Bank ABC

Bank ABC Jordan
Sustainability Disclosures
Report 2024

SUPPORTING SUSTAINABLE TRANSITION ACROSS THE NATION

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01

Introduction

Bridging the Climate Finance Gap in Emerging Markets

1.1: About this Report

Welcome to Bank ABC Jordan's second annual sustainability disclosures report, published as part of our commitment to transparency and addressing climate change. This report details the Bank's Sustainability Strategy, its key objectives, and progress towards its rolling three-year sustainability roadmap and ESG key performance indicators (KPIs).

The ESG KPIs detailed in this report are designed to enable the Bank to measure and report on its material sustainability risk and opportunities. These were defined by a materiality assessment undertaken as part of the development of the Group Sustainability Strategy. The KPIs are aligned with industry best practice. Our Scope 1, 2 and 3 GHG emissions (excluding financed emissions) have been measured using the GHG Protocol, UK Defra and US EPA methodologies. Our approach and methodology have been validated by an independent ESG solution provider.

1.1.1: Reporting period

The information contained in this report covers Bank ABC Jordan's activities for the year from 1st January 2024 to 31st December 2024.

1.1.2: Reporting approach

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and Amman Stock Exchange Guidance on Sustainability Reporting and ESG disclosure requirements (ASE).

1.1.3: Supporting Jordan's national policies

Bank ABC Jordan closely aligns with Jordan's national climate commitments and priorities. We fully endorse the updated Nationally Determined Contributions, through which Jordan enhanced its climate ambition by raising its greenhouse gas emissions reduction target to 31% by 2030 compared to business-as-usual levels. This includes an unconditional reduction of 5%, with the remaining 26% conditional on the availability of international support. Moreover, we advocate for the integration of climate change considerations into long-term strategic planning through the National Climate Change Policy. We also support Jordan's Green Vision, including initiatives such as the National Green Growth Plan for Jordan, the country's vision for economic modernization.

Bank ABC Jordan will also be aligning with the Central Bank of Jordan's (CBJ) direction regarding Green Finance, which is set out in the CBJ's Green Finance Strategy.

1.1.4: Inquiries

Further information about Bank ABC Jordan can be found on our website, bank-abc.com, or for more information about our sustainability initiatives, please contact us at sustainability.jo@bank-abc.com

1.2

George Farah Sofia

Bank ABC Jordan
General Manager

General Manager Message

Our Commitment to Sustainability

> Sustainability is not a burden—it is a catalyst for innovation, progress, and positive change. At Bank ABC Jordan, we are embedding sustainable practices into everything we do, preparing for today's challenges while creating opportunities for future generations.

On behalf of Bank ABC Jordan, I am honored to welcome you to our second annual Sustainability Report.

Today, sustainability is not just a responsibility, it is the foundation for building a resilient, thriving future. In a world facing rapid change where climate impacts intensify, geopolitical tensions grow, and economic landscapes shift our ability to adapt and lead with purpose has never been more critical. True success lies in embedding sustainable practices into every facet of our operations, preparing us to meet today's challenges and seize tomorrow's opportunities.

At Bank ABC Jordan, we see sustainability not as a burden, but as a catalyst for innovation, progress, and positive change. The transition to a digital economy, the rise of data-driven insights, and the drive to lower our environmental footprint all empower us to create deeper value for our clients, communities, and future generations. Through sustainable finance, we proudly support the transition to a low-carbon economy, extending our impact far beyond the walls of our institution.

In 2024, we accelerated our journey by setting clear, measurable targets and launching bold initiatives that are shaping a more sustainable Bank—and a more sustainable world. This report shares the progress we made, the lessons we learned, and the ambitions that drive us forward.

Our achievements would not be possible without the unwavering support of our stakeholders and the extraordinary dedication of our employees. Together, we are building a future where business success and societal well-being go hand in hand.

Thank you for being part of this journey. I invite you to explore this report and be inspired by what we can achieve—together.

1.3

About Bank ABC Jordan

Bank ABC Jordan, established in 1990 as a Jordanian public shareholding company and listed on the Amman Stock Exchange, operates as a key subsidiary (87% owned) of Bank ABC BSC. Headquartered in Amman, it functions as a full-service commercial bank with 19 branches and 48 ATMs strategically located throughout the Kingdom.

Beyond traditional banking, the bank extends its offerings through ABC Investments—its wholly owned subsidiary—delivering investment services, securities brokerage (locally, regionally, and internationally), and financial consultancy. In 2022, the bank expanded its digital footprint with the launch of ila application, a mobile-only platform that provides customers with round-the-clock access to smart banking solutions.

Bank ABC Group, the parent company, was founded in 1980 and is headquartered in Manama, Bahrain. As one of the region's leading international banks, it maintains a presence in 15 countries and actively serves 25 markets across the Middle East, North Africa, Europe, the Americas, and Asia. The group is recognized for its forward-thinking approach leveraging cutting-edge technology and streamlined processes to deliver a modern, personalized, and agile banking experience tailored to evolving client needs.

A World-class Banking Partner

Established in **1990**

Incorporated Hashemite Kingdom of Jordan as Arab Banking Corporation (Jordan)

Headquarters in Amman, Hashemite Kingdom of Jordan

Employee Size **500+**

Ownership Structure of Bank ABC Jordan

(Shareholders who own 1% or more of Bank's Capital)

86.98%

Arab Banking Corporation (B.S.C.) Bahrain

2.05%

Social Security Corporation

1.33%

Kuwait International Investment Company

1.3.1: Strategic Intent

MENA's International Bank of the Future.

1.3.2: Strategic Pillars

- Accelerate our core businesses.
- Maximize the value of our digital units.
- Strengthen our operating model.

1.3.3: Our Core Values

Client Centric

We are committed to knowing our customers and developing long-term relationships.

Collaborative

We work together as one ream across our international network, providing a superior clients experience.

Consistent

We are trusted to deliver every time in the right way, demonstrating integrity to all our stakeholder.

1.4: Stakeholder engagement and materiality assessment

Engaging with all of the Bank's stakeholders is a cornerstone of our sustainability approach. Through meaningful and transparent engagement, we foster trusted, long-term relationships that enable mutual understanding. This dialogue provides the Bank with valuable insights into stakeholder needs, concerns, and expectations, while offering stakeholders a clearer view of our operations. Such transparency empowers all parties to make more informed and responsible decisions.

This commitment to openness extends to our sustainability initiatives, where stakeholders play a vital role in shaping our strategy. Their feedback, ideas, and insights are instrumental in guiding the development and successful implementation of our sustainability objectives.

1.4.1: Materiality assessment

In 2023, we undertook a Group-level materiality assessment to identify and evaluate the material issues of most importance to Bank ABC Jordan and our stakeholders.

We began with a detailed gap analysis across all Group functions and units, together with a peer group analysis conducted globally and a comparison of global and MENA industry's best practice. Following this, our identified material topics were categorized across five strategic pillars:

Governance	Operations	Risk Management	Financing the Transition	Our People and Communities
Board oversight of the Sustainability Strategy.	GHG emissions of operations and suppliers.	GHG emissions of our financing	Sustainable finance framework to mitigate greenwashing.	Diversity, Equity, and Inclusion (D,E&I).
ESG KPIs to measure progress.	Environmental impact of our energy, water and waste usage.	Obligor ESG risk assessment.	Client engagement.	Career development and training.
ESG KPI linked to remuneration to ensure the alignment and incentivization of outcomes.		Climate stress testing and scenario analysis.	Product development.	Employee wellness.
Develop targets to define commitment and ambition.			Sustainable and transition finance.	CSR activities.
Meet ESG regulatory and disclosure requirements.				

Sustainability stakeholder engagement:

1. Employee Collaboration
2. Client Engagement
3. Community Support
4. Strategic Partnerships

Stakeholders played a critical role throughout the assessment process, with their input helping to determine the significance of each material topic. As a result, stakeholder engagement is a unifying theme that underpins all five pillars of our sustainability framework.

Once each pillar was defined, working groups were set up to identify gaps and develop action plans to close those gaps.

1.5: Our Financial Performance

1.5.1: Net profit

The 2024 financial year presented several economic challenges that impacted the Bank's overall performance. Nevertheless, the Bank remained resilient, achieving a net profit of JOD 1.86 million, albeit lower than the JOD 5 million recorded in 2023.

1.5.2: Revenue and capital

Revenue increased in 2024 by 4% to JOD 108 million, confirming our strong market presence. Our capital adequacy ratio was 17.16%, demonstrating the Bank's capability to absorb any potential future losses. Deposits rose by 4% in the year, indicating strong consumer confidence in the Bank.

1.5.3: Shareholder confidence

The bank's total equity in 2024 stood at JOD 164 million, representing the value attributable to shareholders and demonstrating the strength of our business operations and governance. Return on equity was 1.13%, down from 3.04% in 2023.

1.5.4: Financial highlights 2024

Total Assets

JOD 1,383 million

Total Deposits

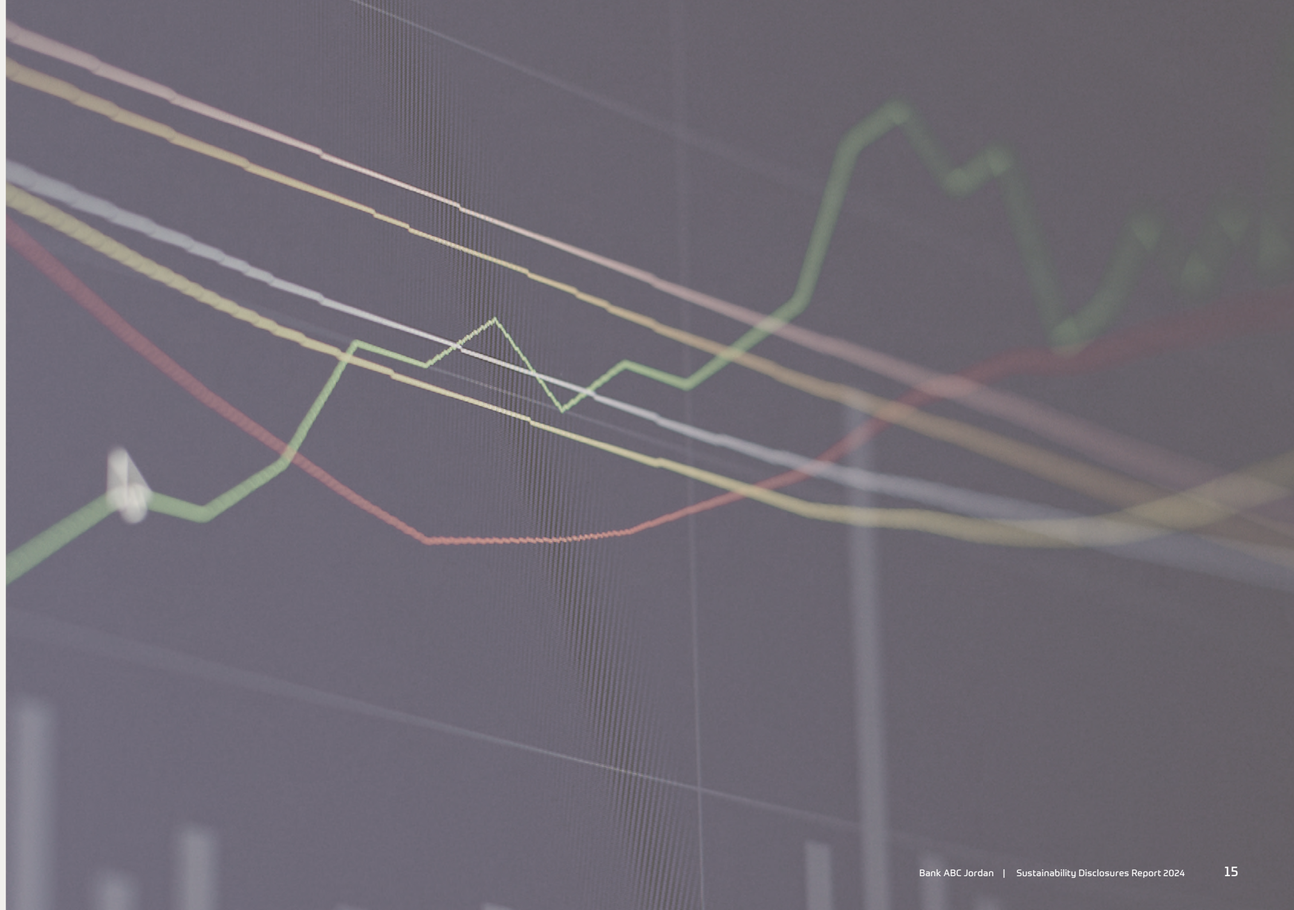
JOD 912 million

Total Equity

JOD 164 million

Capital Intelligence Rating

BB-/B



1.6

Sustainability Snapshot 2024

Governance

Published first annual Sustainability Report

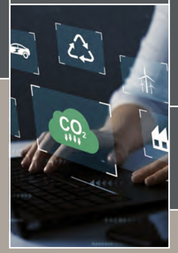
Operations

Digitized our account opening application process.

Operations

40%

Reduction in Scope 1, 2 and 3 GHG emissions



Risk Management

ESG Risk Standard to be issued.

Client ESG Risk Assessment to be launched.

Industry Environmental Risk Rating is under development.

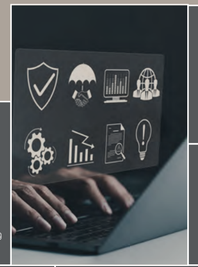
Financing the Transition

Sustainable Finance Framework to be launched.

Enhancement of the existing Vendor Management System.

Our People and Communities

Delivered financial literacy training to local communities



Our People and Communities

Supported 18 community organizations, reaching

10,107

beneficiaries

Our People and Communities

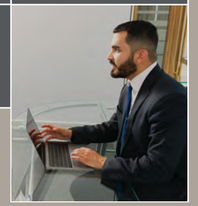
291,150

Invested in community projects

Our People and Communities

81%

of the procurement spend was with local suppliers.



1.6.1 2024 Highlights

Bank ABC Jordan progressed its sustainability drive throughout 2024 with a range of actions across all its areas of operation. The actions we are taking now have a key role to play in supporting the Bank's future success.

In 2024, these actions resulted in several important initiatives.

A YEAR OF CHANGE AND ACTION

02

Our Sustainability Strategy

An Ambitious Journey to be the Bank of the Future

2.1

Our Sustainability Strategy

Sustainability Unlocks Value and Builds Re-silience

Bank ABC Jordan's sustainability strategy is guided by a clear mission to support clients, employees, and communities in advancing the transition to an inclusive and sustainable low-carbon economy. Fully aligned with the Group's broader business objectives, the strategy emphasizes reducing the Bank's environmental impact while creating value through cost efficiencies, risk mitigation, and new revenue streams. By integrating sustainability across its value chain and leveraging innovative client solutions along with its global presence, the Bank is well positioned to contribute meaningfully to long-term, impactful change.

