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ب و / ر ت	381	2026/04/27

M/s. Boursa Kuwait Company

السادة/ شركة بورصة الكويت المحترمين

May Allah's peace and blessings be upon you...

السلام عليكم ورحمة الله وبركاته ...

**Subject: Warba Bank sustainability report for the year 2025**

**الموضوع: تقرير الاستدامة لبنك وربة عن عام 2025**

We refer to the abovementioned subject and as per the requirements of Chapter One of the Twelfth Rule Book (Listing Rules) of the Executive Regulations of the Capital Markets Authority Law No. 7/2010 as amended concerning sustainability report regulation for listed companies.

بالإشارة إلى الموضوع أعلاه، ووفقاً لمتطلبات الفصل الأول من الكتاب الثاني عشر (قواعد الإدراج) من اللائحة التنفيذية لقانون هيئة أسواق المال رقم 7 لسنة 2010 وتعديلاتها بشأن القواعد التنظيمية الخاصة بتقرير الاستدامة للشركات المدرجة.

Attached is Warba Bank sustainability report for the year 2025.

نرفق لكم تقرير الاستدامة الخاص ببنك وربة عن عام 2025.

Best regards...

وتفضلوا بقبول فائق التقدير والاحترام ...

Shaheen Hamad Al Ghanem

شاهين حمد الغانم

Chief Executive Officer

الرئيس التنفيذي

Sustainability Report  
2025



بنك وربة  
WARBA BANK



## Al-Arfaj flower

Al-Arfaj flower is the national flower of Kuwait. It blooms in the harshest conditions, symbolizing resilience and the ability to rise under pressure.

It reflects those on the front lines. They protect the nation and continue to give it strength so that, similar to the flower, the country returns stronger.

Al-Arfaj flower badge is an expression of appreciation, honoring the people who sacrifice for our security, safety, and stability.

**“Warba Bank is proud to support the Al Arfaj Flower initiative — celebrating Kuwait’s national flower and the values it represents.”**





We're empowering  
progress and prosperity,  
hand in hand

Let's Own Tomorrow



H.H. Sheikh  
**Sabah Khalid Al-Hamad Al-Sabah**  
The Crown Prince of the State of Kuwait



H.H. Sheikh  
**Mishal Al-Ahmad Al-Jaber Al-Sabah**  
The Amir of the State of Kuwait

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# Awards and Recognition

## Awards in 2025

**"Most Innovative Islamic Digital Solutions Bank Kuwait 2025"**

Award from International Finance

**"Best Community Initiative Banking Kuwait 2025"**

Award from International Finance

**"First B2B Remittance Service Launch in Qatar & Kuwait 2025"**

Award from Mastercard



## International Ratings

MOODY'S **Baa1**

Fitch Ratings **A**



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# Let's Own Tomorrow

# About This Report

The Warba Bank K.S.C.P 2025 Sustainability Report forms part of Warba Bank’s 2025 published reports, including the [Annual Report 2025](#).

This report demonstrates Warba Bank’s continued commitment and contribution towards national and international objectives like the United Nations Sustainable Development Goals (UN SDGs) and the Kuwait Vision.

## Reporting Period

This report covers the reporting period from January 1st, 2025, to December 31st, 2025, and was published in 2026.

## Reporting Boundary and Standards

This report was prepared in accordance with the GRI Sustainability Reporting Standards. It was also prepared with reference to the Sustainability Accountability Standards Board (SASB) Industry Standards, Boursa Kuwait’s and CMA’s Environmental, Social, and Governance (ESG) Reporting Guide for Listed Companies, and the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures.

The sustainability reporting boundary is defined using consolidation principles consistent with IFRS. Entities under Warba Bank’s control are included from the date control is obtained, with any material changes disclosed accordingly. Minority investments where Warba Bank does not exercise control are generally excluded from the reporting boundary, though relevant exposures may be referenced where appropriate.

Reporting and performance data reflected in this report cover the scope of Warba Bank’s banking services owned and operated or controlled facilities within the State of Kuwait, unless otherwise specified. In this report, Warba Bank is also referred to as “Warba”, “we”, “our” and “the Bank”.

## Warba Bank Entities

Name of subsidiary	Principal activities	Country of incorporation	Equity interest %	
			2025	2024
Themar Al Omania Company L.L.C.	Real estate	Sultanate of Oman	100	100
Warba Tier 1 (2) Sukuk Limited	Financial securities	Cayman Islands	100	100
Warba Tier 1 (3) Sukuk Limited	Financial securities	Cayman Islands	100	-
Warba Advisory Ltd.	Corporate Management Services	Cayman Islands	100	100
Nasima Tower Investment L.L.C.	Investment in Commercial Enterprises & Management	United Arab Emirates	100	100
Warba Strategy Company S.P.C	General Trading	Kuwait	100	-
Warba Holding Company S.P.C	Holding company	Kuwait	100	-
GRIT Real Estate Company W.L.L. (Under liquidation)	Real Estate	Kuwait	100	-

## Feedback

For any queries related to the content of this report please contact: [spg@warbabank.com](mailto:spg@warbabank.com)

## Additional Information

For additional information on our publicly available Sustainability Reports, frameworks, and policies please visit: [WARBA BANK | Sustainability at Warba](#).

# Chairman's Message

Dear Valued Shareholders,

In 2025, Warba Bank continued to strengthen its position as a responsible Islamic financial institution, guided by ethical banking principles, disciplined governance, and a clear focus on long-term value creation. In a financial environment marked by evolving expectations and regulatory developments, our Board remained focused on preserving resilience while ensuring that sustainability considerations are governed with the same rigor as all strategic priorities.

Throughout the year, our Board reinforced oversight of sustainability across the organization. Structured governance processes and Board committee engagement supported accountability, transparency, and alignment with Sharia principles and regulatory requirements. This approach reflects our belief that sustainability is not a parallel initiative, but an integral component of sound governance and prudent risk management.

A significant milestone during the year was the continued advancement of our sustainable finance agenda. The publication of the Bank's first Allocation and Impact Report, underpinned by the Sustainable Finance Framework and supported by external assurance, strengthened transparency and demonstrated our commitment to responsible capital deployment. Through these efforts, we continue to support green and social initiatives aligned with Kuwait's development priorities.

Our people remain central to the Bank's long-term success. Our Board supports initiatives that promote inclusion, professional development, and a workplace culture grounded in fairness and opportunity. Workforce stability, engagement, and capability building remain fundamental to sustaining performance and navigating future challenges.

Innovation and digital advancement continue to shape our strategic direction. As we enhance customer accessibility and operational efficiency, we remain guided by robust governance safeguards and prudent oversight. Looking ahead, our focus remains on reinforcing institutional resilience, strengthening stakeholder trust, and ensuring that Warba Bank grows in a responsible and measured manner.

On behalf of our Board of Directors, I extend my sincere appreciation to our executive management, employees, shareholders, and stakeholders for their continued trust and commitment.

**Hamad Musaed Al-Sayer**  
Chairman



# Chief Executive Officer's (CEO) Message

Dear Shareholders and Stakeholders,

The year 2025 represented another year of disciplined execution for Warba Bank as we advanced our strategy to build a resilient, digitally enabled, and sustainability-driven Islamic financial institution. Our priority throughout the year was clear: convert strategy into measurable outcomes that strengthen performance, enhance customer experience, and support responsible growth.

We made steady progress in embedding ESG considerations across the organization. Sustainability factors are increasingly integrated into financing activities, operational practices, and day-to-day decision-making. This integration strengthens risk management, supports responsible financial solutions, and ensures alignment with regulatory expectations and market standards.

Digital innovation continued to accelerate our transformation. We expanded digital capabilities to improve accessibility, streamline internal processes, and deliver more efficient and secure banking experiences. These enhancements support operational discipline while advancing financial inclusion and customer satisfaction.

Our people remain the foundation of this progress. We invested in talent development, engagement initiatives, and capability-building programs that reinforce accountability and performance excellence. Building internal capacity and strengthening leadership pipelines remain central to sustaining long-term growth.

Looking ahead, we will continue to strengthen data quality, refine measurement methodologies, and advance target-setting across priority sustainability areas. At the same time, disciplined risk management and prudent capital allocation will remain central to our approach as we navigate a dynamic operating environment.

I extend my appreciation to our employees, customers, shareholders, and partners for their continued trust and collaboration. Together, we will continue to build a resilient institution positioned for sustainable, long-term value creation.

**Shaheen Hamad Al-Ghanem**  
Chief Executive Officer

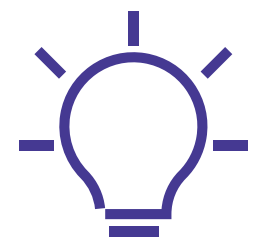


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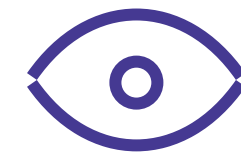


# 1.1 Purpose, Mission, Vision and Values



## Purpose

Contributing to people, businesses, and society by empowering them to achieve their ambitions.



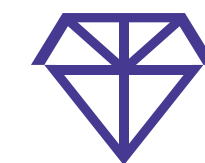
## Vision

Creating unique value in banking and beyond to unlock opportunities for people and businesses.



