: Material Topics 2021	3-3 Management of material topics	48			
Financial performance and stability					
GRI 3: Material Topics 2021	3-3 Management of material topics	47			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	47, 82			
	201-4 Financial assistance received from government	The Bank did not receive any financial assistance from the government.			
Governance, ethics and compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	32			
Business continuity and risk management					
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 39, 40			
Diversity and inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	61			
	405-2 Ratio of basic salary and remuneration of women to men	62			
SMEs and entrepreneurship					
GRI 3: Material Topics 2021	3-3 Management of material topics	53, 54, 55, 56			

GRI standard	Disclosure	Page location	Omission		
			Requirement(s) omitted	Reason	Explanation
Community Investment					
GRI 3: Material Topics 2021	3-3 Management of material topics	71			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	72, 73, 74, 75, 76, 78			
	413-2 Operations with significant actual and potential negative impacts on local communities	The Bank has a rigorous CSR strategy that focuses on creating positive impact in its communities. No actual or potential negative impacts are identified under our community operations.			
Data privacy and cybersecurity					
GRI 3: Material Topics 2021	3-3 Management of material topics	44			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	44			
Human capital management					
GRI 3: Material Topics 2021	3-3 Management of material topics	60			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	69			
	401-3 Parental leave	69			
GRI 3: Material Topics 2021	3-3 Management of material topics	60			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	The Bank gives a one month notice period.			

GRI standard	Disclosure	Page location	Omission		
			Requirement(s) omitted	Reason	Explanation
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	88			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	88			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	37			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	37			
	205-2 Communication and training about anti-corruption policies and procedures	37			
	205-3 Confirmed incidents of corruption and actions taken	37			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	86			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	86			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	85			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	85			
	302-3 Energy intensity	85			
	302-4 Reduction of energy consumption	85			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	85			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	85			
	303-4 Water discharge	85			
	303-5 Water consumption	85			

GRI standard	Disclosure	Page location	Omission		
			Requirement(s) omitted	Reason	Explanation
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	86			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	86			
	306-3 Waste generated	86			
	306-5 Waste directed to disposal	86			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	65, 66			
	404-2 Programs for upgrading employee skills and transition assistance programs	64			
	404-3 Percentage of employees receiving regular performance and career development reviews	63			



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