2.1.1

Our Sustainability Objectives

Bank ABC is committed to integrating sustainability practices that create value for both our stakeholders and the planet. We will achieve this through the successful implementation of our sustainability strategy's three overarching objectives:

1 Reduce Our Environmental Impact

Bank ABC Jordan is committed to minimizing the environmental footprint of our own operations, influencing sustainable practices among our suppliers, and promoting responsible environmental outcomes through the financing solutions we offer to our clients.

- **Key initiatives in 2024**

  - **Enhancement of the existing Vendor Management System**
    In 2024, Bank ABC Jordan rolled out a structured Vendor Management System aimed at transforming procurement operations. The system consolidated vendor information onto a unified platform to enhance due diligence, streamline workflows, ensure timely invoice processing, and improve expense control. A key feature of the system was the requirement for %100 of active suppliers to undergo Know Your Supplier (KYS) checks prior to issuing purchase orders—strengthening vendor compliance, operational efficiency, and collaboration.

  - **Establishment of Accurate Environmental Baselines for GHG Emissions, Water, and Waste**
    As part of its sustainability strategy, the Bank established accurate baselines for Scope 2 ,1, and 3 greenhouse gas (GHG) emissions (excluding financed emissions), as well as water usage and waste generation. This effort marked a transition from reliance on estimates in previous years and enabled more precise tracking and management of environmental performance going forward.

  - **Strengthening Energy Efficiency and Renewable Energy Initiatives**
    Bank ABC Jordan enhanced its energy efficiency and renewable energy efforts through investments in technologies such as automated lighting systems and smart meters for real-time energy monitoring. Annual energy audits were conducted to identify inefficiencies and recommend improvements. Complementary internal awareness campaigns encouraged energy-conscious behaviors among employees—fostering a culture of responsibility and sustainability throughout the Bank.

2 Ensure We Are 'Fit for Purpose'

Our clients are navigating growing environmental and social pressures driven by evolving regulations, legal obligations, technological advancements, shifting market expectations, and increasing physical risks. These challenges are expected to intensify as global temperatures rise and the impacts of climate change become more pronounced. In response, we are accelerating our efforts to enhance internal capabilities, foster product innovation, and deepen collaboration. Through these actions, we aim to support our clients in managing risks and seizing emerging opportunities during this critical transition.

- **Key initiatives in 2024**

We Bank ABC Jordan plans to develop a proprietary Client ESG Risk Assessment and Industry Environmental Risk Rating Methodology. This initiative is intended to support the integration of ESG risk considerations into lending decisions and client engagement processes. Once implemented, it will enhance the Bank's ability to evaluate clients' ESG risk exposure and sector-specific sustainability challenges, enabling more informed and responsible financial decision-making.

3 Be a Source of Value Creation

Climate risk and financial risk are inherently interconnected. Reducing the consumption of increasingly scarce resources not only supports environmental sustainability but also enhances operational efficiency. Our action plans are designed to unlock tangible economic benefits by driving efficiency, fostering innovation, and generating new revenue opportunities.

- **Key initiatives in 2024**

  - **Strengthening Regulatory and Risk Reporting**
    Bank ABC Jordan aims to enhance its regulatory and risk reporting practices by preparing for the regular submission of comprehensive reports to the Board Risk Committee. These reports will cover key areas such as capital adequacy, liquidity risk, leverage ratios, market risk, and credit portfolio reviews—ensuring alignment with Basel III standards and the requirements of the Central Bank of Jordan.

  - **Enhancing Stress Testing and Risk Management Frameworks**
    The Bank plans to conduct advanced stress testing to assess its resilience under various scenarios. In parallel, updates are scheduled for key risk management policies, including the Internal Capital Adequacy Assessment Process (ICAAP), IFRS 9 Expected Credit Loss (ECL) methodologies, and the Risk Appetite Statement. Additionally, efforts will focus on strengthening operational and IT risk controls.

  - **Advancing Data Protection and Sustainability Alignment**
    As part of its broader sustainability and risk management agenda, the Bank intends to implement the Group Personal Data Protection Project and align risk management practices with the Group's sustainability strategy. These efforts will support the transition toward a low-carbon, inclusive economy while reinforcing data governance and compliance.

2.2

Our Sustainability Roadmap

Following the launch of its three-year sustainability roadmap in 2023, Bank ABC Jordan is now at the midpoint of its implementation. The roadmap is designed to embed sustainability across the Bank's entire value chain. Progress to date has established a strong foundation, positioning the Bank to accelerate its sustainability efforts into 2024 and the years ahead.

Initiatives 2024

Governance	• ESG Risk Standard.
Operations	• Three-year environmental reduction plan of operations. • Engaging with suppliers that have already gone through environmental assessments.
Risk Management	• Client ESG Risk Assessment. • Industry Environmental Risk Rating. • Measure Scope 1, 2 and 3 operational emissions and analyze possible approaches to reduce our GHG footprint while exploring the inclusion of Scope 3 financed emissions in future reporting cycles.
Financing the Transition	• Product development program to accelerate our sustainable/transition finance. • Training client facing teams.
Our People and Communities	• Develop an action plan to strengthen Diversity, Equity & Inclusion. • Enhance CSR engagement and impact.

Roadmap 2025 - 2026

Governance	• Strengthen Board oversight of the sustainability strategy to ensure effective governance and alignment with long-term business objectives. • Ensure compliance with ESG regulatory and disclosure requirements across all operating jurisdictions.
Operations	• Reduce the environmental impact of operations and suppliers. • Develop reduction targets for Scope 1, 2 and 3 GHG emissions, energy, water and waste.
Risk Management	• Include obligor ESG risk assessment into lending process. • Develop Industry Environmental Risk Rating. • Measure Scope 3 financed emissions. • Strengthen our approach to climate scenario analysis.
Financing the Transition	• Sustainable finance framework for robust measurement of sustainable/transition finance. • Embed sustainability into our client engagement and product development. • Training program to strengthen capabilities and skill sets. • Provide sustainable and transition financing to our clients.
Our People and Communities	• Strengthen our approach to D,E&I. • Deliver greater impact from our CSR investments.

Objectives 2026

- Reduce the environmental impact of operations and suppliers.
- Measure and mitigate the environmental risk of financing.
- Strengthen our capability.
- Accelerate our sustainable and transition finance.
- Greater diversity, equity and inclusion.
- Meet our ESG regulatory and disclosure requirements.

Progress so far

In 2024, Bank ABC Jordan continued to make meaningful progress in advancing its sustainability agenda through a range of strategic initiatives. Efforts were initiated to integrate ESG key performance indicators (KPIs) into employee performance evaluations, and the Bank began expanding its ESG database to strengthen future reporting and data tracking capabilities. Sustainability governance structures are being reinforced at the unit level, alongside the ongoing development of the Bank's inaugural Sustainability Report.

Corporate Impact Reduction (CIR) initiatives have been launched, and work is underway to define long-term sustainability targets and formulate a Sustainable Procurement Policy. The Bank is enhancing its risk management framework through the phased implementation of an ESG Risk Standard, development of an industry Environmental Risk Rating (ERR) heatmap, rollout of an ESG Questionnaire, and initiation of a Scope 3 emissions assessment to strengthen climate-related disclosures.

In parallel, the Bank is developing a Sustainable Finance (SF) Classification framework and establishing a structured client ESG risk assessment process. Efforts are also being made to scale up ESG-focused training for staff to build capacity in sustainable finance. To further institutionalize sustainability across the organization, comprehensive training initiatives have been introduced, sustainability teams are being expanded across divisions.

Looking forward

Having laid the necessary foundations, we plan to accelerate our efforts in 2025-26 to reduce the environmental impact of our financing and scale the amount of sustainable and transition finance that we mobilize. These initiatives are spread across our five strategic pillars:

- Governance
- Operations
- Risk management
- Financing the transition
- Our People and Communities

Governance

Effective governance is a key driver of any successful sustainability strategy and typically the lead indicator of senior management's commitment to measure, manage and mitigate its environmental and social impact. Sustainability has already been integrated into the governance structure at Group level and a Sustainability Steering Committee set up to oversee the progress of the strategy and evaluate the risks. Additionally, an ESG Risk Standard has been set out that defines how ESG risk is integrated across the Group's risk management system together. A detailed gap analysis has been conducted that sets out the actions to fully integrate ESG risk across the Group. This is now being actioned.

As part of our 2026 roadmap, we plan to enhance our governance structure through the establishment of a Sustainable Finance Forum. Once implemented, the Forum will report directly to the Sustainability Steering Committee and is expected to meet on a quarterly basis. Its mandate will include oversight of the Sustainable Finance Framework (SFF), sustainable finance products, and the management and verification of sustainable assets and liabilities, in addition to reviewing the Annual Sustainable Finance Report. This planned initiative represents an important step in strengthening governance, mitigating the risk of greenwashing, and advancing our sustainable and transition finance agenda.

Measuring the progress of our sustainability initiatives and incentivizing their success is a key element that underpins our approach. An important next step is to develop timebound targets for our material ESG KPIs and link to senior management's variable remuneration to ensure full alignment and incentivize the outcome.

Initiative	Description	Benefit
1. ESG Risk Standard	**(i)** Defines how we integrate ESG risk across our risk management system. **(ii)** Sets out how sustainability is integrated across Group Function and geographical Units.	**(i)** Provides a robust Group-wide framework to ensure that ESG risks are effectively measured, managed and reported. **(ii)** Ensures sustainability is integrated into the governance structure at Group and branch/subsidiary level.

Risk Management/Financing the transition

There are five closely related initiatives that, in combination, will provide us with a valuable platform to support our clients' transition strategies and, in turn, help us manage and mitigate our Scope 3 financed emissions. The first three initiatives will also greatly deepen our understanding of environmental risk at the client and portfolio level.

- Roll out the Client ESG Risk Assessment to better evaluate our clients' transition strategies and, in turn, the Bank's ability to reduce our Scope 3 financed emissions.
- Apply our proprietary Industry Environmental Risk Rating methodology to evaluate environmental risk at the portfolio level.
- Measure our Scope 3 financed emissions to establish a reliable baseline.
- Establish a product development program.
- Develop an ongoing training program to deepen the capability of our client-facing teams and strengthen client engagement.

Initiative	Description	Benefit
1. Client ESG Risk Assessment	**(i)** Client ESG questionnaire, completed by the relationship manager, to form the basis a client ESG score and rating. **(ii)** Applied to clients operating in Very High and High environmentally risky industries. **(iii)** Includes ESG Enhanced Due Diligence (EDD).	**(i)** Allows client ESG risk to be integrated into credit decision. **(ii)** Forward looking assessment of how clients are managing their ESG risks. **(iii)** Strengthens approach to relationship banking. **(iv)** Identifies financing opportunities.

Initiative	Description	Benefit
2. Industry Environmental Risk Rating	**(i)** A proprietary industry environmental risk rating methodology using a combination of quantitative and qualitative metrics. **(ii)** Defines the environmental risk rating for 45 industries by Low, Moderate, High and Very High.	**(i)** Allows environmental risk to be assessed at the portfolio level. **(ii)** Valuable reference for the client facing and Credit teams as it lays out the environmental risks impacting each industry, how those are managed and examples of transition strategies adopted by the leading industry players.
3. Measure Scope 1, 2 and 3 operational emissions and analyze possible approaches to reduce our GHG footprint while exploring the inclusion of Scope 3 financed emissions in future reporting cycles.	**(i)** Measure Scope 1, 2, and 3 operational emissions and identify opportunities to reduce the Bank's GHG footprint. **(ii)** Explore the future inclusion of Scope 3 financed emissions in line with PCAF methodology.	**(i)** Enhances understanding of the Bank's total climate impact, enabling more informed sustainability strategies. **(ii)** Identifies opportunities for emissions reduction, cost savings, and operational efficiency. **(iii)** Supports future regulatory readiness and strengthens the Bank's credibility with stakeholders and investors.
4. Product development program to accelerate our sustainable/transition finance.	**(i)** Product development for Corporate. **(ii)** Product development for Retail.	**(i)**Greater innovation. **(ii)** Strengthens client relationship. **(iii)** Revenue generating opportunity.
5. Training client facing teams	**(i)** Ongoing training and support program. **(ii)** Sharing of success stories.	**(i)** Increases green skilling. **(ii)** Promote idea sharing and innovation. **(iii)** Increased job satisfaction. **(iv)** Revenue generating.

Operations

Having already launched our three-year environmental reduction program for our operations, a future area of focus is measuring and managing the environmental impact of our suppliers. To deliver this are evaluating the benefits of implementing a group-wide procurement system.
This initiative aims to enhance our analysis and understanding of our supply chain, foster closer engagement, facilitate vendor ESG assessments and minimize the environmental impact of our suppliers.

Initiative	Description	Benefit
1. Three-year environmental reduction plan of operations. 2. Measure Scope 1, 2, and 3 operational emissions and identify opportunities to reduce the Bank's GHG footprint.	**(i)** Environmental reduction plan for Bank ABC Jordan operations. **(ii)** Sets out actions to reduce energy, water and GHG emissions.	**(i)** Reduce our energy consumption, water usage & GHG emissions. **(ii)** Increased efficiency and resilience by reducing consumption of resources and cutting costs.
3. Engaging with suppliers that have already gone through environmental assessments.	**(i)** Leverage existing assessments to identify opportunities for collaboration on reducing environmental impacts. **(ii)** Encourage continuous improvement by supporting suppliers in aligning with the Bank's sustainability goals.	**(i)** Accelerates sustainability progress by building on suppliers' existing environmental frameworks. **(ii)** Enhances supply chain transparency and reduces environmental risks. **(iii)** Strengthens partnerships with responsible suppliers, contributing to shared sustainability goals.