## Mission

We deliver the best experience for our customers beyond the boundaries of banking, preserving our uniqueness and nurturing top talents while creating sustainable value for our shareholders and society.



## Values



### Trust

We focus on our customers to gain their trust and serve their needs in the best possible way.



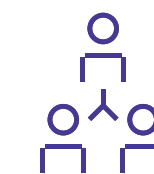
### Innovation

We continue to innovate in order to always improve the experience of our customers.



### Performance

We aim to excel at execution and are confident to overcome any challenges.



### Collaboration

We work with our clients and team members to deliver the right solution.



### Ambition

We have the drive and enthusiasm to continuously surpass.

## 1.2 ESG Highlights



Renewable Energy  
Consumption

Increased by

**168%** ↑



Avoided Emissions  
from Renewables

**164.69**  
tCO<sub>2</sub>e



Scope 1  
Emissions

Reduced by

**8%** ↓



Waste  
Recycled

**7.761**  
Tons



Avoided GHG  
Emissions from  
Recycling

**5,611.86**  
kg CO<sub>2</sub>e



Employee Training  
Delivered

**25,046**  
Hours



Employee  
Satisfaction

**82%**



Customer  
Satisfaction

**97.5%**



Procurement Spend  
Directed to Local  
Suppliers

**79.22%**



Sustainable  
Financing Mobilized

USD  
**452.6**  
Million

# 1.3 Business Profile

Warba Bank was established by Amiri Decree in the aftermath of the global financial crisis of the late 2000s, with the objective of supporting the Kuwaiti economy and strengthening the Islamic banking sector. Since inception, the Bank has focused on delivering Sharia-compliant financial products and services tailored to the evolving needs of individuals, corporates, and institutional clients.

As a public shareholding company listed on Boursa Kuwait, we operate in accordance with Islamic banking principles and applicable regulatory requirements. Our offerings are designed to provide competitive, innovative, and responsible financial solutions aligned with Sharia standards.

Warba Bank's shareholder base includes government-related entities, notably the Public Institution for Social Security (PIFSS) (8%) and the Kuwait Investment Authority (KIA) (15.9%). Their participation reflects institutional confidence in the Bank's governance framework, financial resilience, and long-term strategic direction.

## 1.3.1 Business Model and Core Activities

At the heart of Warba Bank's business model is an integrated Islamic finance platform that spans retail, corporate, investment and wealth management activities. All products and services are structured in accordance with the principles of Islamic Sharia and are subject to oversight and approval by the Bank's Sharia Supervisory Board, ensuring that commercial strategy remains aligned with ethical and faith-based governance standards.

Across all business segments, Warba Bank places strong emphasis on Sharia compliance, digital innovation, customer experience, and financial inclusion. We have invested significantly in digital capabilities that enhance accessibility and convenience for our customers. These include mobile onboarding completed in under five minutes, seamless online transfer and payment solutions, digital wallet services, and mobile-first account management platforms.

These capabilities position Warba Bank as a technology-driven financial institution that responds proactively to evolving customer expectations and shifting market dynamics, while maintaining alignment with Islamic banking principles.



### Retail Banking

Digital-first personal banking solutions including accounts, consumer financing, cards, and seamless mobile onboarding designed around convenience and customer experience.



### Corporate & Business Banking

Sharia-compliant financing, treasury and payment solutions, and dedicated relationship management supported by digital platforms for businesses of all sizes.



### Investment Banking & Financial Institutions

Structured and syndicated financing, global partnership access, and financial institution relationships enabling sophisticated corporate and cross-border solutions.



### Wealth Management & Portfolio Services

Warba Investment Management extends its reach into wealth management and portfolio services, offering both discretionary and non-discretionary Sharia-compliant investment mandates.

## 1.3.2 Customer Segments and Strategic Offerings

Warba Bank serves a diverse customer base spanning retail individuals, youth and emerging customers, affluent clients, SMEs, and corporate institutions among others. Through a segmented approach, the Bank tailors its products, services, and digital experiences to meet varying lifestyle needs, financial requirements, and business objectives, ensuring relevant value propositions across all customer groups. Please visit Warba Bank's [Warba Bank - Home Page](#) for more details.

## 1.3.3 Regional Presence

Warba Bank's primary operations are based in Kuwait. In addition, the Bank maintains registered legal entities in Oman and the United Arab Emirates to support cross-border investment activities and broader economic engagement beyond its home market.

# ESG at Warba Bank

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## 2.1 ESG Journey

At Warba Bank, the ESG journey continues to evolve from foundational governance and disclosure toward deeper operational integration and measurable outcomes. During 2025, we focused on strengthening ESG governance structures, embedding sustainability considerations into financing and risk processes, and enhancing transparency through alignment with international frameworks and reporting standards.

Building on prior years, we reinforced Board and executive oversight, expanded sustainable finance activities, and further integrated ESG considerations into strategic decision-making, customer experience, and internal operations. This period reflects increased alignment between our sustainability practices, regulatory expectations, stakeholder priorities, and responsible Islamic banking principles.

While core material sustainability topics remained consistent with previous assessments, we reviewed our operating context and confirmed that no significant changes occurred that would materially affect our ESG priorities. The reporting year therefore concentrated on advancing implementation, improving data tracking, and strengthening performance management against our existing ESG commitments.

### Key updates during the year included:

- Strengthened governance and oversight mechanisms supporting ESG and climate-related decision-making
- Continued implementation of the Sustainable Finance Framework and allocation of sustainable financing
- Integration of ESG considerations into risk management and credit processes
- Progress in digital transformation initiatives supporting efficiency, accessibility, and resource optimization
- Ongoing alignment with global frameworks such as GRI, IFRS Sustainability Standards, and market ESG methodologies.

## 2.2 Stakeholder Engagement

Stakeholder engagement at Warba Bank is embedded within our governance architecture, ensuring that dialogue with key stakeholder groups supports regulatory compliance, strategic priorities, and ESG integration. Stakeholders, including customers, suppliers, regulators, investors, and local communities, are identified through ongoing mapping and interaction processes. Engagement takes place through meetings, workshops, and structured dialogue platforms. These interactions are designed to understand stakeholder expectations, gather operational feedback, assess shared priorities, and strengthen long-term trust and transparency. Recurring meetings and workshops facilitate structured two-way feedback exchange.

A part of this structured engagement approach is a formal grievance mechanism embedded within the Bank's governance process. Incidents are documented through formal reporting forms and reviewed by the Risk Operations Group, which assesses cases and recommends corrective enhancements where necessary. The Grievance Framework is structured in line with regulatory expectations to ensure fairness, transparency, and compliance. No complaints have been reported regarding the effectiveness of the process, and the Bank maintains a commitment to continuous improvement.

At the strategic level, stakeholder prioritization is informed by our materiality and engagement processes, which guide the identification of key topics and collaboration approaches. Engagement themes and selected outcomes are publicly disclosed, particularly in relation to partnerships, initiatives, and collaborative programs undertaken during the fiscal year. While a formal public escalation framework for unsuccessful engagement is not explicitly detailed, prioritization is conducted through the materiality assessment process, structured stakeholder engagement, and a collaborative engagement approach.

All engagement activities described above that involve regulators, industry associations, and public policy matters are governed under the Bank's Compliance and Corporate Governance Framework, ensuring regulatory alignment, appropriate oversight, and consistency with the Bank's ESG commitments. Engagement with regulators and associations is reviewed by senior management and Legal/Compliance functions, with Board-level oversight where material. Trade association positions, including climate-related stances, are reviewed to ensure consistency with our ESG commitments and Kuwait's regulatory direction. Where misalignment arises, the matter is escalated for reassessment.

## Stakeholder Engagement

Stakeholder Group	Selected Mode of Engagement	Frequency of Engagement	Selected Topics for Engagement
<b>Customers</b>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Satisfaction surveys</li> <li>Trade fairs</li> <li>Events</li> <li>Social media</li> <li>Branch visits</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Product/service quality</li> <li>Compliance with local and international standards and regulations</li> <li>Customer satisfaction</li> <li>Innovative services</li> <li>Responsible products</li> <li>Financial accessibility</li> <li>Digital transformation</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Employee training</li> <li>Seminars/webinars</li> <li>Satisfaction surveys</li> <li>Performance evaluation</li> <li>Emails</li> <li>Phone calls</li> <li>Events</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Monthly</li> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration</li> <li>Career growth</li> <li>Occupational health and safety</li> <li>Work-life balance</li> <li>Company policies and procedures</li> <li>Equal opportunity</li> <li>Training and development</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Annual reporting</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Semi-annually</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Sustainability aspects</li> <li>Compliance with regulations</li> <li>Policies and procedures</li> <li>Ethical conduct</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>In-person/virtual meetings</li> <li>Supplier assessment</li> <li>Contracts</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Quality of product/service</li> <li>Price and profitability</li> <li>Availability of materials</li> </ul>
<b>Certification Bodies</b>	<ul style="list-style-type: none"> <li>Audits</li> <li>External training</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Semi-annually</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with certification standards</li> <li>Knowledge sharing</li> </ul>

Stakeholder Group	Selected Mode of Engagement	Frequency of Engagement	Selected Topics for Engagement
<b>Government Agencies</b>	<ul style="list-style-type: none"> <li>Official notifications</li> <li>Press releases</li> <li>Meetings</li> <li>Annual reporting</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant regulations</li> <li>Accountability in disclosures</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Interim financial statements</li> <li>Roadshows</li> <li>Corporate disclosures</li> <li>Press releases</li> <li>Annual reporting</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Semi-annually</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Profit and growth</li> <li>Corporate governance</li> <li>Sustainability aspects</li> <li>Compliance with regulations</li> <li>Policies and procedures</li> <li>Ethical conduct</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Interim financial statements</li> <li>Directors' report</li> <li>Board meetings</li> <li>Corporate disclosures</li> <li>Press releases</li> <li>Annual reporting</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Semi-annually</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Profit and growth</li> <li>Compliance with regulations</li> <li>Policies and procedures</li> <li>Ethical conduct</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility (CSR) projects</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Feedback on CSR interventions</li> <li>Youth empowerment</li> <li>Sponsorships</li> <li>Donations</li> <li>Financial accessibility for vulnerable groups</li> </ul>

## 2.3 Customer Experience

### 2.3.1 Multi-Channel Service

We deliver customer experience excellence through our service channels, complaint-handling mechanisms, and satisfaction monitoring. The service model integrates our physical branches, digital platforms, relationship management, and structured complaint-handling mechanisms to support customers across segments.