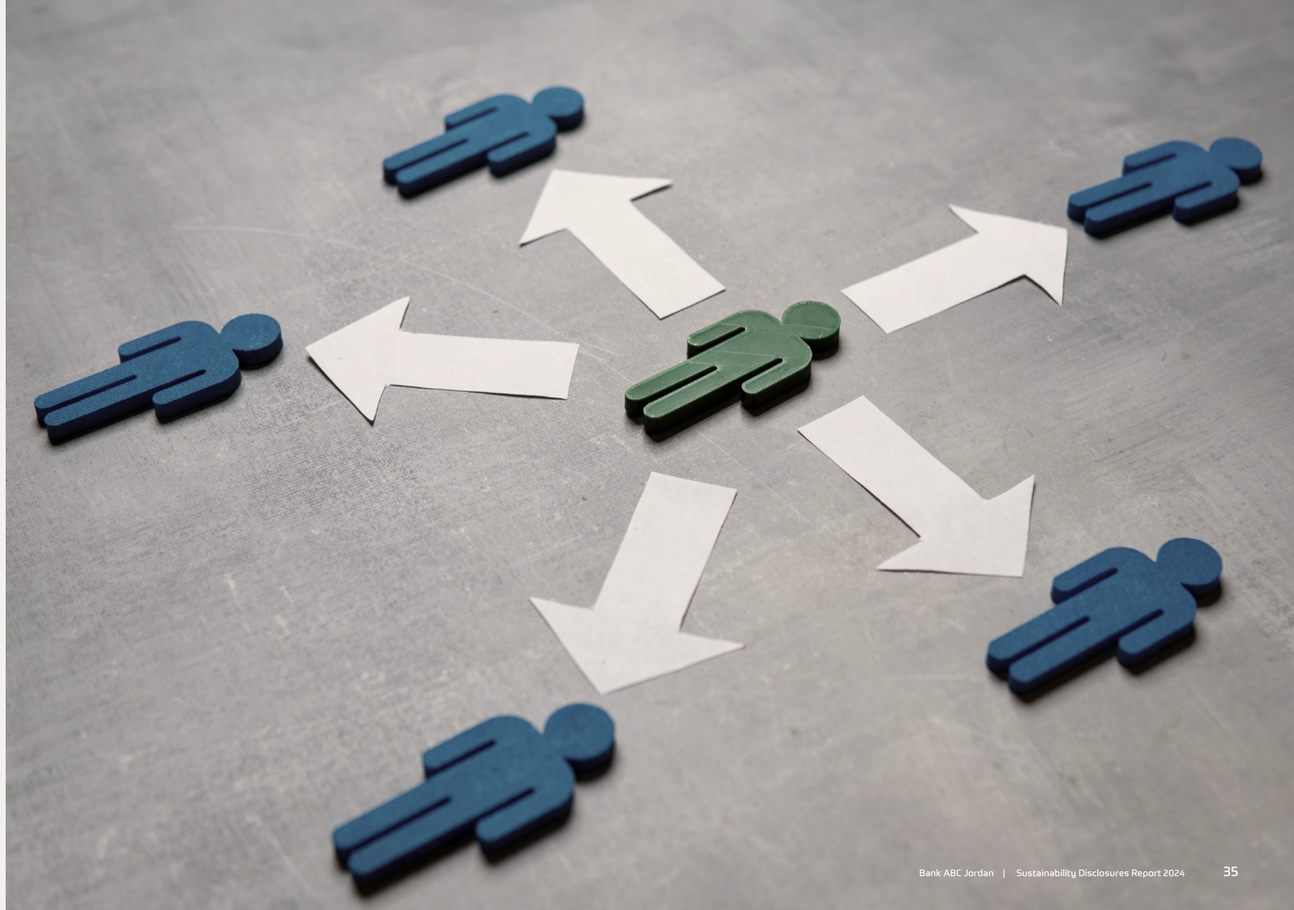
Our People and Communities

The social agenda of our sustainability strategy remains a critical pillar, reflecting our dual commitment to our people and the communities we serve. Employees are our most valuable asset, and we continue to invest in their development while fostering a diverse, inclusive, and equitable workplace. To this end, we are implementing the Group's action plan to strengthen Diversity, Equity, and Inclusion (DEI), including the establishment of targeted initiatives aimed at improving our gender-related ESG KPIs. These efforts are designed to promote a culture of fairness and inclusivity, enhance employee engagement, and avoid homogeneity—ultimately driving innovation and improved performance.

As part of our commitment to employee growth, we are expanding our mentoring program across relevant departments and introducing new soft skills training modules. These initiatives aim to increase access to leadership and equip our workforce with the skills needed for the future.

In parallel, we will undertake a review and development of our Corporate Social Responsibility (CSR) investment strategy with the aim of maximizing its impact across the communities we serve. This ensures our investments are aligned with clearly defined objectives and are directed toward projects that generate measurable and meaningful outcomes.

Initiative	Description	Benefit
1. Implement the Group's action plan to strengthen Diversity, Equity & Inclusion.	**(i)** Establish initiatives focused on improving our gender-related ESG KPIs.	**(i)** Avoids homogeneity and 'group think'. **(ii)** Leads to greater innovation and financial performance. **(iii)** Inclusivity promotes employee engagement, productivity and job satisfaction. **(iv)** Promotes a culture of fairness.
2. Build employees' skills.	**(i)** Apply the mentoring program to relevant departments and introduce new soft skills training modules.	**(i)** Increase access of employees to the leadership of the Bank. **(ii)** Equip employees with the skills of the future.
3. Enhance the Bank's CSR investments engagement and impact strategy	**(i)** Review and develop the CSR investment strategy with the aim of maximizing its impact across the communities we serve.	**(i)** Ensures investment is focused on projects that will deliver on objectives. **(ii)** Generates greater impact across communities.



03

Our Sustainability Performance

Qualifying Green, Social and Sustainable Activities

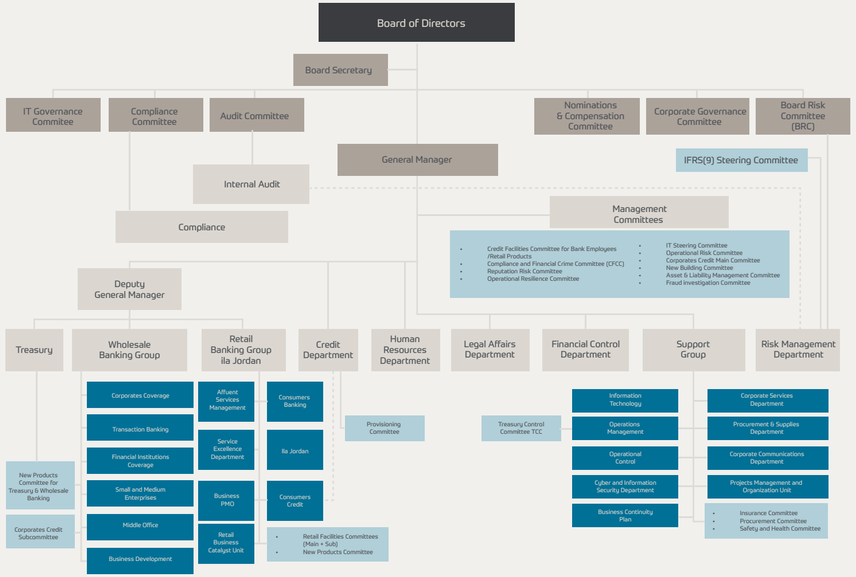
3.1: Pillar 1 Governance

3.1.1: 2025–26 Roadmap Goals

- Strengthen Board oversight of the sustainability strategy to ensure effective governance and alignment with long-term business objectives.
- Establish clear ESG KPIs and set measurable targets to track progress and demonstrate ambition.
- Ensure compliance with ESG regulatory and disclosure requirements across all operating jurisdictions.

Good corporate governance is the foundation of any sustainable organization. At Bank ABC Jordan, we are committed to operating at all times with the highest standards of integrity, ethics, and compliance with applicable laws and regulations. As part of our ongoing journey to embed sustainability into our business, we are currently working to integrate ESG considerations across all business units through the development of KPIs and strategic objectives aligned with ESG goals. In 2024, we initiated efforts to incorporate ESG factors into performance management frameworks for senior management, including exploring the linkage of remuneration to the achievement of ESG-related KPIs.

Bank ABC Jordan's Organizational Structure



3.1.2: Board of Directors

Overall responsibility for the Bank's strategic direction and effective corporate governance rests with our Board of Directors. The Board sets the Bank's long-term strategic objectives, evaluates the performance of senior management, and oversees internal control systems to ensure compliance with the laws and regulations of each jurisdiction in which the Bank operates.

The Board is also tasked with safeguarding the interests of a wide range of stakeholders, including shareholders, depositors, creditors, employees, and the broade community, ensuring that these interests are reflected in the Bank's actions and policies.

Members of the Board of Directors, who are also shareholders, are elected for a four-year term. Their election is governed by Jordanian laws and regulations and requires the approval of both the Central Bank of Jordan and the Bank's General Assembly.

Bank ABC Jordan's Board is notably diverse, comprising eleven members—nine men and two women. Four members are independent directors. Collectively, the Board brings a wealth of knowledge, skills, and experience across sectors such as banking, finance, insurance, economics, and law, strengthening the Bank's leadership and governance capabilities.

Board of Directors	2022	2023	2024
Percentage of independent directors in the Board	36%	36%	36%
Total members of the Board	11	11	11
Total members of the Board (Males)	10	9	9
Total members of the Board (Females)	1	2	2

3.1.3: Board Committees

To assist the Board in its duties and manage specific responsibilities, the Bank has established a number of Board Committees:

Audit Committee

Assists the board in supervision, coordinates with auditors, ensures audit independence, provides objective information, monitors internal controls, and recommends improvements.

Board Risk Committee

Ensures the presence of a risk management policy and reviews related strategies and plans; manages, reviews, and monitors all the risks that the Bank might face, checks the effectiveness of the internal control system in reducing risks; sets the strategy for acceptable risk limits; reviews and approves the acceptable risk thresholds provided by the Bank's risk management.

Compliance Committee

Assists the Board in its supervisory role, acting as a liaison between the Board and the compliance monitoring department; provides the Board with objective, professionally neutral information, monitors compliance with regulatory instructions, and suggests recommendations for addressing any deficiencies or weaknesses.

IT Governance Committee

Aligns IT strategy with the Bank's objectives, improves IT risk management, achieves added value at minimal costs, and manages cyber security risks.

Nominations and Remuneration Committee

Assesses the efficiency of top-tier governance bodies using self-evaluations and impartial reviews.

Corporate Governance Committee

Supervises the preparation and approval of the governance report, establishes procedures for governance instructions, and oversees the annual update of the bank's corporate governance manual.

3.2: Pillar 2 Operations

3.2.1: 2025–26 Roadmap Goals

- Reduce the environmental impact of operations and suppliers.
- Develop reduction targets for Scope 1, 2 and 3 GHG emissions, energy, water and waste.

Measuring and reducing the carbon footprint of our operations is a key priority within our evolving sustainability strategy. Bank ABC Jordan is actively working to establish a comprehensive approach for monitoring and managing our environmental impact—one that will eventually extend beyond our direct operations to include our supply chains. Efforts are underway to define clear plans and frameworks to reduce greenhouse gas (GHG) emissions, water usage, energy consumption and waste.

We also aim to engage our partners in assessing and minimizing their social and environmental footprints. In 2024, we initiated the implementation of the Critical Infrastructure Review—conducted in 2023 by external consultants—which outlines proposed strategies for achieving progressive annual reductions in resource consumption and emissions across our operations.

3.2.1.1: Our Environmental KPIs

KPI	2023	2024
GHG emissions Scope 2 ,1 and 3 (tCO2e)	6,782	4,075
GHG emissions intensity (tCO2e per JOD million revenue)	65.5	37.7
GHG emissions (tCO2e) per FTE	11.8	7.2
Energy usage (kWh)	2,629,735	3,028,567
Energy usage (kWh) per FTE	4,577	5,693
Water usage (m3)	3,749	6,075
Water usage (m3) per FTE	6.5	10.77

Note: Previous years' data were based on estimates; in 2024, we are establishing an accurate baseline for future tracking.

3.2.1.2: GHG emissions

GHG emissions (tCO2e)	2023	2024
Scope 1	107	129
Scope 2	7	1,643
Scope 3	6,668	2,303
Total GHG emissions	6,782	4,075
GHG emissions intensity (tCO2e per JOD million revenue)	65.5	37.7
GHG emissions (tCO2e) per FTE	11.8	7.2

Note: Previous years' data were based on estimates; in 2024, we are establishing an accurate baseline for future tracking.

We systematically measure and monitor Scope 1, Scope 2, and Scope 3 GHG emissions across our operations (excluding Scope 3 financed emissions), with a continuous focus on identifying and implementing reduction opportunities.

3.2.1.3: Renewable energy

Bank ABC Jordan is actively exploring initiatives to reduce energy consumption across its operations as part of its broader environmental strategy. While formal energy audits are not yet conducted on a recurring basis, the Bank is assessing opportunities to analyze energy use, identify inefficiencies, and develop targeted recommendations for improvement—such as equipment upgrades, system optimizations, or behavioral interventions. Energy-efficient and automated lighting systems, along with smart meters for precise energy monitoring, have already been installed across Bank ABC Jordan's operations. Furthermore, the Bank has set to actively engages with suppliers that are environmentally certified and have undergone rigorous assessments against defined environmental criteria, reinforcing its commitment to sustainable procurement practices. In parallel, the Bank is evaluating potential awareness campaigns and staff engagement programs aimed at promoting energy-conscious behaviors, including turning off unused equipment, reporting maintenance issues, and adopting day-to-day energy conservation practices.

3.2.1.4: Water

Jordan is a water-scarce region, making efficient water usage a critical priority for Bank ABC Jordan. While our operations currently maintain relatively low water consumption, we are in the process of identifying and planning initiatives to further reduce usage and improve water efficiency. Proposed measures include the potential installation of low-flow fixtures such as toilets and faucets, the development of leak detection and repair programs, and the design of employee awareness campaigns to promote water-saving practices. These efforts are part of a broader strategy under development to enhance the Bank's environmental stewardship and resilience in the face of regional water challenges.

3.2.1.5: Waste

Bank ABC Jordan is in the process of developing a more structured approach to waste management, with a dual focus on minimizing waste generation and enhancing recycling practices across its operations. Recycling stations are already in place across the Bank's facilities to support responsible disposal of paper, plastics, metal containers, and other recyclable materials and efforts are now focused on improving their usage and accessibility. Awareness campaigns and employee engagement programs promoting sustainable waste practices are also being considered.

Reducing paper consumption and improving recycling remain key areas of focus. Potential initiatives under review include implementing centralized printing systems—such as 'follow-me printing'—to minimize unnecessary printing, as well as the increased adoption of digital tools like electronic signatures to reduce reliance on paper.

Although a notable increase in recycled paper was recorded in 2024, this figure primarily reflects the disposal of outdated warehouse stock alongside office-used paper, rather than a direct reflection of improvements in day-to-day paper recycling. As such, the Bank continues to assess and refine its waste tracking and reduction measures as part of its broader sustainability agenda.

3.2.2: Responsible procurement

In addition to upholding high social and environmental standards within our operations, we are committed to extending these principles throughout our supply chain. Our procurement activities align with relevant laws, regulations, and ESG (Environmental, Social, and Governance) considerations, and we actively seek to partner with suppliers who share our commitment to responsible business practices.

The Procurement department emphasizes strategic vendor negotiations to secure competitive pricing in the local market while optimizing cost efficiency. In 2024, we introduced several initiatives to enhance performance, including the enhancement of the existing Vendor Management System. This system consolidates all vendor-related information into a single, user-friendly platform, improving transparency, streamlining operations, and fostering stronger collaboration with our vendors.

We also prioritize sourcing from local suppliers wherever feasible. This approach not only reduces transportation-related environmental impacts but also supports local economies and strengthens ties with the communities in which we operate.

In 2024, we engaged with 452 suppliers, of which 372 (82%) were local. These local suppliers accounted for 81% of our total procurement expenditure.

Water usage	2023	2024
Water usage (m3)	3,749	6,075
Water usage intensity (m3 per FTE)	6.5	10.77

Note: Previous years' data were based on estimates; in 2024, we are establishing an accurate baseline for future tracking.

Waste	2023	2024
Total waste generated metric tonnes)	48.36	79.44
Total waste sent to landfill (mt)	NA	37.25
Total waste recycled (mt)	NA	42.19

Note: Previous years' data were based on estimates; in 2024, we are establishing an accurate baseline for future tracking.

Paper	2023	2024
Total waste (Kg)	48,360	79,440
Paper consumed (metric tonnes)	31.68	34.42
Paper recycled (mt)	16.41	41

Note: Previous years' data were based on estimates; in 2024, we are establishing an accurate baseline for future tracking.

Procurement Practices	2023	2024
Total number of suppliers engaged	458	452
Total number of local suppliers engaged	381	372
Proportion of spending on local suppliers	75%	81%

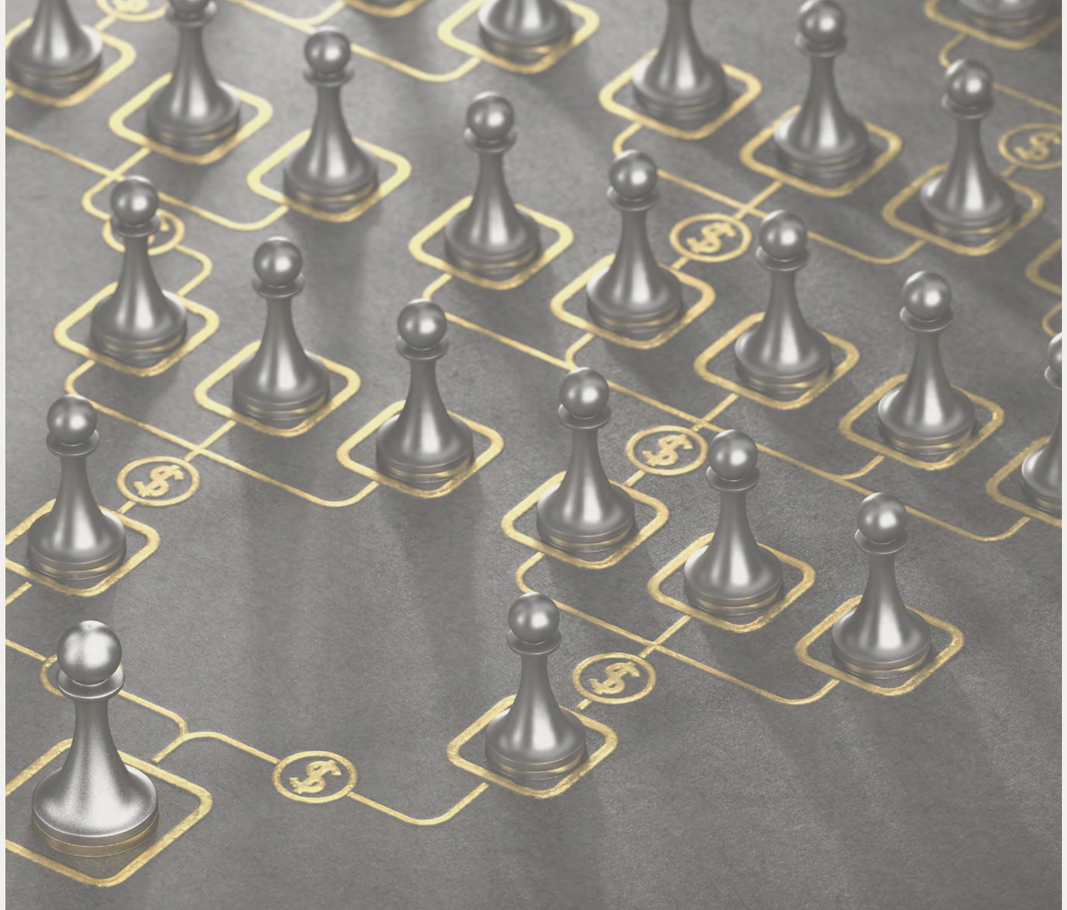
Note: Previous years' data were based on estimates; in 2024, we are establishing an accurate baseline for future tracking.

Case study: Vendor Management System

Bank ABC Jordan's Procurement Department introduced a significant step forward in 2024 with the enhancement of the existing structured vendor management system. This system enables us to:

1. Enhance vendor performance through comprehensive due diligence.
2. Streamline workflows for more efficient operations.
3. Ensure timely invoice payments to vendors.
4. Control expenses effectively.

Following the system's introduction, 100% of our active suppliers must now pass our Know Your Supplier checks before any purchase order can be issued. The system ensures timely and automatic notifications for issues such as contract renewals, compliance document expiration and performance review deadlines, resulting in time savings, greater efficiency and improved collaboration with our vendors.



81%

Proporation of procurement spend with local suppliers

3.2.3: Customer engagement

We use a range of ways to keep our customers consistently informed about issues of importance to them, such as product changes, service upgrades, and any alterations that may impact them.

We are investing heavily in digital technologies to provide customers with more convenient and seamless experiences. This includes enhancing digital banking and developing a mobile banking app.

We have a 24/7 call center that provides enhanced customer service and complaint management. Dedicated professionals provide personalized support, answer queries and recommend tailored solutions, while customer service surveys enable us to track our Net Promoter Score and analyze the data to process customer complaints.

We also use a Quality Service Score to gauge customer satisfaction levels, based on a range of factors. In 2024, our score was 93.6, against a target of 90.

3.2.4: Bank ABC Jordan's Digital Transformation

Case study: Improving the customer experience

Bank ABC Jordan continually seeks ways to improve the customers' experience, and our shift to digitalization offers new opportunities to achieve this.

In 2024, we modified our account opening application process so that now, when a customer visits a branch to open an account, the necessary forms can now be filled out electronically.

To achieve this, we modified the general terms and conditions for opening an account (available in Arabic and English) and converted them into a QR code. The customer can now simply scan the QR code using a smartphone and review the information. In addition, the customer also automatically receives an email with the terms and conditions.

This makes the experience both faster and much easier for the customer and reduces the need for physical paperwork. And marks another milestone on our journey to improve the customer experience whenever they bank with us.

Success Story: Driving Innovation Through ACH System Consolidation

In 2024, Bank ABC Jordan identified a strategic opportunity to lead with innovation while upgrading its Automated Clearing House (ACH) system. What initially began as a technical enhancement quickly evolved into a broader digital transformation initiative. The Bank's team made a bold decision to unify two critical systems — CMA TMSX and ProgressSoft ACH — into a single, streamlined platform.

This consolidation was achieved under a tight implementation timeline, making the project's success even more notable. By integrating the systems, the Bank realized approximately USD 70,000 in capital expenditure (CAPEX) savings and USD 40,000 in annual operational expenditure (OPEX) savings. Beyond cost efficiencies, the initiative simplified processes, enhanced operational efficiency, and reduced system complexity, resulting in a more agile and responsive infrastructure.

This project exemplifies Bank ABC Jordan's commitment to digital transformation and operational excellence, demonstrating how smart, forward-thinking solutions can drive both innovation and long-term value.

3.2.5: Cybersecurity

Bank ABC Jordan adheres to the Bank ABC Group's Cyber Security Framework, which is fully aligned with international standards, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework. In addition to strengthening the Group's cyber resilience against evolving security threats, the Framework also supports the Bank's broader digital transformation objectives.

Structured around seven core pillars, the Framework encompasses a Board-approved strategy, a comprehensive Group Information Security Policy, and a suite of supporting standards, procedures, processes, tools, and staff training initiatives. Collectively, these elements shape the Bank's cybersecurity posture and its ability to effectively govern, detect, respond to, contain, and recover from cyber incidents. The Framework ensures compliance with all applicable legal, regulatory, and industry requirements, including SWIFT Customer Security Program (CSP) and Payment Card Industry Data Security Standard (PCI-DSS). It also provides robust protection for customers, brand integrity, and reputation—ultimately fostering trust among all stakeholders.

3.2.5.1 Cybersecurity Framework Pillars

1. Data Security

Protect the business, sensitive, proprietary or personal data.

2. Threat and Vulnerability Management

Detect and remediate cyber security and vulnerabilities to critical information technology assets.

3. Monitoring

Prevent, detect, respond, contain, and recover from security events and incidents.

4. Identify and Access Management

Control access to systems and data, enforcing the principle of least privilege.

5. Infrastructure Protection Services

Ensure security for all network components, including applications, servers and endpoints, among other connected devices.

6. Governance, Risk Management and Compliance

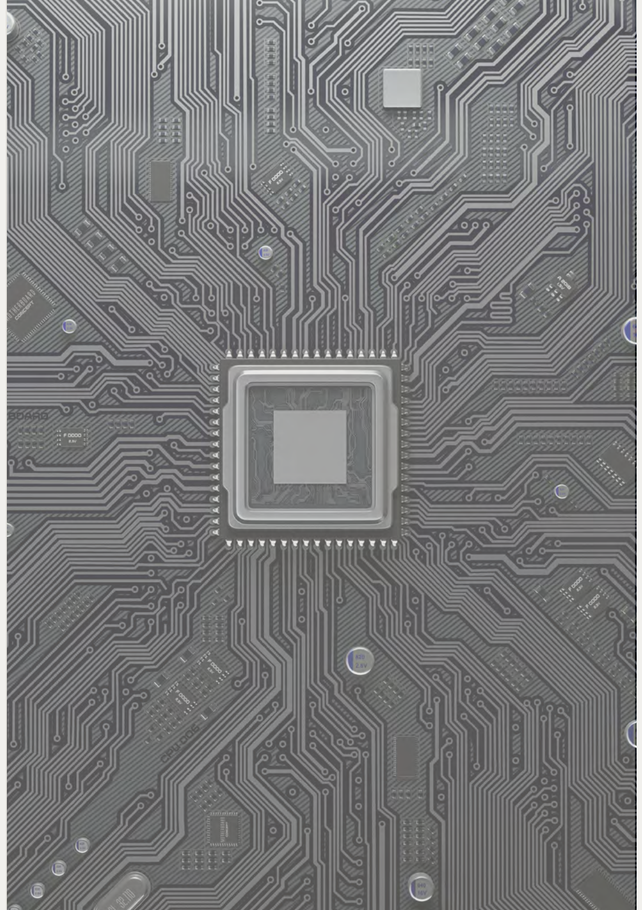
Manage strategy, policies, risks and controls, and compliance with legal, regulatory and industry-standard requirements.

7. Maturity

Support continuous process improvement and measure maturity.

All of Bank ABC Jordan's employees are required to take the Bank Secrecy Pledge, in compliance with Central Bank of Jordan regulations. In 2024, we deployed the One Trust System to automate The Register of Processing Activities (RoPA) involves maintaining comprehensive documentation of all personal data processing activities across the organization. Bank ABC Jordan collaborates with various departments to document the specific processing activities relevant to each function and to identify the personal data involved. In addition a Data Protection Impact Assessment (DPIA) which is a process designed to identify risks arising out of the processing of personal data and to minimize these risks as far and as early as possible. We are also working to ensure compliance with Personal Data Protection Law, which came into effect in March 2024.

Thanks to our robust efforts to maintain cybersecurity, there were no data breaches or cases of lost data in 2024 for the fourth consecutive year.



Zero
data breachs or lost data for the fourth consecutive year

3.3: Pillar 3 Risk Management

3.3.1: 2025–26 Roadmap Goals

- Include obligor ESG risk assessment into lending process.
- Develop Industry Environmental Risk Rating.
- Measure Scope 3 financed emissions.
- Strengthen our approach to climate scenario analysis.

ABC Bank Jordan has robust and effective control systems, and adopts conservative policies regarding credit granting, management of non-performing loans, provisioning policy, expected credit losses, liquidity management, and risk management. This also includes policies related to the Business Continuity Plan, ensuring the Bank's operations can continue during crises.

The Bank's Board of Directors fulfils its oversight role through a number of Board committees, covering: Risk Management; Corporate Governance; Nominations and Remuneration; Compliance; Audit, and IT Governance. These committees have clear supervisory responsibilities that support the Bank in effectively and regularly evaluating its oversight function.

Throughout 2024, the Risk Management Department continued implementing the Bank's risk management strategy for 2026–2024 which addresses the methods of measuring and managing all financial and non-financial risks. The strategy ensures that the risk-related business results remain within the Bank's risk appetite and in line with relevant regulatory instructions.

In addition, the Bank maintained the strength of its capital base, as the regulatory capital adequacy ratios and liquidity ratios remained above the minimum regulatory requirements of the Central Bank of Jordan (CBJ) and the Basel Committee. In compliance with CBJ instructions, the Bank also conducted stress testing (sensitivity analysis) and scenario testing.

The Bank also continued in 2024 to apply the requirements of the International Financial Reporting Standard (IFRS 9) in line with CBJ requirements.
This was achieved by implementing the methodology adopted by the Bank's parent company, with some modifications to align with the CBJ requirements.

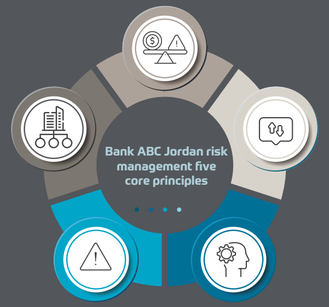
3.3.2: Our Risk Management Principles

Managing Risks Based on Expertise and Infrastructure

Our risk management relies on subject matter expertise, experience, and our IT system data. Data from historical events, industry knowledge, & system-generated information guide our risk limit and tolerance setting.
Moreover, it ensures that our risk appetite statement is defined in line with the Bank's business goals and objectives.

Embedding Risk Appetite in Organizational Culture

The effective embedding and communication of Bank ABC Jordan's risk appetite statement shifts the view of risk from the mindset of loss minimizing' to one of optimizing the organization's risk-return profile.