Dedicated relationship managers and support teams provide personalized advisory and operational support for Corporate Banking clients, complemented by a dedicated 24/7 call center. Client onboarding is primarily enabled through the mobile application as a self-service channel, while branches provide support for onboarding where needed. For financial inclusion segments, the SiDi platform operates through a dedicated branch model supported by trained promoters who assist with onboarding and account opening. In addition, the SiDi segment also offers end-to-end digital financial services for microfinance through the mobile application, representing a first-of-its-kind offering in the market.

Our retail customers are supported through an omni-channel model, including a 24-hour call center, mobile banking application, website access, and authorized retail partnerships for specific services such as remittances and payment solutions. These channels allow customers to open accounts, apply for financing, access product information, and receive assistance without physical branch visits.

### 2.3.2 Complaint Handling and Oversight

Warba Bank maintains a Complaint Management Framework under the Complaints and Customer Protection Unit (CCPU), aligned with regulatory requirements. Oversight is exercised at Board and executive management levels, ensuring independent monitoring and compliance with customer protection standards.

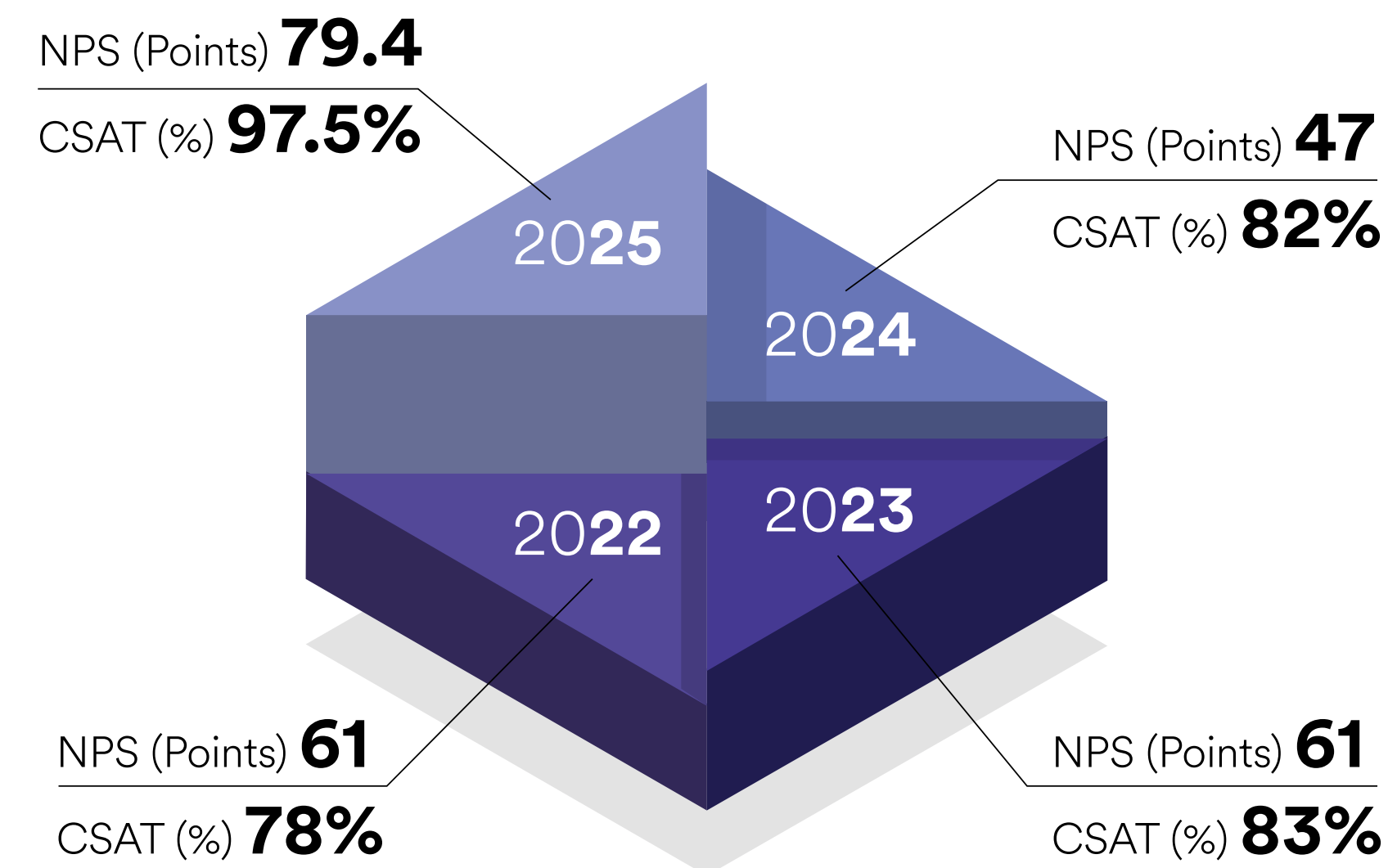
There is a range of complaint submission channels for customers, including complaint forms, mobile applications, website portal, registered mail, walk-in submissions, call center support, and escalation to senior management where needed.

To ensure financial inclusion, customers from underserved groups have access to simplified processes, multilingual assistance, and defined service-level timelines for complaints. We conduct trend analysis to identify systemic issues and improve service quality for underserved groups.

### 2.3.3 Customer Satisfaction and Continuous Improvement

Customer feedback is systematically integrated into product and service enhancements. This includes survey analysis, contact center feedback, structured workshops to address identified pain points, and targeted digital improvements. Through this structured approach to customer protection, service quality, and transparent disclosure, we strengthen stakeholder engagement and inform our materiality process within the broader ESG Framework.












Over the years, customer satisfaction has positively increased, as reflected in the Bank's Net Promoter Score (NPS) and Customer Satisfaction Score (CSAT). Coverage extends across retail and corporate segments and includes both branch and contact center interactions. We set annual quantitative targets for both NPS and CSAT indicators and monitor performance through monthly reporting and quarterly review meetings. Customer satisfaction data and related targets are publicly disclosed in our annual reporting. The following demonstrates year-on-year improvements in both NPS and CSAT.















## 2.4 Material Topics and SDG Alignment

During the reporting year, we revisited our materiality assessment to confirm whether any changes in our business model, operations, or operating context would warrant updates to our material sustainability topics. Based on this review, we assessed that no material changes in circumstances would alter the relevance or prioritization, and we retained the same material topics for this reporting cycle.

### Material Topics

Material Topics	Selected SDG Alignment	Assessing Rating
<b>Business Ethics and Compliance</b>	 SDG 16.6 – Develop effective institutions	High-High
<b>Corporate Governance and Oversight</b>	 SDG 16.5 – Reduce corruption and bribery in all their forms	High-High
<b>Risk Management</b>	 SDG 8.10 – Strengthen financial institutions	High-High
<b>Supply Chain Management</b>	 SDG 12.7 – Promote sustainable procurement	High-High
<b>Digital Transformation and Innovation</b>	 SDG 16.10 – Public access to information	High-High
<b>Data Security and Privacy</b>	 SDG 16.10 – Public access to information	High-High
<b>Sustainable Finance and Investment</b>	 SDG 7.4 – Renewable energy financing  SDG 9.3 – Sustainable lending to SMEs  SDG 12.6 – Sustainable practices	High-High
<b>Financial Inclusion and Accessibility</b>	 SDG 1.4 – Equal access to financial services  SDG 8.3 – Encourage formalization of SMEs	High-High

While the topic set remained unchanged, the review served to validate continued relevance against the Bank’s current activities and external environment, including regulatory expectations and stakeholder considerations. As in prior years, we considered both impacts on the economy, environment, and society and the potential implications of sustainability-related risks and opportunities for the Bank. For reference to the detailed materiality matrix and methodology, please refer to the Bank’s previous [Sustainability Report](#).

Material Topics	Selected SDG Alignment	Assessing Rating
<b>Employee Engagement, Diversity, and Inclusion</b>	 SDG 5.5 – Women participation  SDG 8.5 – Decent work	High-High
<b>Human Capital Management</b>	 SDG 8.5 – Achieve full and productive employment and equal pay	High-High
<b>Health and Safety</b>	 SDG 8.8 – Protect labor rights and promote safe work environments	High-High
<b>Local Communities and Social Impact</b>	 SDG 11.3 – Inclusive urbanization	High-High
<b>Customer Experience and Satisfaction</b>	 SDG 9.3 – Sustainable SMEs	High-High
<b>Environmental Impact</b>	 SDG 7.2 – Renewable energy  SDG 13.2 – Integrate climate measures  SDG 13.3 – Climate change mitigation, adaptation, reduction	High-Medium
<b>Energy and Resource Management</b>	 SDG 7.3 – Double energy efficiency  SDG 13.2 – Integrate climate measures	High-Medium
<b>Financial Performance</b>	 SDG 8.1 – Sustainable economic growth	High-High



## Sustainable Finance Impact and Inclusion

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# 3.1 Sustainable Finance Infrastructure

## 3.1.1 Governance and Decision-making

Warba Bank’s sustainable finance architecture is designed to ensure that ESG integration is embedded within core financing and investment decisions rather than treated as standalone initiatives. It is implemented through defined governance and escalation routes that link Board oversight, executive supervision, and operational coordination.

At the apex of this structure, the Board Risk Committee provides supervisory direction on climate risk integration, including alignment with the Internal Capital Adequacy Assessment Process (ICAAP). This supports the integration of sustainability-related risks within the Bank’s broader risk and capital planning processes.

Executive oversight is anchored within the Management Committee (MANCOM), chaired by the CEO, which reviews and supervises ESG integration across the Bank. From there, sustainable finance activities are channeled through the Asset and Liability Committee (ALCO), maintaining alignment with capital, liquidity, and risk considerations. Simultaneously, operational implementation is led by the Sustainable Finance Working Group (SFWG), which reports to ALCO.

### Sustainable Finance Governance Flow



The SFWG operates as a cross-functional body, bringing together representatives from Treasury, Financial Control, Risk Management, Corporate Banking, Compliance & Governance, Investment Banking, Strategic Planning, Investor Relations, and Corporate Communications. Meeting at least twice annually, the Group coordinates the application of the Sustainable Finance Framework across the organization, eligibility review, and reporting. The SFWG’s responsibilities include but are not limited to:



### 3.1.2 Framework Scope and Guardrails

Warba Bank's Sustainable Finance Framework provides the formal Policy backbone governing the issuance of Green, Social, and Sustainability Sukuk and related financing instruments. The Framework establishes clear eligibility criteria, governance processes, allocation rules, and reporting commitments, ensuring that sustainable financing activities are executed within a structured and transparent architecture.

The Framework is designed in accordance with internationally recognized principles. These include the ICMA's Green Bond Principles (2021), Social Bond Principles (2023), and Sustainability Bond Guidelines (2021/2023), as well as the LMA's Green Loan Principles (2023) and Social Loan Principles (2023). Alignment with these standards ensures consistency with global sustainable finance market expectations while maintaining transparency for investors and stakeholders.

#### Use of Proceeds

Under this Framework, proceeds are allocated to clearly defined Green and Social categories. Eligible categories include renewable energy, energy efficiency, clean transportation, green buildings, water and wastewater management, SME financing, access to essential services, and food security.

To preserve integrity and prevent dilution of sustainability objectives, allocation is governed by structured parameters:



Parameter  
**Refinancing look-back**

Requirement  
**Maximum 3 years**



Parameter  
**Full allocation timeline**

Requirement  
**Within 2 years of issuance**



Parameter  
**Pure-play threshold**

Requirement  
**≥ 90% revenue alignment**

These safeguards ensure that capital raised is directed toward qualifying assets within defined timeframes and aligned revenue thresholds.

The Framework also defines clear exclusions to ensure consistency with ESG and Sharia requirements. For example, proceeds are not allocated to activities such as coal-related operations, fossil fuel exploration and transportation, extractive industries, conflict minerals, military contracting, nuclear power, modern slavery or forced labor, and sectors deemed non-Sharia compliant, including gambling, alcohol, tobacco, payday lending, and adult entertainment. By articulating these exclusions, the Bank reinforces the integrity of its sustainable finance instruments and ensures alignment with both ethical and regulatory standards.

**Boundary note:** While sustainable finance instruments are governed by the above exclusions, Warba Bank continues to provide financing to oil and gas activities within Kuwait's broader economic context. Financing exposures include hybrid credit lines and project finance transactions, including those related to Jurassic oil and gas activities. These activities are managed within the Bank's broader risk management and capital allocation framework.



## 3.2 Sustainable Sukuk: Allocation, Impact and Assurance

### 3.2.1 Issuance and Allocation Snapshot

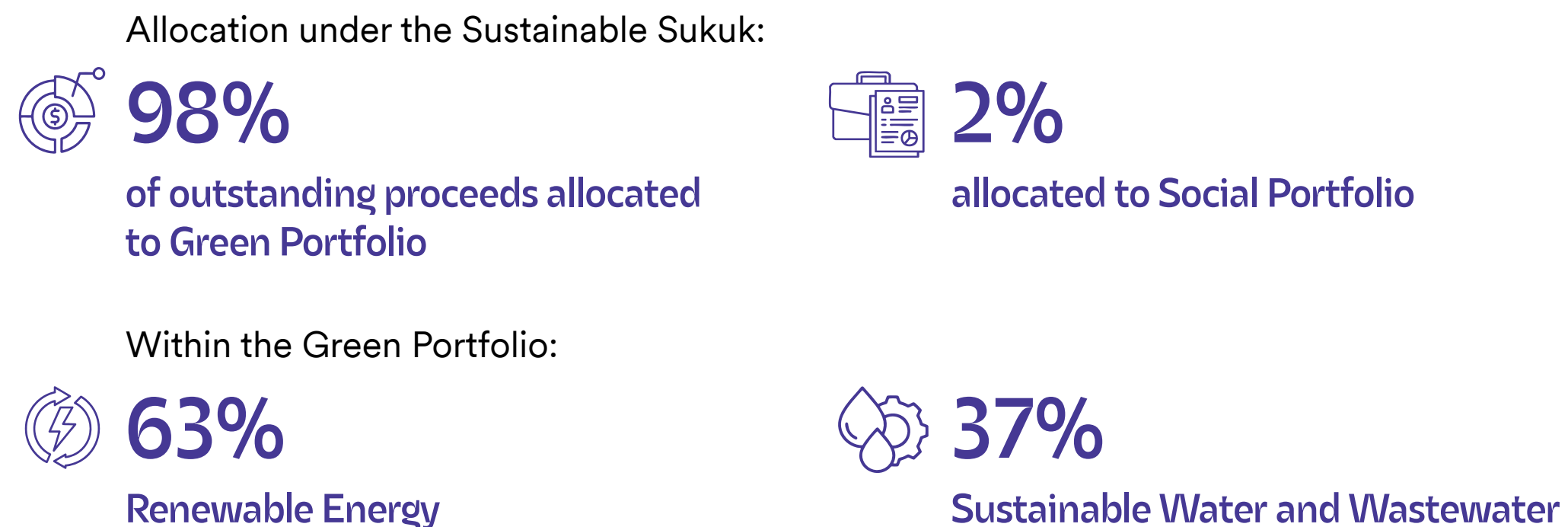
Warba Bank applies its Sustainable Finance Framework through capital allocation and reporting under its Sustainable Sukuk. The issuance of the Bank's USD 500 million Sustainable Sukuk is used as a structured mechanism for directing capital exclusively toward eligible green and social projects aligned with the ICMA Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP), and Sustainability Bond Guidelines 2021 (SBG), in addition to the LMA, LSTA, and APLMA Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP).

As disclosed in the Allocation and Impact Report 2025, total financed amounts under the Framework reached USD 452.6 million, with USD 347.8 million outstanding as of June 1st, 2025. This has been subject to limited assurance by KPMG, confirming alignment with the Sustainable Finance Framework. In addition, a Second Party Opinion was obtained from Sustainable Fitch, affirming alignment with ICMA principles and reinforcing the credibility of the Bank's sustainable finance disclosures.

This allocation reflects a controlled and criteria-based internal review process ensuring compliance with defined eligibility and exclusion lists.

The Bank applies a three-year look-back period for eligible projects and targets full allocation within two years of issuance, ensuring both transparency and disciplined capital deployment.

#### Allocation Profile and Portfolio Orientation



From a geographic perspective, green financing activities extend across Saudi Arabia, the UAE, and Oman, while social financing remains primarily concentrated in Kuwait. The proportion of sustainable financing relative to the overall corporate portfolio is disclosed annually through the Sustainability Report and the Allocation and Impact Report 2025.

#### Eligible Asset Categories and Sustainable Finance Application

Under our Sustainable Finance Framework, Warba Bank allocates proceeds to projects falling under:

Renewable Energy

**SDG 7** (Affordable and Clean Energy)



Sustainable Water and Wastewater Management

**SDG 12** (Responsible Consumption and Production)



Access to Essential Services

**SDG 3** (Good Health and Wellbeing), and **SDG 4** (Quality Education)



#### Projects financed include:



Visit the [Allocation and Impact Report 2025](#) for more information.