Combining Top Down and Bottom Up Communication

We adopt a combination of "top-down" and "bottom-up" communication methods for risk appetite, promoting transparency, accountability, and well-grounded expectations for our stakeholders.

Leveraging Risk Appetite for Strategic Decision

Bank ABC Jordan uses its risk appetite as a leverage for strategic and tactical decisions.

Establishing Early Warning Indicators

We maintain vigilance over risk tolerance levels via early warning indicators of risk limits and thresholds.

3.3.3: Risk Management Department

Risk is managed at Bank ABC Jordan through the Risk Management Department (RMD), which operates independently from the Bank's business activities. The department is responsible for managing credit risk, operational risk, market risk, and information technology risk, based on an integrated methodology that focuses on identifying the size and nature of the risks to which the Bank is exposed.

The RMD is entrusted with overseeing and implementing the overall risk management framework in coordination with the Bank's various departments and divisions. It does so by identifying, measuring, evaluating, and monitoring financial and non-financial risks that could negatively affect the Bank's performance, reputation, or objectives, ensuring that the Bank achieves the optimal return for the level of risk taken.

The RMD also follows best practices, tools, and procedures to ensure the application of all relevant policies and procedures, whether issued by the CBJ, the parent company, or as required by the Basel Committee.

3.3.4: Key achievements in 2024

In addition to its regular activities and functions the RMD completed a number of actions in 2024 to strengthen the Bank's risk management Framework, including:

Preparation and Submission of Periodic Reports:

- Regular reports were submitted to the Risk Committee of the Board of Directors, providing comprehensive information on the Bank's risk profile across all activities, compared against the approved Risk Appetite Statement. Follow-up actions were taken to address any negative deviations, including:
- Reports related to the Internal Capital Adequacy Assessment Process (ICAAP).
- Reports on the regulatory Capital Adequacy Ratio in accordance with Basel III requirements, as well as liquidity risk and leverage ratio management.
- Market and liquidity risk management reports, including key liquidity ratios such as the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), following the Central Bank of Jordan's guidelines.
- Reports reviewing existing credit portfolios across all asset classes and tracking developments.

Implementation of the Risk Management Strategy:

The department applied the Bank's risk management strategy and developed operational procedures for managing various types of risks, ensuring their effective application and monitoring.

Stress Testing:

Stress testing was conducted to measure the Bank's resilience to high-risk scenarios and potential shocks.

Customer Deposit Behavior Study:

A detailed study was conducted to assess the stability of customer deposits across various product types, with the results reflected in the contractual liquidity gap report.

Information Technology Risk Analysis:

IT risk analysis was performed, and appropriate controls were established to mitigate potential risks.

Information and Technology Governance Reporting:

Reports were prepared in accordance with COBIT standards for processes under the Risk Management Department's responsibilities.

Coordination with the Parent Group:

Full coordination with the Risk and Credit Management Group at the parent company in Bahrain was maintained to calculate Expected Credit Losses (ECL) in line with IFRS 9 requirements and the Central Bank of Jordan's directives. Results were presented to the Board Risk Committee, and the necessary reports and disclosures were prepared and submitted.

Alignment with Group Sustainability Strategy:

Ongoing coordination with the parent company in Bahrain ensured alignment with the Group's sustainability strategy, empowering clients, employees, and communities toward a low-carbon, inclusive, and sustainable economy.

Risk Awareness Enhancement:

Efforts were made to promote a risk awareness culture among employees, based on best practices and leading banking sector standards.

Provision of Risk Information for Disclosures:

The department provided the necessary information for risk-related disclosure reports.

Policy and Framework Updates:

Updates or contributions were made to the revision of several risk management policies, including:

- Updating policies, methodologies, and calculation frameworks for Expected Credit Losses under IFRS 9 for both the Bank and Arab Cooperation for Financial Investments (a subsidiary).
- Updating the ICAAP Policy and ICAAP Submission Document for the 2023 results.
- Updating the Risk Appetite Statement for 2025, ensuring alignment with the Bank's risk strategy and business plans.
- Updating and approving IT Risk Unit policies.
- Approving policies and procedures for the implementation of the Operational Risk Management Framework.

Retail Portfolio Management:

Approval and periodic evaluation of documents related to retail portfolio products and individual loans were conducted to ensure they remain within acceptable and defined risk indicators for each product.

Credit Policy Updates:

Approval was granted for amendments to the credit policy of Arab Cooperation for Financial Investments and renewal of products related to Spot and Margin financing.

Approval of Investment and Trading Limits:

The updated investment and trading limits document for 2025 was approved.

Implementation of Data Protection Requirements:

The requirements of the Group Personal Data Protection Project from the parent company, Arab Banking Corporation (B.S.C.) Bahrain, were successfully implemented, and related policies, procedures, and documents were approved.

3.3.5: Client ESG Risk Assessment

A key initiative in 2024 is the development of a proprietary Client ESG Risk Assessment process alongside an Industry Environmental Risk Rating methodology. Given that the majority of the Bank's GHG emissions stem from client activities (Scope 3 emissions), this initiative aims to integrate ESG risk considerations into lending decisions and client engagement. It also aligns with emerging regulatory expectations, particularly in Jordan, where incorporating ESG risk into credit assessments is becoming increasingly important. The global rollout of this process is planned for completion in the first half of 2025.

The assessment is questionnaire based and aims to identify risk and financing opportunities in four areas:

- Management quality
- Environmental and social impact
- Environmental and social disputes, fines or prosecution
- Transition plans

The questionnaire supplies us with quantitative data and qualitative analysis that provides a deeper understanding of the environmental and social risks facing our clients and how they are managing their transition to a low-carbon economy. This also facilitates closer engagement with clients and enhances our ability to support their financing requirements.

Client ESG Risk Assessment Approach

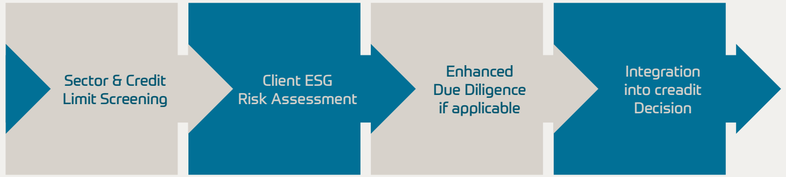
Why it's required	How It's Done	Who it Applies to	Minimizing disruption
Integrates client ESG risk into credit decision	ESG questionnaire = 16 questions + ESG scorecard	Corporate clients operating in High/Very High risk sectors	Relationship Manager Completes ESG questionnaire + ESG scorecard
Deepens client engagement	Includes ESG EDD proces for High-risk clients		
Identifies financing opportunities	Generates overall client ESG rating	Credit applications submitted to BAC + annual reviews.	Sustainability Specialist Reviews & conducts ESG EDD, iF applicable
Consistent approach to ESG risk assessment			

The Client ESG Risk Assessment is based on a client ESG questionnaire that allows us to translate the more subjective elements of ESG risk into an objective client ESG score and overall ESG rating. At the outset the Client ESG Risk Assessment will only be applied to companies operating in High or Very High environmentally risky industries as defined by our proprietary Industry Environmental Risk Rating methodology.

Client ESG Risk Assessment Workflow

The client ESG questionnaire, which is completed by the relationship manager, consists of 16 questions that are individually weighted according to importance. Examples of topics covered include whether companies have ESG-linked remuneration, whether they have interim emission reduction targets, whether they have a transition plan and associated strategy, and whether they have assessed their physical risks.

Each client gets an overall ESG score out of 100, of which the governance and environmental related questions each carry a 42% weighting and social 16%. Depending on the overall ESG score, the client will then get a client ESG risk rating of either Low, Moderate, High or Very High.



3.3.6: Industry Environmental Risk Rating

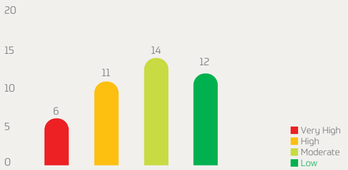
Our proprietary Industry Environmental Risk Rating approach provides an environmental rating for 43 global industries. The methodology allows us to evaluate environmental risk at the portfolio level and sets out valuable information to our business teams on the environmental risks facing each industry and the various transition strategies being adopted by each sector.

Sectors are awarded an environmental risk rating of Low, Moderate, High or Very High according to their overall score of between 0 to 4. The approach uses a combination of third-party ratings from leading global data providers and NGOs, in addition to a qualitative overlay. All sectors are rated across six criteria covering climate, water, waste, toxic emissions, ecological impacts and transition risks, with a double weighting provided for climate risk given it is interlinked with others and can exacerbate all risks. The method has been benchmarked against leading industry peers to ensure integrity of approach.

Industry ratings are provided on a standard 3 slide format per sector, which also provides global examples of leading practice or notable risks within given sectors. This information is supplied across the business, in combination with training deployed globally, to upskill relationship managers and provide an aide memoire of salient sector considerations ahead of client meetings and engagement.

The sector ratings are outlined below and show a bell-curve distribution outcome. Seventeen out the total of forty-three industries were ranked as either having a very high (6 sectors) or high (11 sector) environmental risk. This equates to 40% of the total number of industries being evaluated as very high or high risky sectors, split between 14% for very high and 26% for high risk industries.

Number of industries per ERR category



Environmental Risk Rating of Industries

Sector	Risk Rating
Coal	Very High
Oil and Gas Refiners & Marketing	Very High
Building Material Providers	Very High
Oil & Gas Exploration	Very High
Mining: Metals & Minerals	Very High
Metal Smelting (Iron, Steel & Aluminium)	Very High
Chemicals	High
Agriculture	High
Multi-utilities: Electricity & IPPs	High
Marine Transport	High
Oil & Gas Services	High
Forestry, Pulp & Paper	High
Water Utilities	High
Commodity traders: Fossil Fuels, Metals & Mining	High
Food Producers	High

Sector	Risk Rating
Aviation	High
Textiles, Footwear & Luxury	High
Railways	Moderate
Aerospace & Defense	Moderate
Gas and Electricity Suppliers, Transmission, Distribution	Moderate
Commodity traders: Soft commodities	Moderate
Other Land Transport (Trucking & Buses)	Moderate
Pharmaceuticals and Medical Suppliers	Moderate
Auto Manufacturers	Moderate
Auto Suppliers	Moderate
Construction & Civil Engineering	Moderate
Real Estate Developers	Moderate
Beverages	Moderate
Manufacturing & Other Engineering	Moderate

Sector	Risk Rating
Tobacco	Moderate
Catering, Hotels & Restaurants	Moderate
Consumer goods manufacturers	Low
Renewable Utilities	Low
Wholesale, Traders, Imports & Exports	Low
Retail (food and non-food)	Low
IT Hardware	Low
Media & Film	Low
Hospitals & Clinics	Low
Real Estate Services	Low
IT Software	Low
Auto Dealers	Low
Professional Services: Advertising, Consultancy & Auditing	Low
Telecommunications	Low

3.3.7: Climate scenario analysis

Aligned with Central Bank of Jordan (CBJ) guidelines, Bank ABC Jordan has reviewed and enhanced its climate stress testing processes to better manage and prepare for potential climate-related physical and transition risks. We are placing greater emphasis on strengthening our climate scenario analysis capabilities to better understand how risks and opportunities may evolve over time. This reflects our proactive approach to risk management, viewed through a sustainability lens.

3.4: Pillar 4 Financing the Transition

3.4.1: 2025–26 Roadmap Goals

- Sustainable finance framework for robust measurement of sustainable/transition finance.
- Embed sustainability into our client engagement and product development.
- Training program to strengthen capabilities and skill sets.
- Provide sustainable and transition financing to our clients.

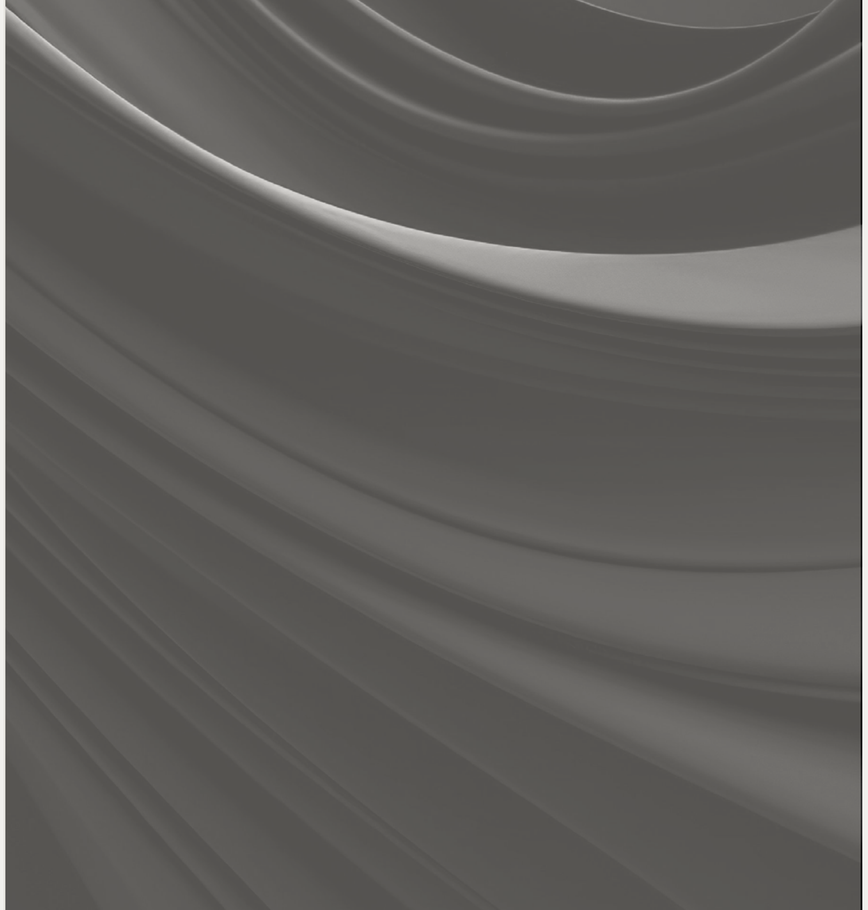
3.4.2: Sustainable Finance Framework

The transition to a low-carbon economy offers an unprecedented opportunity for growth and innovation and the banking sector has a key role in supporting this. Bank ABC is able to help accelerate the transition by supporting our clients as they implement the necessary actions throughout their own businesses and value chains. However, this requires us not only to accelerate green and social finance, but also to increase the amount of transition finance we extend to our high-emitting clients.

Bank ABC has developed a Sustainable Finance Framework, which acts as a key enabler for our business growth in line with our sustainability strategy. It sets out the methodology for classifying our sustainable financial products and services, specifically how we define green, social, sustainable and sustainability-linked finance. It also defines our approach to mitigating greenwashing risk across our sustainable assets and liabilities, as well as the themes and activities that we deem eligible for green, social and sustainable finance.