### 3.2.2 Impact Measurement and Attribution Methodology

Impact measurement under our Sustainable Sukuk is conducted in alignment with the ICMA Harmonized Framework for Impact Reporting and applies standardized methodologies to ensure consistency, transparency, and comparability. In instances of co-financing, we apply attribution factors to align reported impacts with our proportional share of financing, supporting accuracy, and avoiding double counting.

Detailed methodologies, calculation approaches, KPIs, and project-level impact results are disclosed separately within the Bank's Allocation and Impact Report 2025. This provides comprehensive technical information on measurement assumptions, attribution logic, and environmental performance indicators.

### 3.2.3 Allocation of Net Proceeds

All project finance transactions identified under ESG are formally documented through the relevant facility agreements. All projects disclosed in the impact and allocation report fall within the three-year look-back period as required under the Sustainable Finance Framework. This allocation process followed an internal review process to ensure that each financed asset met the defined eligibility and exclusion criteria. The following provides a high level insight into the project categories disclosed under the impact and allocation report.

#### Allocation of Net Proceeds by Project Category

Project Category	Total Number
Renewable Energy	5
Sustainable Water and Wastewater	4
Access to Essential Services	1

Where required, we appoint independent third-party engineering firms to support ESG monitoring and verification throughout the project lifecycle. Their involvement strengthens oversight of environmental and social risk factors associated with financed projects.

### 3.3 Sustainable Finance Products and Advisory and Investments

Warba Bank mobilizes sustainable capital through a combination of direct issuance, advisory mandates, and ESG-integrated investment practices.



Beyond proprietary issuance, our Debt Capital Markets (DCM) function actively promotes sustainable sukuk and related fixed income instruments for regional and international issuers. Through advisory and structuring services, the Bank supports market development and capital mobilization for ESG-aligned projects.

#### Sukuk Portfolio



In parallel, DCM invested USD 197 million in Sustainable Sukuk instruments, demonstrating participation not only as an arranger but also as an investor.



### ESG Integration Across Asset Classes

Sustainability considerations are embedded across asset classes within Warba Bank's investment activities. ESG integration is applied through defined evaluation processes that vary by asset type, consistent with both Sharia principles and responsible investment standards.

Asset Class	ESG Integration Approach
Corporate Fixed Income	Investment in ESG-aligned Sukuk
Non-Corporate Fixed Income	ESG evaluation of General Partners; UNPRI expectations
Listed Equity	ESG factored into valuation and Sharia alignment
Real Estate	Mandatory environmental assessments for joint venture investments

Warba Bank maintains a disciplined responsible investment approach across asset classes and reports no involvement in controversial investments. Sustainability initiatives are supported through internal capital allocation and budgeting processes, complemented by sustainable financing instruments that enable us to advance our broader ESG strategy.



# Governance and Responsible Conduct

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# 4.1 Sharia Corporate Governance and Board Oversight

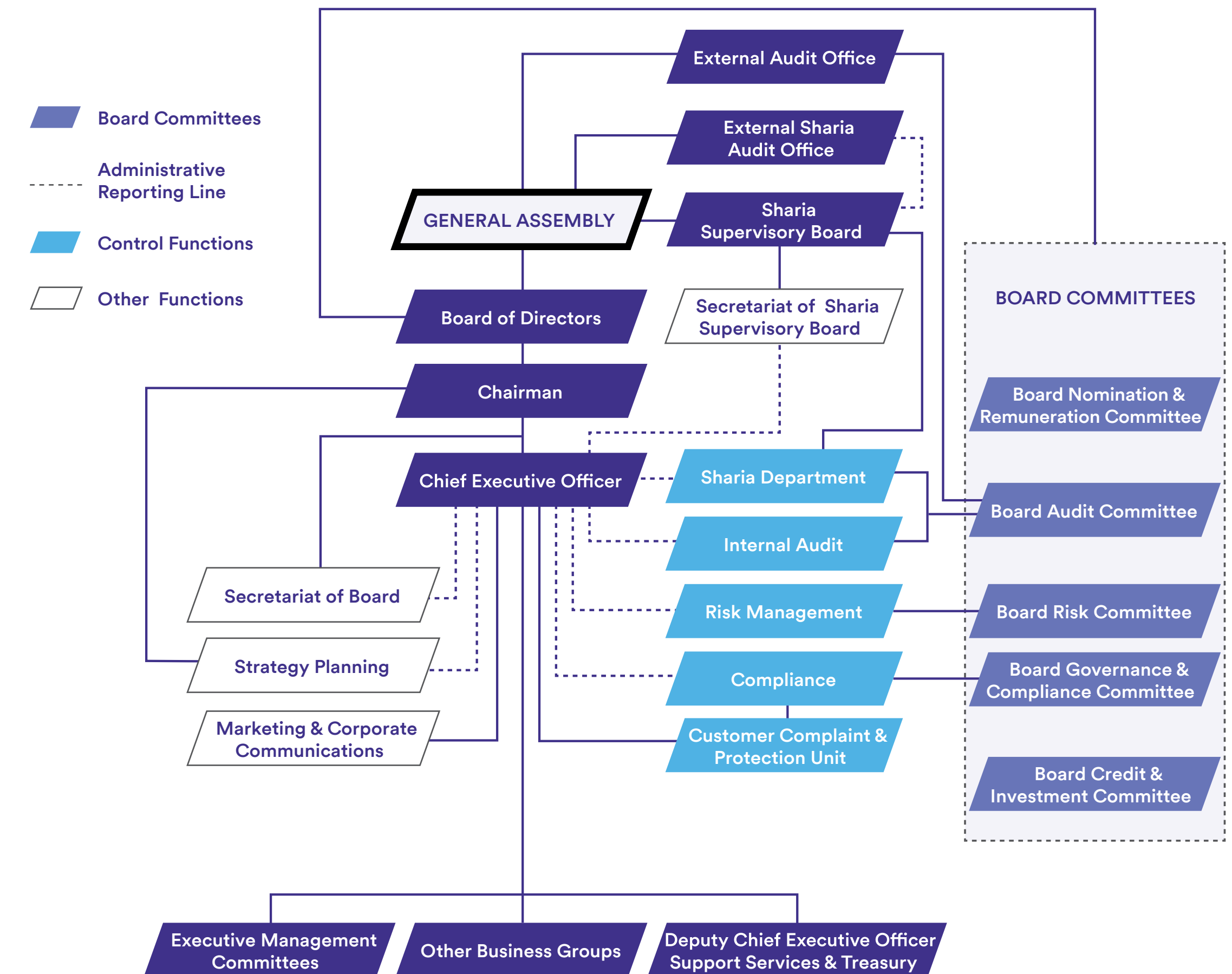
## 4.1.1 Board Mandate and Leadership Structure

Governance at Warba Bank is anchored at the Board level, where strategic direction and accountability are exercised within the Bank's governance framework. The Board of Directors serves as the highest governance body and is responsible for approving the Bank's strategy, policies, mission, vision, and sustainability priorities. This includes oversight of ESG and sustainable finance objectives in line with regulatory expectations, while executive management is responsible for implementing these directives through defined targets and operational plans.

The Board maintains a clear separation between oversight and management, with no executive directors serving on the Board. Leadership responsibilities are formally divided, with the roles of Chairperson and Chief Executive Officer held by separate individuals. This structure is publicly disclosed through the Bank's corporate governance reporting, providing transparency on leadership accountability.



## Organizational Structure



## Board of Directors



**Mr. Hamad Musaed Al-Sayer**  
Chairman



**Mr. Bader Khaled Al-Shalfan**  
Vice Chairman



**Mr. Mohammad Hamed Al-Shalfan**  
Board Member



**Mr. Mubarak Nasser Al-Sayer**  
Board Member



**Mr. Khaldoun Shaker Al-Tabtaiaie**  
Board Member (Independent)



**Mr. Mohammad Abdulaziz Al-Bahar**  
Board Member (Independent)



**Mr. Mohammad Ahmad Al-Ruwayeh**  
Board Member (Independent)



**Ms. May Mohalhal Al-Mudhaf**  
Board Member (Independent)



**Ms. Basma Hamed Al-Sanee**  
Board Member



**Mr. Abdullah Yousef Alshaijie \***  
Board Member



**Mr. Mishari Fahad Almusallam \***  
Board Member

**96.26%**  
Average Board  
attendance rate

\*Has been a board member since March 27, 2025. For more information on early board members please visit the Annual Report 2025.

### 4.1.2 Board Composition, Independence and Nomination

A key component of governance credibility is the method by which Board members are selected and how independence is defined and verified. Warba Bank's Board composition is structured to balance independence, diversity, and relevant expertise. For more information please visit the Annual Report 2025.

The Board comprises eleven directors, including:



**Four**  
independent directors



**Seven**  
non-executive directors



**Two**  
women directors

### Sharia Supervisory Board Members



**Dr. Isam Khalaf Al-Enazi**  
Chairman of SSB



**Dr. Mohammad Oud Al-Fuzai**  
Member of SSB



**Dr. Ali Ibrahim Al-Rashed**  
Member of SSB

This composition aligns with Central Bank of Kuwait (CBK) requirements for independent Board representation and supports balanced perspectives and effective challenge within Board deliberations. For example, diversity considerations form part of the Board selection process in accordance with CBK and CMA guidelines. Shareholders and the Board seek an appropriate mix of gender, professional background, and experience.

Board nominations follow a structured regulatory process. Nominees submit formal applications before the end of each Board term. These are reviewed by the Nomination and Remuneration Committee, chaired by an independent director, then approved by the Board and submitted to the CBK for regulatory approval. Final election takes place at the Annual General Meetings (AGMs), with Board members elected for a three-year term.

As part of this governance approach, the CEO succession plan is formally presented to and reviewed by the Committee on a quarterly basis. This allows regular monitoring of potential successors and supports orderly leadership transition, which reinforces a strong governance structure. The periodic review strengthens oversight by providing a defined mechanism for leadership continuity, reducing risks associated with sudden executive changes, and supporting strategic stability during transition periods.

Stakeholder participation is incorporated through shareholder voting in Board elections in compliance with CBK and CMA requirements. Board independence is assessed against CBK criteria and demonstrated through formal evaluation, regulatory approval, and shareholder confirmation.

Independence requirements are further defined in the Board Charter, which establishes eligibility criteria to safeguard objective judgement. These include limits on shareholding, restrictions on business relationships with major shareholders, cooling-off periods for prior employment, controls on family relationships with Board members or executive management, and thresholds for credit or deposit relationships, among other regulatory safeguards. This also includes CBK limitations on the number of external mandates Board members may hold and the minimum number of independent directors required.

These aforementioned structured requirements ensure that Board oversight is supported by clearly defined independence standards. Committee structures operationalize this oversight by assigning defined mandates across risk, audit, governance, and credit matters.



### 4.1.3 Board Committees and Performance Accountability

The Board delegates specific oversight responsibilities to standing committees operating under defined mandates. Each committee has a formal charter outlining its scope, authority, and reporting obligations to the Board. Membership criteria and qualification requirements are aligned with the nature of the committee’s responsibilities.

The Audit Committee membership emphasizes financial reporting expertise, knowledge of audit frameworks and regulatory standards, and the ability to engage effectively with management and external auditors. In accordance with the Board Audit Committee Charter, the Committee includes at least one non-executive member with general expertise in accounting or financial management. All members are required to possess substantial industry knowledge to ensure appropriate financial and sector expertise at the committee level. The following provides an overview of the Bank’s selected Board committees.

Committee Name	Main Responsibilities	Committee Chair
<b>Board Audit Committee</b>	Oversees the integrity of financial statements and reporting processes, the effectiveness of internal control systems, internal and external audit functions, key accounting matters, adequacy of provisions, compliance, and related assurance responsibilities.	Mohammad Abdulaziz Al-Bahar*
<b>Board Risk Committee</b>	Reviews and assesses risk policies, limits, and models; oversees material risks across the Bank and monitors overall risk profile and risk appetite.	Khaldoun Shaker Al-Tabtabaie
<b>Board Nomination and Remuneration Committee</b>	Oversees the assessment and nomination of Board members and senior management and monitors the effectiveness and implementation of the nomination policy in line with the Bank’s objectives.	May Mohalhal Al-Mudhaf

Committee Name	Main Responsibility (Scope)	Committee Chair
<b>Board Governance and Compliance Committee</b>	Oversees corporate governance frameworks, compliance with applicable laws and regulations, ethical conduct, and related governance matters.	Hamad Musaed Al-Sayer
<b>Board Credit and Investment Committee</b>	Oversees major credit and investment approvals, portfolio quality, management of problem exposures, and related credit and investment decisions.	Bader Khaled Al-Shalfan*

\*His Chairmanship commenced on 27th March, 2025

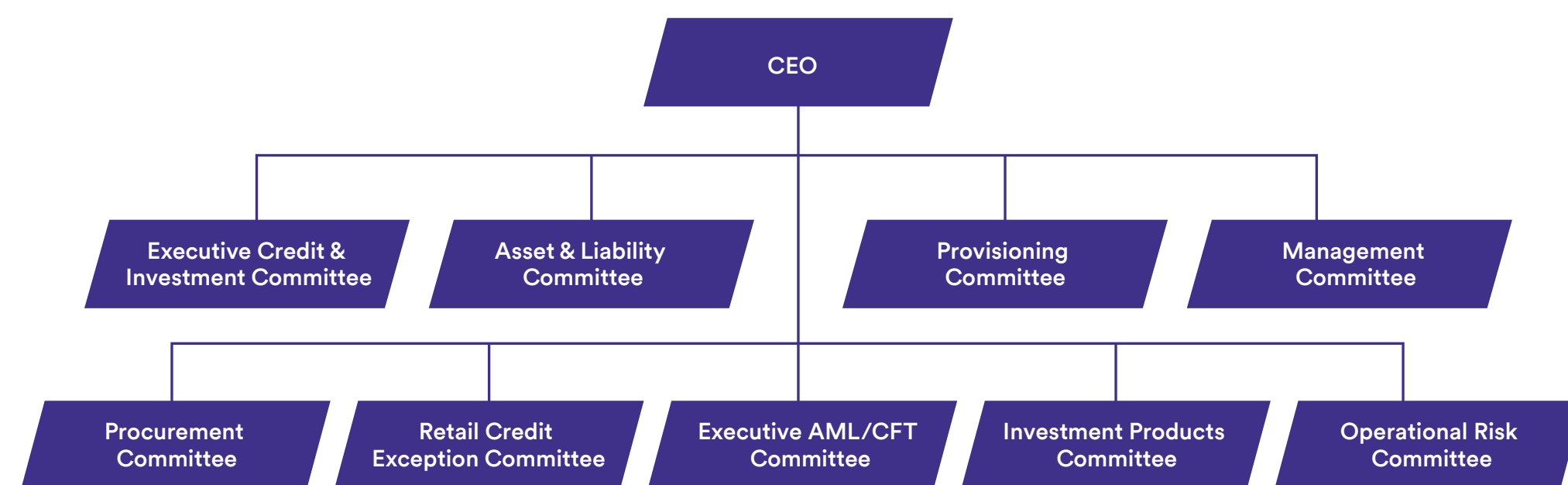
Warba Bank recognizes that governance structures are only meaningful if they remain active, accountable, and continuously improved. To that end, the Bank conducts annual Board effectiveness evaluations as a regulatory requirement, covering all Board committees, and individual Board members. This process includes evaluation by an external consultant selected and approved by the Nomination and Remuneration Committee, conducted through questionnaires (and optional individual meetings), with findings reviewed and approved by the Committee. The outcomes of these evaluations have led to improvements such as increased diversity and updates to committee structures emphasizing that evaluation results are used to strengthen governance effectiveness rather than being treated as a compliance-only exercise.

Transparency and consistent participation remain fundamental to reinforcing the above-mentioned Board accountability. During the reporting period, Board engagement remained strong, with all Board members attending at least 75% of Board and committee meetings. Shareholders exercise their rights through the AGMs, where they vote on key matters, including executive remuneration. A representative from Ministry of Commerce and Industry (MOCI) attends all AGMs to tally attendance and votes for each agenda item. For more details on the Board meeting attendance, please visit our [2025 Annual Report](#).

The Bank ensures that any decisions taken that would result in amendments to the Bank’s bylaws are required to comply with company law as well as the guidelines set forth by the CBK and the CMA. Such amendments are addressed during an AGM or an Extraordinary General Meeting (EGM). Additionally, outcomes of these votes are formally disclosed through AGM disclosures, ensuring transparency and accountability in decision-making.

### Management Committees Duties and Responsibilities

The Board of Directors has endorsed the establishment of several executive-level committees to undertake ad-hoc tasks and responsibilities, supporting the Chief Executive Officer (CEO) in the Bank's efficient administration. Mr. Shaheen Hamad Al-Ghanem, CEO of the Bank, chairs the majority of these committees.



### 4.1.4 Executive Remuneration and Performance Alignment

Warba Bank's Executive Remuneration structure is designed to support long-term performance, leadership continuity, and alignment with shareholder interests by ensuring that executive rewards are linked to sustainable value creation.

The Bank's Executive Remuneration approach links executive rewards to the Bank's long-term financial and strategic direction through an internal corporate scorecard, reflected in the Executive Management Remuneration Policy. Short and long-term incentive schemes are in place, as approved by the Board of Directors, and are implemented in accordance with CBK's Corporate Governance Rules and Regulations.

This approach is governed through a disciplined Policy-setting process, whereby the Board Nomination and Remuneration Committee develops and reviews the remuneration Policy in coordination with the Board Risk Management Committee and submits it for Board approval,

with annual reviews conducted to ensure continued effectiveness. Shareholder representation within the Committee further strengthens stakeholder input into remuneration oversight. External consultants are engaged to establish grade frameworks and market-aligned pay ranges, subject to Committee and Board approval.

Executive performance assessment within the Executive Remuneration structure is based on KPIs aligned with the Bank's long-term strategy, with control groups evaluated through Board Committees to support independence and comparability across roles. Senior executives share KPIs covering organizational health, nationalization, training and development, compliance, and ESG priorities. While incentives are not explicitly linked to standalone climate targets, ESG responsibilities are embedded within executive roles and performance expectations, with ESG objectives incorporated into annual C-suite scorecards and reflected in bonus and target award outcomes, where relevant, across management levels.