The Framework is informed by international guidelines and standards on sustainable finance and fully aligned with the sustainability principles of the International Capital Markets Association and the Loan Markets Association, as well as the UN SDGs. The Framework has been co-developed with ISS to ensure it is aligned with international best practice.

Bank ABC Sustainable Finance Framework	
Green, Social, Sustainable and Sustainability-linked Product Framework	**Transition Finance Framework**
Bank ABC's Sustainable Finance Framework ("SFF") sets out the methodology for classifying our sustainable financial products and services, specifically how we define green, social, sustainable and sustainability-linked finance. It sets our approach to mitigating greenwashing risk across our sustainable assets and liabilities. It defines the themes and activities that we deem eligible for green, social and sustainable finance. The Framework is informed by international guidelines and standards on sustainable finance and fully aligned with ICMA's (International Capital Market's Association) and LMA's (Loan Market's Association) sustainability principles and UN SDGs. The Framework has been co-developed with ISS to ensure it is aligned with international best practice.	Our approach to transition finance is outlined in our Sustainable Finance Framework with reference given to the ICMA's International Capital Market's Association) Climate Finance Handbook and the CBI (Climate Bond Initiative) Transition Finance white Paper. Transition finance refers to finance that is provided to carbon-intensive companies that are in the process of structurally shifting their business and/or activities to a low carbon trajectory. The Bank's approach to transition finance supports our commitment to empower our customers to lead the drive to a low carbon economy and align with the Paris Climate Agreement. It provides a crucial gap between sustainable finance and finance required by those businesses operating within hard-to-abate industries. Setting out a definition and a list of eligible activities provides clarity to the disclosures that are required to credibly position the use of proceeds as transition finance.



3.4.3: Developing Sustainable

Finance Classification

By providing green and sustainable finance, we can help our clients to transition to and prosper in the new low-carbon economy. However, this requires careful classification of what activities are eligible for such financing.

Launched in 2024, Bank ABC's Group-wide Sustainable Finance Framework sets out the methodology for classifying sustainable finance products and services and how we define green, social and sustainable finance. The framework also maps eligible financial activities against the relevant UN SDGs and also outlines those activities that are excluded from the scope of sustainable finance.

Examples of eligible activities include investment in:

- Renewable energy
- Green buildings
- Environmentally sustainable management of living natural resources and land use
- Clean transportation
- Sustainable water and wastewater management
- Pollution prevention and control
- Terrestrial and aquatic biodiversity conservation
- Eco-efficient and/or circular economy

The framework has been designed with reference to a wide range of international standards and principals for sustainable finance.

Oversight of the framework will be provided by the Bank's Sustainable Finance Forum, composed of senior management, and we will report annually on the use of sustainable finance proceeds, number of clients, and proceeds by geography and activity. The report will also measure the impacts of sustainable finance, such as GHG emissions avoided, renewable energy provides, jobs created and number of beneficiaries.

3.4.4: ESG-integrated investment products

One important way in which Bank ABC Jordan can support the transition is through the development of financial products in which ESG factors are embedded. These are products such as funds that invest in companies that meet ESG criteria, thereby promoting ethical and sustainable investment. Such products help to align investments with socially responsible values.

3.4.5: Financial Inclusion

An important element in sustainable finance is the extension of financial inclusion. Enabling more people to access banking services helps to sustain and support livelihoods across the communities where we operate. Bank ABC Jordan is committed to developing and providing the financial resources, technology, and enhanced capacity required to support the most vulnerable in society.

This must be achieved in a responsible way. We provide financial literacy training to our customers and promote greater awareness of financial products, as well as fraud awareness and protection, through educational campaigns. We also take all necessary steps to safeguard their accounts. Our open and transparent approach is designed to empower people with the resources to take control of their finances.

Bank ABC Jordan also participated in the 2024 Arab Financial Inclusion Day organized by the Central Bank of Jordan, by promoting financial awareness among university students and distributing prizes to participants.

3.4.6: Our financial inclusive initiatives

3.4.6.1: Accessible branches

Our promise is to provide accessible and convenient banking solutions to as many customers as possible. We operate branches in every city across Jordan, and ATMs at some of our branches are equipped with accessibility measures such as wheelchair ramps and Braille language configuration.

3.4.6.2 "ila" app

As a fully digital banking application powered by Bank ABC, ila continues to champion sustainable innovation through its mobile application, reducing the environmental impact traditionally associated with physical banking operations. By offering seamless digital onboarding, paperless transactions, and instant money management tools, the ila app empowers customers to bank more efficiently while supporting eco-conscious practices. Our commitment to digital-first solutions not only enhances user experience but also contributes to a more sustainable financial ecosystem.

3.4.6.3: Supporting small businesses

The majority of companies in Jordan are small and medium-sized enterprises (SMEs). We place a focus on delivering banking services SMEs as part of our commitment to financial inclusion. We have an agreement with the European Investment Bank (EIB), through which the EIB provides funds for SMEs and companies with mid-sized capitalization at advantageous rates.

3.4.6.4: Masa program for women

Masa supports women's empowerment, especially in locations with limited access to financial services. The program enables women to overcome societal barriers by providing them with financial tools to grow their businesses, such as personal loans with special interest rates.

3.4.6.5: Play it Right campaign

Our Play it Right campaign offers environmentally friendly products, together with eight cash prizes for winners as incentives for customers taking out financial products to purchase electrical vehicles.

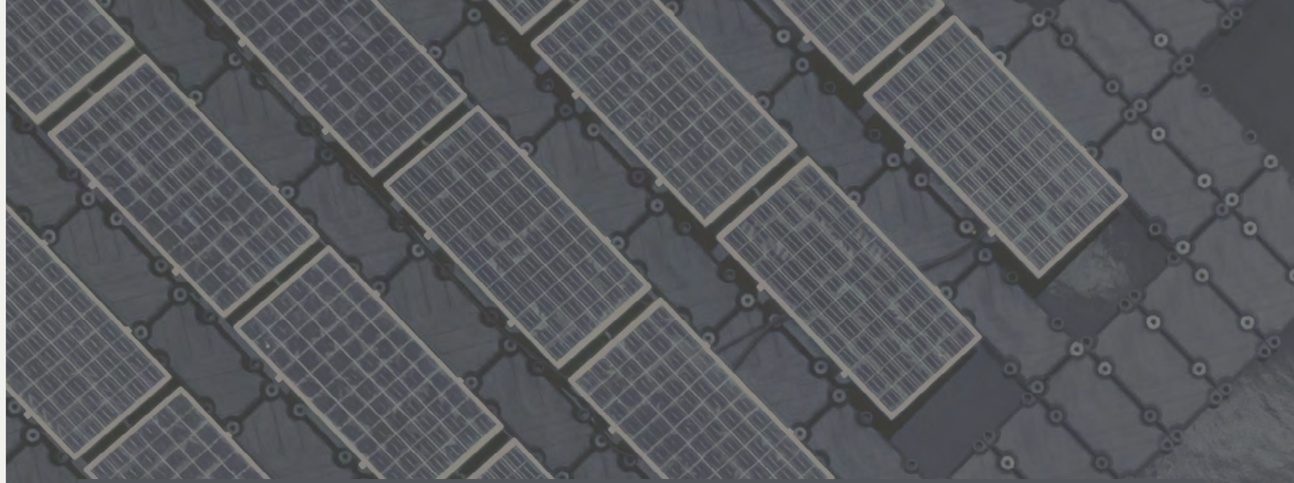
3.4.6.6: Green Retail Finance

We aim to provide opportunities for our customers to invest in socially responsible ways that prioritize ESG factors. We also focus on lending to businesses that contribute to the UN sustainable development goals. To this end, we are pioneering tracking of sustainability credentials across our loan and investment portfolios. This enables us to provide our customers with a suite of tailored products and services that help address pressing environmental or social concerns.

Bank ABC Jordan is also incentivizing the transition from fossil fuels to renewable energy. Jordan is one of the few countries globally where electric vehicles (EV) are cheaper to purchase than combustion engine cars. As a result, EV auto imports into the country have increased threefold in recent years, while those of hybrid and combustion engine automobiles have declined significantly.

In 2024, the Bank allocated a total of JOD 404,747 in financing for electric and hybrid vehicles, supporting clients in reducing their environmental footprint and contributing to the transition toward low-emission mobility solutions.

Sustainable finance	2023	2024
EV auto finance	JOD 303,979	JOD 404,747



3.5: Pillar 5 People and Communities

3.5.1: 2025–26 Roadmap Goals

- Strengthen our approach to D,E&I.
- Deliver greater impact from our CSR investments.

At Bank ABC Jordan, supporting our people and the communities in which we operate is a top priority and a core component of our sustainability strategy.

We are committed to fostering a workplace where employees can thrive—developing their skills, building meaningful careers, and playing an active role in the Bank's continued success. Simultaneously, we contribute to the economic and social advancement of local communities, helping them grow and prosper in ways that benefit everyone.

3.5.1.1: Our People and Communities ESG KPIs

ESG KPIs	2024
Diversity, equity and inclusion	
Percentage of female employees	35%
Percentage of female Board members	18%
Gender pay gap	1.011
Employee turnover: total	11%
Employee turnover: male	68%
Employee turnover: female	32%
Training and wellness	
Total training hours	8,606
Training hours per FTE	16.23
CSR activities	
Community investment (JOD)	291,150

3.5.2: Diversity, equity and inclusion

The principles of equal opportunity are deeply embedded in the way we operate as a business. We believe that all employees should have equal access to opportunities for growth and career development. Our policies and practices are designed to ensure fair treatment and promote equality across the organization. Discrimination of any kind—whether based on race, ethnicity, gender or abilities, is not tolerated.

Furthermore, we actively embrace diversity and inclusion. We recognize that a workforce reflecting the diversity of our markets, and one that values the wide range of ideas and perspectives our employees bring, makes us a stronger and more resilient organization.

3.5.2.1: Diversity Data

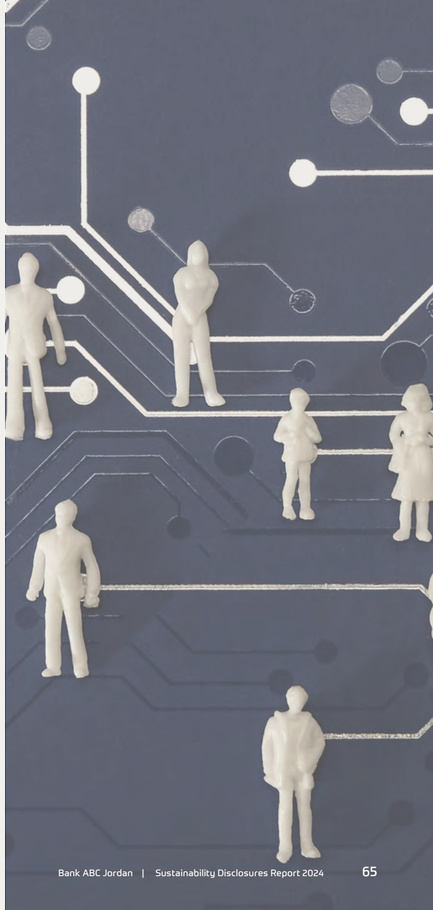
Diversity Data	2022	2023	2024
Number of female employees	160	160	184
Number of female employees in senior management	4	3	3
Number of female employees in middle management	28	28	29
Percentage of employees aged under 30	20%	16%	14%
Percentage of employees aged 30-50	72%	75%	76%
Percentage of employees aged 50+	8%	9%	10%

3.5.3: Attracting and retaining talent

Bank ABC Jordan is committed to attracting and retaining talented, motivated, and skilled employees who contribute to the Bank's continued success. This commitment is supported through robust recruitment practices, ongoing training and development initiatives, and the provision of competitive and attractive employment packages.

The Bank also strives to ensure diverse and inclusive hiring processes by aiming to include at least one female candidate in the interview pool for each open position, wherever feasible.

Additionally, efforts are underway to increase the representation of individuals with disabilities across the workforce, reinforcing our commitment to equal opportunity and inclusive employment.



3.5.4: Internal recruitment and promotion

Career development and growth at the Bank is entirely on merit, with fair and transparent practices. All employees have equal access to promotion and internal recruitment. We also seek to employ individuals from various age groups, as the range of experiences people can share helps to add value to our operations.

We also recognize the importance of supporting groups who have historically faced societal barriers to growth. We provide specialized training and development initiatives to support the professional development of our female employees. The programs aim to equip participants with the necessary skills for career advancement. The Bank's mentoring program successfully helps high-potential female employees to develop professionally and enter more senior roles.

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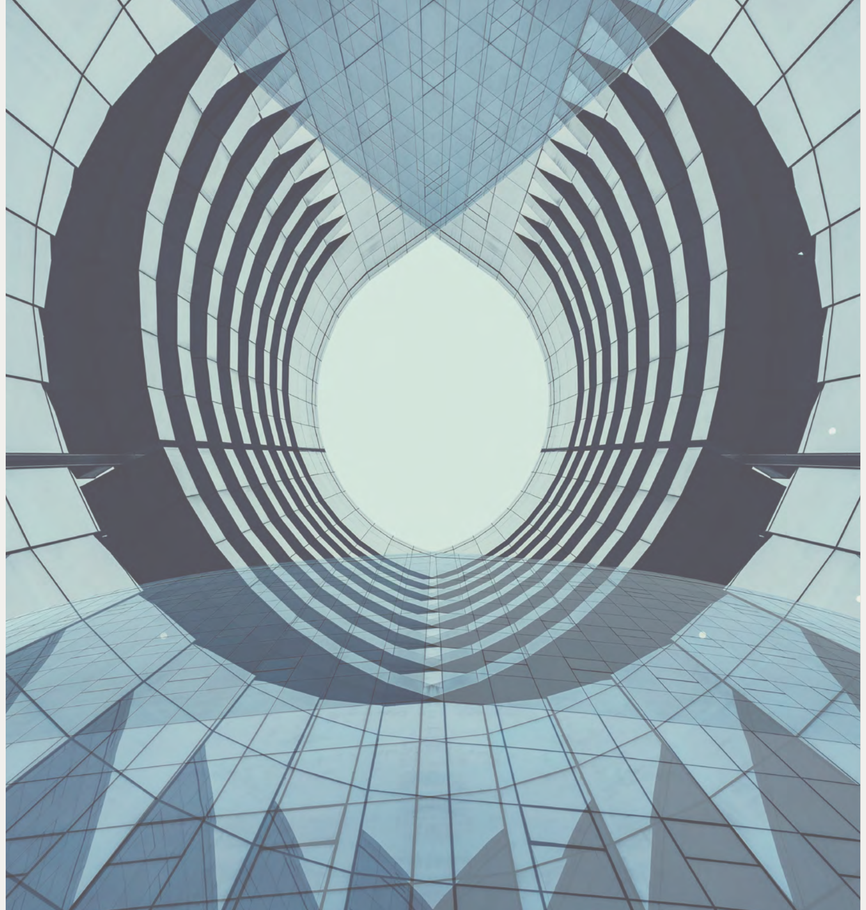
New Hires	2023	2024
Total number of new hires	66	63
by gender (Females)	18	18
by gender (Males)	48	45
By job category (Senior management)	0	0
By job category (Middle management)	7	15
By job category (staff)	59	48



3.5.5: Training and Development

To lay the foundations of our future success, we place a focus on the professional growth and career advancement of our employees. We have implemented a range of initiatives designed to promote continuing learning and development across our workforce.