Remuneration outcomes include fixed and variable components, such as basic salary, allowances, performance-based bonuses, incentive schemes, and benefits including but not limited to medical insurance, education allowance, and end-of-service benefits approved by the Board and relevant committees. Termination payments are made in compliance with applicable labor laws, with amounts exceeding statutory entitlement subject to CEO and/or Board approval.

Warba Bank discloses total fixed and variable remuneration for senior executives, including the CEO, in accordance with Basel III reporting guidelines through its Annual Reports. Any stock ownership provisions applicable to non-executive directors are guided by regulatory instructions and Company Law requirements. More information on disclosures of salaries and remunerations is available in the [2025 Annual Report](#).

During the reporting period, no adverse public commentary or significant negative shareholder votes were recorded in relation to pay practices.

#### 4.1.5 ESG Governance and Oversight

ESG governance and oversight is integrated into the overall Board oversight structure and intended to embed ESG and climate considerations into the Bank's core governance and risk processes. Accordingly, the Board retains ultimate responsibility for sustainability-related risks and opportunities and for reviewing and approving sustainability-related information disclosed in the Bank's sustainability reporting, exercising this oversight through its committees, including the Risk Committee.

While the Board maintains overall accountability, day-to-day management of ESG and sustainability matters is delegated to the CEO and executive management, supported by the Strategic Planning Group. The Strategic Planning Officer oversees ESG and sustainability considerations, with implementation supported by a dedicated Sustainable Development Unit headed by a senior manager responsible for driving the Bank's sustainability transformation.

Responsibilities for managing impact on the economy, environment, and people are further cascaded to relevant business units and control functions, including Risk, Business and Corporate Banking, ESG Compliance, Human Resources, and Operations. These teams apply Board-approved policies and frameworks within their respective areas, and report progress through structured management reporting and dashboards. Executive management consolidates these inputs and reports to the Board and its committees every two months, enabling effective review, challenge, and oversight.

The Board also connects with stakeholders through structured reporting and targeted engagement, with executive management regularly presenting the outcomes of stakeholder engagement activities, materiality assessments, and due diligence processes. Feedback from regulators, shareholders, investors, rating agencies, customers, and employees is used by the Board to inform due diligence, impact management priorities, and strategic decision-making under the ESG Policy Framework and Sustainable Finance Framework.

Climate-related topics are also included on the Board's agenda on at least a semi-annual basis, where relevant and as needed. To sustain the effectiveness of this oversight, Board and senior management receive ongoing training, including ESG-related topics, reinforcing governance capacity to respond to evolving sustainability expectations.

The composition of this integrated structure supports independent oversight, allowing committees to deepen technical review and evaluations to strengthen continuous improvement. We view Board oversight as an enabling foundation for long-term resilience, responsible conduct, and Sharia-aligned value creation, and it is a key part of our governance approach.



## 4.2 Ethics, Compliance and Anti-Corruption

### 4.2.1 Policy and Governance Backbone

Building on the Bank's overall governance structure, Warba Bank sets out a formal Ethics and Compliance structure to guide day-to-day conduct. Central to this is the Anti-Bribery and Corruption (ABC) Policy, which is formally established and implemented across the organization and linked to our wider governance and risk management system. The Board approves these policies as part of its overarching responsibility for the Bank's policy governance and oversight.

The ABC Policy is designed to be practical and operational. It applies to all employees at all levels, across all branches and offices, and extends to third-party contractors through mandatory compliance requirements. The ABC Policy also complements the Bank's broader Anti-Fraud Policy, where the Anti-Fraud Policy provides overarching direction while the ABC Policy addresses bribery and corruption risks in detail.

These Policy requirements are reinforced through defined conduct standards and conflict-of-interest controls.

### 4.2.2 Responsible Business Conduct

Ethical expectations are anchored through the publicly accessible Code of Business Conduct and Ethics, outlined in the [Corporate Governance Policy Code of Conduct](#), which applies to directors and employees and sets out the Bank's core standards of professional and responsible behavior.

**The Code provides guidance on:**



These standards are reinforced through Board-level oversight of conflicts of interest and ongoing declarations under the Avoiding Conflict of Interest Policy, which support transparency and objective decision-making. In addition, certain disclosed reports are periodically reviewed by the CBK, external auditors, and the Sharia Supervisory Board.



# Case Study

## Customer and Marketing Conduct

Ethical conduct is also reflected in how we uphold a high standard of engagement with our customers and market our products and services. During the reporting period, there were no complaints or controversies related to discriminatory access across Corporate Banking and Retail Banking.

This achievement attests to strong marketing activities overseen by a sponsorship committee and delivered via structured tendering processes. Moreover, the Bank reports no involvement in false marketing controversies.

To further ensure fair treatment, staff receive training to avoid aggressive sales practices or disrespectful treatment of targeted groups, including in both Corporate Banking and Retail Banking.

We ensure our customer-facing communications are easy to understand by providing clear terms, conditions, and risk disclosures, supported by internal audit and compliance reviews.

Beyond conduct in communication, we also have procedures to prevent over-indebtedness among financially included clients through regulatory compliance, financial literacy initiatives, and Sharia-compliant practices.

Performance against these expectations is monitored through escalation, incident tracking, and regulatory disclosures.

### Compliance Outcomes and Indicators

#### Incidents of non-compliance concerning product and service information and labeling



#### Incidents of non-compliance concerning marketing communications



### 4.2.3 Monitoring, Escalation and Outcomes

Compliance at Warba Bank is managed as a continuous discipline through structured monitoring, assurance activities, and transparent regulatory disclosure. Controls addressing bribery and corruption risks are embedded across employee conduct, third-party relationships, and procurement decisions, supported by risk management frameworks and regulatory oversight. These arrangements are reinforced through structured internal reporting, defined escalation protocols, and both scheduled and ad-hoc briefings, ensuring that senior management and the highest governance bodies receive timely and accurate information for effective oversight and decision-making.

Regulatory disclosures are made when required and pursuant to applicable guidelines. During the reporting period, no ESG-related fines were recorded in Kuwait, and no fines or settlements were reported.

Supervisory inspections form part of this monitoring framework. Where inspection findings required additional time to complete specific regulatory requirements within prescribed deadlines, the Bank formally engaged with the relevant regulator and obtained approved extensions, maintaining compliance and transparent regulatory engagement throughout the process.



Our ABC Policy is also communicated to intermediaries, including contractors and agents, and corruption risk management extends to intermediaries.

### 4.2.4 Anti-Bribery and Corruption Controls

Warba Bank’s approach explicitly addresses how bribery and corruption risks may arise in day-to-day operational decisions. The ABC Policy covers a range of bribery- and corruption-related activities, including but not limited to:

- Gifts
- Entertainment
- Interactions with public officials and facilitation payments
- Third Party Due Diligence
- Employment or internship practices

- Corruption risks linked to recruitment and employment opportunities
- Supporting merit-based practices
- Reducing misconduct risks in people-related decisions

To mitigate third-party risks, the Bank restricts bribery committed by third parties acting on its behalf and applies risk-based due diligence and contractual protections. During the reporting period, the Bank recorded a confirmed corruption-related incident involving the sharing of client information. The case resulted in disciplinary action against the employee involved, the termination of a related business partner contract, and a public legal case brought against the organization or its employees.

Controls are reinforced through ongoing communication and mandatory training requirements.

The ABC Policy, including bribery-related aspects, is communicated comprehensively across the workforce. Training is delivered through mechanisms such as the Employee Handbook and relevant cybersecurity awareness courses, supporting both awareness and reinforcement, with annual employee acknowledgment of key documents. Mandatory ABC training requirements include completion within one hundred calendar days of joining and annual renewal thereafter, with Human Resources (HR) ensuring that training is provided to all staff.

#### Training on Anti-corruption



Total employees who have received training on anti-corruption



Local



Foreign



Middle management level



Senior management and above



Entry and junior level

Integrity risks are further addressed through the AML/CFT control environment and formal reporting channels.

#### 4.2.5 AML/CFT Framework

Financial crime controls form a core part of Warba Bank's integrity governance, supported by an anti-money laundering/countering the financing of terrorism (AML/CFT) system that governs processes throughout the Bank's operations. Recognizing the heightened integrity risks inherent in banking, our Ethics structure is underpinned by a comprehensive AML/CFT system. The AML Policy governs procedures across products, services, processes, systems, and controls, with responsibilities cascading across departments. Implementation and monitoring are supported through annual reviews, supervisory oversight, independent internal audit, external audit, and CBK inspections.

Key control measures, including customer due diligence, sanctions screening, and verification requirements, support compliance with applicable laws and regulatory obligations by embedding risk-based controls throughout customer onboarding and ongoing monitoring processes. These controls are aligned with CBK instructions and supported by five-year record retention and annual independent external assessments.

Where potential misconduct or non-compliance is identified, confidential reporting channels enable escalation and investigation.