Training	2023	2024
Total training hours of full-time employees	10,765	8,606
Average hours of training per employee	19	16.23
By gender (Females)	3,246	2,658
By gender (Males)	7,519	5,976
Total training hours of part-time, contract & intern employees	44	28
By job category (Senior management)	205	216
By job category (Middle management)	1,839	1,947
By job category (staff)	8,721	6,471

3.5.5.1 Digital Academy

Through the Academy, employees can access leading finance and banking modules from around the world at any time. The library supports Continuous Professional Education competencies and helps develop leadership and management skills and knowledge.

3.5.5.2: Masterclass and internal courses

Internal courses are focused on the technical aspects of roles and are conducted throughout the year, usually delivered by experienced employees. We also encourage employees to attend relevant external training courses and conferences.

3.5.5.3 Compliance training

Mandatory training on topics such as the Bank's Code of Conduct and cybersecurity. All employees must complete a minimum number of hours of compliance training each year.

3.5.5.4 Leadership courses for executives

A structured series of assessment and coaching sessions, engaging the Bank's 100 most senior leaders to reinforce the bank's corporate culture.

In 2024, four employees successfully completed a specialized skills certification in Environmental, Social, and Governance issues, conducted in collaboration with theInstitute of Bankers. This certification enhances the employees' understanding of ESG principles and equips them with the knowledge to integrate sustainability considerations into banking operations, risk management, and strategic decision-making. This initiative aligns with the bank's ESG objectives and reinforces its role in promoting sustainable finance.

3.5.6: Employment policies

Bank ABC Jordan has a raft of policies designed to guarantee fair employment practices and maintain the highest standards of behavior across all our operations and activities.

3.5.6.1: Anti-Bribery and Corruption

We adhere to Bank ABC Group's Anti-Bribery and Corruption (ABAC) Standard, which applies to all employees and to all third parties as a condition of the engagement with the Bank. The Standard is to ensure that:

- All employees understand the ABAC principles and the responsibilities and obligations placed on the Group to comply with relevant bribery and corruption laws and/or regulations.
- The Bank's reputation is protected by taking all reasonable measures to prevent involvement in bribery and corruption.
- An ABAC culture is established in which reasonable and proportionate measures are established and maintained to understand and prevent bribery and corruption, and to detect, monitor, report and respond appropriately to any incidents that may occur.
- Business is conducted with integrity and transparency in compliance with applicable laws, and in accordance with the values and Code of Conduct established by Bank ABC Group.

Should any suspicions or instances of bribery and corruption be reported, they are swiftly investigated, information and assistance are provided to the relevant external authorities. Bank ABC Jordan is committed to satisfying the requirements of these standards and the supporting the Group Financial Crime Compliance Policy and to continuously improving its approach towards mitigating the risk of bribery and corruption.

3.5.6.2: Anti-financial crimes

Bank ABC Group's Financial Crime Compliance Policy is designed to:

- Ensure consistent adherence to statutory, regulatory, and supervisory requirements, including industry codes.
- Establish and maintain robust financial crime compliance risk management and control systems, incorporating monitoring and reporting mechanisms.
- Delineate the responsibilities of the Board of Directors, senior management, and all employees regarding financial crime compliance.
- Ensure uniform application and oversight of the Bank ABC Jordan Financial Crime Compliance Framework across the entire group.

3.5.6.3: Gift and Entertainment

Our Gifts and Entertainment standard guides employees in making unbiased decisions and helps ensure business integrity. While the Bank recognizes that the exchange of business gifts and entertainment can enhance professional relationships, this standard underscore our commitment to ethical and transparent business practices.

3.5.6.4: Whistleblowing

Bank ABC Jordan adheres to the Group's Whistleblowing Policy, which is designed to prevent internal misconduct and fraud while providing a safe and confidential channel for employees to raise concerns without fear of retaliation. All employees receive mandatory training on the policy upon joining the Bank, with annual refresher sessions to reinforce awareness. Concerns can be reported through a dedicated and secure whistleblowing hotline.

3.5.7: Health and Safety

Although health and safety risks are relatively low within a banking environment, Bank ABC Jordan is fully committed to promoting a strong safety culture to protect the well-being of our employees, contractors and visitors.

All newly hired employees undergo an orientation and awareness session focused on identifying potential workplace hazards. These sessions are designed to enhance professional awareness, equip employees with the knowledge to recognize risks and implement preventive measures, thereby ensuring compliance with occupational health and safety standards and contributing to a safe sustainable work environment.

We adhere to both local and international occupational health and safety regulations, conducting regular inspections to ensure ongoing compliance. First-aid kits and firefighting equipment are readily available at all sites, supported by trained personnel certified as fire marshals. In addition, we operate a specialized clinic within the Bank, staffed with doctors and nurses to provide immediate medical assistance when needed. A significant number of employees have also been trained in first aid, further strengthening our on-site emergency capabilities.

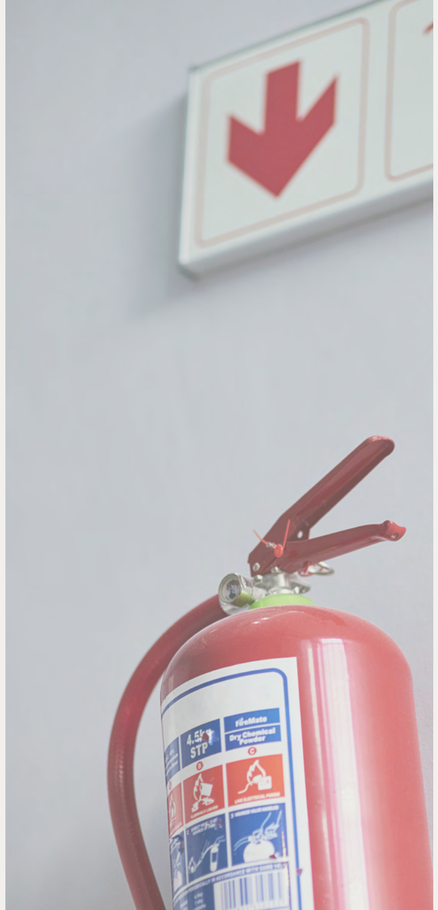
Through the implementation of our safety programs and initiatives, we have successfully reduced accident rates across our sites.

Our on-site safety policy outlines comprehensive measures and controls to maintain occupational health and safety standards. This policy is actively enforced, aligning with both local regulations and international best practices, to foster a culture of safety and shared responsibility across all levels of the Bank.

All contractors and service providers are required to demonstrate compliance with occupational health and safety regulations by providing the necessary licenses and certifications before beginning work. We assess their safety plans and review their safety records as part of our pre-qualification process. Safety requirements are clearly defined in contracts, including the mandatory use of personal protective equipment, with penalties applied for violations. Additionally, training sessions are conducted for all contractors and workers prior to commencing site activities, and safety supervisors are appointed for the duration of their work.

In 2024, we maintained a schedule of monthly health and safety training sessions for all technicians and conducted forklift safety and operator training for our warehouse employees. A foundational safety course was also delivered to 40 employees across our branches, covering key topics such as accident prevention methods, workplace hazard identification and prevention, types of fires and firefighting techniques, first aid, inspection methodologies, and accident investigation procedures.

Additionally, Bank ABC Jordan successfully conducted an evacuation drill in coordination with Civil Defense, further strengthening our preparedness and emergency response capabilities.



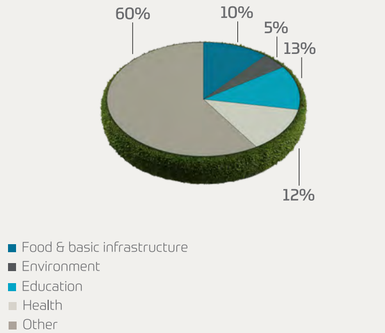
3.5.8: Our Communities

Bank ABC Jordan adopts a sustainable development approach in its engagement with society, through fostering meaningful partnerships and employee volunteers, aiming to create a positive impact and fulfill its broader social responsibility and vision. Our focus extends far beyond banking. We are dedicated to improving the lives of our communities by supporting educational, healthcare, and social development initiatives. Through these efforts, we aim to reduce poverty, support social mobility, and build a sustainable, thriving economy for all.

Our investment in community projects has grown significantly in recent years. In 2024, we donated a total of JOD291,150, representing 16% of our net profit after tax. Overall, we supported 18 different organizations across Jordan, reaching and positively impacting more than 10,107 individuals.

Donations	2022	2023	2024
Amount invested (JOD)	130,400	330,630	291,150

Total CSR investment split by category (%, 2024):



3.5.9: Corporate Social Responsibility Highlights in 2024

Committed to a Greener, Sustainable Future

At Bank ABC, we don't just talk about sustainability – we live it. Our commitment to preserving the environment and fostering positive community behaviors is at the core of our operations. By aligning with our sustainability goals, we actively contribute to combating climate change and protecting natural resources, ensuring a balanced environment for future generations.

Our green initiatives have been a key focus. From supporting the Jordan Environment Society in its mission to collect over one million plastic PET water bottles, to reducing plastic production by recycling used containers into eco-friendly packaging, we are doing our part to preserve the planet's resources.

In line with our commitment, Bank ABC also supports the Green Caravan program, where we planted 500 fruit-bearing trees to promote food security, expand green spaces, and fight desertification. This program doesn't just benefit the environment; it also enhances sustainable economic development by creating additional income streams for farming families, helping reduce poverty and unemployment, and raising awareness about the importance of agriculture and environmental stewardship.

Our contributions extend beyond local initiatives. Bank ABC has supported the Royal Society for the Conservation of Nature in establishing a water desalination plant in the Shaumari Wildlife Reserve, while also helping fund biodiversity projects and social and economic development efforts in the Azraq Wetland Reserve. These efforts are vital in preserving Jordan's unique environmental heritage.

Leading the Charge in Sustainability at Bank ABC in Jordan Headquarters

Sustainability starts at home. At our headquarters, we've implemented comprehensive recycling practices. Each floor is equipped with designated bins for paper, plastic, and metal, ensuring that our employees have the tools to reduce waste, minimize pollution, and promote resource efficiency. By doing so, we are contributing to a healthier, more sustainable future while educating our employees on the importance of recycling and reducing environmental impact.

Supporting Education: Empowering the Leaders of Tomorrow

Bank ABC in Jordan recognizes the transformative power of education. We are proud to partner with the Queen Rania Foundation for Education and Development to support programs like the Aman Fund for Orphans, providing scholarships to orphaned children, and the "My First Years" program, which focuses on parental care and education during the critical early years of a child's life. We also continued our support to the Young Muslim Women's Association (YMWA) Center for Special Education, aiming to provide humanitarian and social services for persons with special needs.

Our goal is to ensure that children and youth in Jordan have the opportunity to receive a high-quality education that equips them with the knowledge, skills, and values needed to succeed in an ever-evolving world.

The bank contributed to supporting the Drug Control Officers Preparation Program, which involves training and preparing 100 young men and women from universities, schools, and youth and social organizations across the country. The goal is to empower them to become ambassadors in their communities to raise awareness about the dangers of drug abuse and to enhance youth participation in promoting social peace.

Health Initiatives: Providing Life-Saving Support

We are equally committed to enhancing healthcare in Jordan. Our longstanding partnership with the Gift of Life Amman (GOLA) allows us to provide life-changing open-heart surgeries for children in need. We are working to ensure that every child has the chance to live a healthy, fulfilling life. Additionally, the Bank continues to support the Operation Smile Jordan, helping children with cleft lips, palates and congenital abnormalities and offering expert medical care, including pre- and post-operative care, speech therapy, and dental services.

As part of its ongoing cooperation with the King Hussein Cancer Centre (KHCC), the Bank continued to provide this centre with financial support to contribute to the treatment of cancer patients.

Support was provided to Al Malath Foundation for Palliative Care to assist its activities and goals, aiming to meet humanitarian needs, offer palliative care to patients suffering from incurable diseases and advanced stages, and alleviate pain to both patients
and their families.

Supporting the Most Vulnerable: Social and Community Initiatives

In times of hardship, Bank ABC stands alongside those in need. Through partnerships with Tkiyet Um Ali, the Jordan Hashemite Charity Organization, National Aid Fund, Children's Museum Jordan and other local institutions, we continue to provide food, clothing, and financial support to the most vulnerable families across Jordan.

Whether it's distributing food parcels during Ramadan or contributing in clothing the needy families or supporting the Al-Mustafa Endowment to seal the Holy Qur'an in the Blessed Al-Aqsa Mosque, we are dedicated to alleviating economic burdens and contributing to the welfare of our communities.

Donations and Corporate Social Responsibility

In our pursuit of sustainability, we are also proud to engage in partnerships that further our mission. Through agreements with the Princess Alia Foundation and the Ministry of Education, we continue our Green Footprints for Recycling Program, donating recycled paper to schools in need, thereby supporting environmental awareness and education across the Kingdom.

At Bank ABC in Jordan, sustainability is more than just a buzzword. It's a commitment we live by – every day, in every community we serve.

Volunteering: Making a Difference Together

Our employees are the heart of our initiatives. Bank ABC fosters a culture of giving and social responsibility, encouraging staff to volunteer their time and resources to various causes. From packing food parcels to supporting cancer patients through the Hussein Cancer Foundation, our team actively participates in making a positive impact on society.

We also believe in empowering employees with opportunities to support those in need. Whether it's organizing blood donation drives or hosting charity events like Hope Shop to support cancer patients, our employees are always ready to give back to the community.

Believing that supporting vulnerable children represents one of the highest forms of humanitarian work, a few of our staff members took part in the charitable iftar organized by the Children's Museum Jordan for orphans. As part of this effort, our staff also visited the Young Muslim Women's Association Center for Special Education to engage with and support the children with special needs in the community. The visit was significant, as it helped raise awareness of the challenges faced by underprivileged children, fostered a sense of community support, and provided these children with encouragement and resources that may contribute to their well-being and development. It also strengthened the bank's commitment to corporate social responsibility by directly contributing to the community.

To support the heath sector and strengthen partnerships with charitable humanitarian organization, aiming to create a positive and sustainable impact on society, we visited GOLA children recovering from heart surgery to check on their health and provide them and their families with encouragement and moral support.

Our staff actively participated in the tree planting activity, highlighting the Bank's dedication to engaging its workforce in volunteer initiatives and promoting environmental sustainability. This activity contributes to environmental sustainability by enhancing green spaces and helping combat climate change. Additionally, it fosters a sense of community and teamwork among employees, strengthens the Bank's commitment to social responsibility, and raises awareness about the importance of protecting natural resources.

Wellness and Awareness

As part of its commitment to employee well- being, the Bank organized a free medical day for staff, during which various free medical services and tests were provided, in addition to many medical consultations.

Also, Awareness sessions on cancer and the Cancer Care Insurance (CCI) program were conducted. The sessions aimed to educate participants about early detection, prevention and available treatment options and to promote the comprehensive care services offered by KHCC.

Way forward

As a responsible financial institution, our Bank is dedicated to deepening its impact through well-defined CSR efforts that prioritize education, child welfare, healthcare, and environmental sustainability. Building on our current initiatives, we are enhancing their reach and effectiveness through stronger community engagement, cross-sector collaboration, and continuous evaluation of both social and environmental outcomes.

Our approach is rooted in creating long-term value for the communities we serve, in full alignment with our core values. By fostering a culture of continuous improvement and maintaining a proactive outlook, we strive to ensure that our CSR programs remain relevant and effective.

04

Appendices

Appendix 1: Data Tables (ESG performance metrics, sustainability KPIs)

DATA	2023	2024
Energy		
Energy usage (kWh)	2,629,735	3,028,567
Energy usage (kWh) per FTE	4,577	5,693
Non-renewable Fuel (Gasoline) (GJ)	13,544	716
Non-renewable Fuel (Diesel) (GJ)	6,663	1,155
Waste		
Waste generated (kg)	48,360	79,440
Paper consumed (Mt)	31.68	34.42
Tonnes of paper recycled (Mt)	16.41	41
Water		
Water Consumed (m3)	3,749	6,075
Water usage (m3) per FTE	6.5	10.77
Emissions		
Scope 1 GHG emissions (tCO2e)	107	129
Scope 2 GHG emissions (tCO2e)	7	1,643
Scope 3 GHG emissions (tCO2e)	6,668	2,303
Total GHG emissions (tCO2e)	6,782	4,075
GHG emissions intensity (tCO2 per JOD revenue)	0.001	0.002
GHG emission (tCO2e) per FTE	12.33	7.2
Procurement Practices		
Total number of suppliers engaged	458	452
Total number of local suppliers engaged	381	372
Proportion of spending on local suppliers	75%	81%

DATA	2023	2024
Total Workforce		
By employment type (Full-time)	550	530
By employment type (Part-time)	3	0
By job category (Senior management)	14	12
By job category (Middle management)	110	115
By job category (staff)	426	405
Total Females Employees	192	184
Total Males Employees	358	348
Females Employees By job category (Senior management)	3	3
Females Employees By job category (Middle management)	26	29
Females Employees By job category (staff)	163	152
Males Employees By job category (Senior management)	11	9
Males Employees By job category (Middle management)	84	86
Males Employees By job category (staff)	263	253
Permanent Employess		
Total number of permanent employees	550	530
By gender (Females)	192	184
By gender (Males)	358	346
Temporary Employees		
Total number of Temporary employees	28	43
By gender (Females)	14	27
By gender (Males)	14	16

DATA	2023	2024
New Hires		
Total number of new hires	66	63
By gender (Females)	18	18
By gender (Males)	48	45
By job category (Senior management)	0	0
By job category (Middle management)	7	15
By job category (staff)	59	48
Turnover		
Turnover rate (%)	9%	11%
Total turnover	50	84
By gender (Females)	19	32%
By gender (Males)	31	68%
By age (Under 30)	13	19
By age (Between 30 and 50)	31	56
By age (50+)	6	9
By job category (Senior management)	1	2
By job category (Middle management)	9	16
By job category (staff)	40	66
Parental Leave		
Number of employees who are entitled to parental leave: By Gender (Females)	192	8
Number of employees who are entitled to parental leave: By Gender (Males)	358	15
Number of employees who took parental leave: By Gender (Females)	11	8
Number of employees who took parental leave: By Gender (Males)	18	15
Returnees from parental leave: By Gender (Females)	9	7
Returnees from parental leave: By Gender (Males)	18	15
Returnees from parental leave who were still working for the bank 12 months later: By Gender (Females)	0	7
Returnees from parental leave who were still working for the bank 12 months later: By Gender (Males)	0	15

DATA	2023	2024
Percentage of Individuals within the Organization's Leadership: (Board)		
By gender (Females)	18%	18%
By gender (Males)	82%	82%
Percentage of Individuals within the Organization›s Leadership: (Board)		
By age (Between 30 and 50)	25%	18%
By age (50+)	75%	82%
Percentage of Employees per Employee Category in each of the following Diversity Categories		
Total under 30 employees	16%	14%
Total Between 30–50 employees	75%	76%
Total 50+ employees	9%	10%
Senior Management By age (Under 30)	0%	0%
Senior Management By age (Between 30 and 50)	1%	1%
Senior Management By age (50+)	1%	1.5%
Middle Management By age (Under 30)	0%	0.4%
Middle Management By age (Between 30 and 50)	15%	17.7%
Middle Management By age (50+)	5%	4.2%
Staff By age (Under 30)	31%	13.8%
Staff By age (Between 30 and 50)	41%	57.5%
Staff By age (50+)	5%	5.1%
Ratio of Basic Salary and Remuneration of Women to Men		
By job category (Senior management)	17%	21.3%
By job category (Middle management)	22.6%	22.9%
By job category (staff)	36.9%	36%
Training		
Total training hours of full-time employees	10,765	8,606
Average hours of training per employee	19	16.23
By gender (Females)	3,246	2,658

DATA	2023	2024
By gender (Males)	7,519	5,976
Total training hours of part-time, contract & intern employees	44	28
By job category (Senior management)	205	216
By job category (Middle management)	1,839	1,947
By job category (staff)	8,721	6,471
Sustainability Performance		
Sustainability Performance Percentage of total staff who received regular review of performance	100%	100%
Internal Volunteering Program		
Total number of employee volunteering hours	89	229
Number of volunteers	27	91
Number of events	6	7
Board of Directors		
Percentage of independent directors in the Board	36%	36%
Total members of the Board	11	11
Total members of the Board (Males)	9	9
Total members of the Board (Females)	2	2
Occupational Health and Safety		
Total number of injuries and fatalities relative to workforce	1	0
Anti-corruption: Total percentage of employees that the organization's anti-corruption policies & procedures have been communicated to, broken down by employee category and region:		
Senior Management	100%	100%
Middle Management	100%	100%
Staff	100%	100%
Customer privacy : Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:		
Total number of complaints confirmed and received regarding customer privacy violations	2	0
Economic Performance		
Total economic value distributed (Costs)	57,236,868	64,211,931

DATA	2023	2024
Operating costs	24,844,406	24,881,785
Employee wages and benefits	14,760,139	15,334,821
Payments to government by country	1,229,641	984,974
Community investment (JOD)	330,630	291,150
EV auto finance	303,979	404,747
Economic value retained (Revenues less costs)	5,000,420	1,861,697
Financial Performance (JOD)		
Total equity	165,331,549	164,319,622
Total assets	1,395,946,455	1,383,024,402
Total shareholders' equity	165,331,549	164,319,622
Employee Benefits	15,786,698	16,756,293
Income tax expense	1,229,641	984,974
Capital adequacy ratio (%)	17.20%	17.16%
Return on equity ratio (%)	3.04%	1.13%
Loans	854,489,744	866,323,752
Net loans and advances	764,168,055	766,651,701
Total deposits	876,623,475	911,659,999
Ratio of loans to deposits (%)	97.48%	95%
Net profit after taxes	5,000,000	1,861,697

Appendix 2: GRI Standards Content Index (Detailed disclosures alignment)

Statement of use	Bank ABC Jordan has reported the information cited in this GRI content index for the period 01/01/2024 to 31/12/2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 10
	2-2 Entities included in the organization's sustainability reporting	Page 7
	2-3 Reporting period, frequency and contact point	Page 7
	2-4 Restatements of information	Under relevant data tables
	2-5 External assurance	No external assurance
	2-6 Activities, value chain and other business relationships	Page 10-14
	2-7 Employees	Page 64-67
	2-8 Workers who are not employees	Page 79
	2-9 Governance structure and composition	Page 39-41
	2-10 Nomination and selection of the highest governance body	Page 40-41
	2-11 Chair of the highest governance body	Page 40
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 40-41

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Page 40-41
	2-14 Role of the highest governance body in sustainability reporting	Page 40-41
	2-15 Conflicts of interest	Not applicable
	2-16 Communication of critical concerns	Page 40-41
	2-17 Collective knowledge of the highest governance body	Page 40-41
	2-18 Evaluation of the performance of the highest governance body	Page 40-41
	2-19 Remuneration policies	Not applicable
	2-20 Process to determine remuneration	Not applicable
	2-21 Annual total compensation ratio	Not applicable
	2-22 Statement on sustainable development strategy	Page 26-29
	2-23 Policy commitments	Page 40, 49, 52, 55, 69, 70
	2-24 Embedding policy commitments	Page 40, 49, 52, 55, 69, 70
	2-25 Processes to remediate negative impacts	Page 40, 49, 52, 55, 69, 70
	2-26 Mechanisms for seeking advice and raising concerns	Page 69
	2-27 Compliance with laws and regulations	Page 69

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-28 Membership associations	Not applicable
	2-29 Approach to stakeholder engagement	Page 12-13
	2-30 Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 13
	3-2 List of material topics	Page 13
	3-3 Management of material topics	Page 13
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 14
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Page 14
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 45
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 54-55
	205-2 Communication and training about anti-corruption policies and procedures	Page 54-55
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 43
	302-2 Energy consumption outside of the organization	Page 43
	302-3 Energy intensity	Page 43
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 43
	305-1 Direct (Scope 1) GHG emissions	Page 43
	305-2 Energy indirect (Scope 2) GHG emissions	Page 43
	305-3 Other indirect (Scope 3) GHG emissions	Page 43

GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	305-4 GHG emissions intensity	Page 43
GRI 306: Waste 2020	306-3 Waste generated	Page 45
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 64-66
	401-3 Parental leave	Page 80
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 67
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 67-68
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 82
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 40, 64-65
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Page 64
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 72-75
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 49-50

Appendix 3: CBJ and Amman Stock Exchange ESG Disclosure Requirements (Regulatory compliance overview)

Indicators	Measurement	Page Number (s) and/or Direct Answer 2023	Page Number (s) and/or Direct Answer 2024
Environmental			
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	107 tCO2e	129 tCO2e
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	7 tCO2e	1,643 tCO2e
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	6,668 tCO2e	4,075 tCO2e
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	0.001 (tCo2 per m JOD revenue)	0.002 (tCo2 per m JOD revenue)
	E2.2) Total non-GHG emissions per output scaling factor	12.33 (tCo2 per FTE)	7.2 (tCo2 per FTE)
Energy Usage	E3.1) Total amount of energy directly consumed	2,629,735 kWh	3,028,567 KWh
	E3.2) Total amount of energy indirectly consumed	NA	NA
Energy Intensity	Total direct energy usage per output scaling factor	4,577 (KWh per FTE)	5,693 (KWh per FTE)
Energy Mix	Percentage: Energy usage by generation type	NA	NA
Water Usage	E6.1) Total amount of water consumed	3,749 m3	6,075 m3
	E6.2) Total amount of water reclaimed	NA	NA
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	No	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	No	No
	E7.3) Does your company use a recognized energy management system? Yes/No	No	No
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	Yes	Yes
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes	Yes
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	NA	NA
Social			
CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation	NA	NA
	S1.2) Does your company report this metric in regulatory filings? Yes/No	No	No
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	1.30%	1.10%
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	9%	11%
	S3.2) Percentage: Year-over-year change for part-time employees	NA	NA

Indicators	Measurement	Page Number (s) and/or Direct Answer 2023	Page Number (s) and/or Direct Answer 2024
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	0%	0%
	S4.2) Percentage: Entry- and mid-level positions held by men and women	97.00%	97.74%
	S4.3) Percentage: Senior- and executive-level positions held by men and women	3.00%	2.26%
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	0.50%	NA
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	NA	NA
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes	Yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	1%	NA
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Yes	Yes
Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Yes	Yes
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	No	No
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes	Yes
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes	Yes
Governance			
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	Women: 18% / Men: 82%	Women: 18% / Men: 82%
	G1.2) Percentage: Committee chairs occupied by men and women	NA	NA
Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No	Yes	Yes
	G2.2) Percentage: Total board seats occupied by independents	36%	36%
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No	No
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	NA	NA
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	Yes	Yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	NA	NA
Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes	Yes
GRI 103: Management Approach 2016*	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%	100%

Appendix 4: Abbreviations

ABAC	Anti Bribery and Corruption
ABC	Arab Banking Corporation
ABCJ	Arab Banking Corporation Jordan
BoD	Board of Directors
CAR	Capital Adequacy Ratio
CBJ	Central Bank of Jordan
CEO	Chief Executive Officer
CIR	Critical Infrastructure Review
CSR	Corporate Social Responsibility
D,E&I	Diversity, Equity, and Inclusion
ECL	Expected Credit Loss
EIB	European Investment Bank
ESG	Environmental, Social, and Governance
EV	Electrical vehicles
FTE	Full Time Employees
GHG	Greenhouse Gas
GM	General Manager
GRI	Global Reporting Initiative
HR	Human Resources
ISS	Institutional Shareholder Services group of companies
KG	Kilogram
KPIs	Key Performance Indicators
IT	Information Technology
JOD	Jordanian Dinars
KWH	Kilo-Watt Hour
LCR	Liquidity Coverage Ratio
Mt	Metric Ton
NDC	Nationally Determined Contributions
NGFS	Networking for Greening the Financial System
NSFR	Net Stable Funding Ratio
PCI -DSS	Payment Card Industry Data Security Standard
PV	Photovoltaic
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
SMEs	Small Medium Enterprises
SPO	Second Party Opinion
SWIFT CSP	Systems for international financial transactions Customer Security Program
tCO2e	Tons of Carbon Dioxide equivalent
UNSDGs	United Nations Sustainable Development Goals

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