#### Whistleblowing and Complaint Resolution

Warba Bank maintains confidential reporting channels that enable early detection and responsible escalation of ethics and corruption-related concerns or non-compliance with the above-mentioned policies. Our whistleblowing mechanism covers bribery and corruption risks and is designed to address anti-corruption matters. A formal Whistleblower Policy is in place that provides protection from retaliation and ensures access to confidential or anonymous channels for employees, contractors, joint ventures, external stakeholders, and the public.



**0** Total amount of monetary losses because of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

Employees may raise concerns anonymously, if they wish, with confidentiality safeguarded through direct reporting to the Chairman. The Bank formally maintains a Zero-tolerance Policy against retaliation for employees, customers, and business partners who report concerns in good faith. These safeguards are intended to support timely escalation and objective handling of reported concerns.

While the Compliance Group administers whistleblowing procedures, cases are escalated directly to the Chairman to reinforce independence, objectivity, and accountability in the handling of allegations. The process is supported by defined procedures to investigate and follow up on identified non-compliance. Investigations are coordinated through Internal Audit in collaboration with Legal, HR, and Sharia functions, with outcomes reported to the Operational Risk Committee and escalated through established decision-making pathways. Corrective and disciplinary actions are determined through committee assessment and implemented where required.

In the reporting period no concerns were identified involving Board members or senior executives in relation to acting with honesty and integrity, engaging in actions contrary to the interests of the Company and its shareholders, breaching trust or confidence, involvement in criminal conduct, or undertaking actions that could cause damage to the Company's reputation.



## 4.2.6 Human Rights

We consider human rights as a core element of responsible business conduct and long-term value creation. This commitment is articulated through our publicly available [Human Rights Statement](#), which aligns the Bank with internationally accepted standards.

### Human Rights Framework

Policy Foundations	Issues Addressed	Scope
<ul style="list-style-type: none"> <li>• UN Universal Declaration of Human Rights</li> <li>• UN “Protect, Respect, and Remedy” basic principles</li> <li>• ILO Declaration</li> <li>• United Nations Guiding Principles on Business and Human Rights (UNGPs)</li> <li>• Arab Charter on Human Rights</li> <li>• Kuwait Vision 2035 and</li> <li>• Kuwait Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>• Human trafficking</li> <li>• Forced labor</li> <li>• Child labor</li> <li>• Freedom of association</li> <li>• Non-discrimination</li> <li>• Equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Bank’s operations</li> <li>• Products and Services</li> <li>• Suppliers and business partners</li> </ul>

We have embedded these commitments within our governance and management structures to ensure consistent implementation. Our Human Rights Statement is approved by the Board of Directors, the Bank’s highest authority, with oversight supported through Board committees and senior leadership. Responsibilities and resources for day-to-day management are clearly allocated across the organization. Prior to Board approval, the Statement is reviewed by senior leadership, including the Chief Strategic Planning Officer, Chief Risk Officer, Chief Compliance Officer, Chief Legal Officer, Chief Human Resources and General Services Officer, the CEO, and the Sharia Board. It is then embedded within the HR Policy and communicated through internal channels, with adherence required from all employees and reflected in senior leaders’ KPIs covering ESG and compliance objectives. HR procedures are aligned with the Statement to avoid conflicts between operational practices and Policy principles, and non-direct employees working within the Bank must follow Bank policies and complete required AML/CFT, cybersecurity, and Employee Handbook training.

### Human Rights Integration



Consistent with this preventative approach, the Bank maintains accessible channels for remedy when concerns arise. Formal grievance mechanisms covering human rights operate with confidentiality and accessibility, and the Bank commits to provide remedies where it has caused or contributed to negative impacts. Respect for freedom of association is also affirmed through the Employee Handbook and customer protection principles.

 0 Total number of incidents of discrimination

0 Incidents of violations involving rights of indigenous peoples

0 Total number of identified incidents of violations involving the rights of indigenous people

#### 4.2.7 Tax Transparency

Warba Bank treats tax transparency as an integral element of responsible governance and financial management. The Bank engages external tax advisors to remain aligned with local and international tax laws and to support ongoing compliance. Accountability for tax governance is clearly assigned to the Financial Accounting and Control Department, which reports to the Audit Committee through the Chief Financial Officer. Tax considerations are embedded in business decision-making, particularly in investment planning and financial strategy.

The Bank applies a structured approach to tax risk management. Risk assessments are supported by external tax advisors and managed by the Financial Accounting Department team. These assessments are performed quarterly through external audit review and periodic advisor evaluations, with findings reported to management. Tax disclosures are subject to an assurance process linked to the audited financial statements published through Bursa disclosures. Further engagement with tax authorities is conducted directly or through advisors to ensure compliance. The Bank also maintains channels for reporting tax-related misconduct, including anonymous mechanisms such as a whistleblower hotline, ethics portal, or direct contact with the compliance officer.

Stakeholder engagement supports this approach. Public-Policy dialogue on tax occurs through participation in Kuwait Banking Association and Kuwait Tax Authority seminars. Stakeholder concerns related to tax are gathered internally, assessed with tax advisors, and escalated into risk assessment reporting to management when material.

The Bank has articulated commitments that guide responsible tax conduct. These include compliance with both the spirit and letter of tax laws, avoiding profit shifting or the transfer of value to low-tax jurisdictions without economic substance, not using tax structures without commercial substance, and refraining from the use of secrecy jurisdictions or tax havens for avoidance purposes. Transparency is further supported through the reporting of revenue, profit or loss before tax, and income tax accrued by jurisdiction, with subsidiaries consolidated with Warba Bank and noting that some jurisdictions may fall under transitional safe harbor under Domestic Minimum Top-up Tax (DMTT).



## 4.3 Risk Management and Internal Controls

### 4.3.1 Risk Governance and Oversight

Warba Bank maintains a comprehensive Risk Governance process to identify, assess, monitor, and mitigate risks across its operations, products, and strategic activities. Risk oversight is exercised at Board level through dedicated committees, with the Board retaining ultimate accountability for the Bank's Risk Management and internal control environment. The Chief Risk Officer (CRO) reports directly to the Board Risk Committee, ensuring independence from business line decision-making, such as audit functions, and enabling transparent escalation of material risks.

Board capability supports this structure through the presence of non-executive directors with risk management experience and ongoing induction and training for all Board members. These arrangements align with regulatory expectations and draw on recognized risk management frameworks, including Basel-aligned practices and other risk governance references such as external auditing standards such as ISO31000, COSO, IRM, and FERMA.

#### Three-Lines-of-Defense Model



Quarterly internal and external audits reinforce accountability. Notably, no material weaknesses in internal controls were identified during the reporting period, and the Bank was not subject to investigations, fines, or settlements related to accounting.

Within this governance structure, enterprise-wide risks are tracked through periodic reporting, escalation, and defined risk appetite boundaries.

### 4.3.2 Enterprise Risk Management and Risk Appetite

Warba Bank manages enterprise risks through a structured and forward-looking monitoring process. Risk exposures are reviewed at least quarterly, supported by clear escalation mechanisms to address emerging or heightened risks in a timely manner.

Monitoring draws on multiple tools, including but not limited to:

- Risk and Control Self-Assessments (RCSAs)
- Incident reporting
- Portfolio quality indicators
- Regulatory inspection outcomes.

To manage geographic and cross-border exposures, the Bank applies conservative exposure limits across geographies, considering corruption indices and credit ratings when setting limits and minimizing exposure to jurisdictions with elevated governance risks. Operations remain primarily concentrated in Kuwait, with the same governance standards applied to any international exposures.

Within this enterprise framework, corruption and fraud risks are treated as core components of operational risk. Periodic corruption risk assessments address bribery and broader anti-corruption risks, with documented outputs and senior management oversight. All departments are subject to fraud and conduct risk reviews, and the Bank reports no major corruption risks were identified during the reporting period. To enhance prevention and detection, the Bank has established a dedicated Fraud and Third-Party Risk Unit, which focuses on proactive identification, mitigation, investigation, and awareness within an Islamic banking context.

### Risk Appetite in Financing and Investment

This disciplined risk approach is also reflected in our financing and investment activities. Warba Bank maintains a cautious stance toward high-risk financing, insurance, and investment consistent with Sharia principles and Board-approved policies. Neither the Corporate Banking Group nor the Investment Banking Group engages in speculative or high-risk products, and any higher-risk SME accommodations are assessed on a case-by-case basis to support genuine business activities. Sustainability-related risks are managed within this same enterprise risk architecture, with dedicated ESG and climate-tools used to inform credit and portfolio decisions.

### 4.3.3 ESG and Climate Risk Integration

Warba Bank integrates sustainability and climate considerations within its overall risk architecture rather than treating them as a standalone topic. Board-approved ESG and Sustainable Finance Policies guide implementation across credit, compliance, finance, and human capital processes. This integration is operationalized through the ESG Risk Policy, with the ESG scorecard set to become live in 2026 to support the identification and assessment of ESG-related risks in financing, investing and portfolio management.

ESG factors are also considered in creditworthiness and asset valuation, including their influence on macroeconomic and microeconomic drivers that affect borrower risk. These considerations are incorporated into expected credit loss assessments and portfolio reviews, while more advanced IFRS-aligned quantitative modelling continues to evolve.

Where elevated ESG risk is identified, committees may require mitigation measures, contractual covenants, structural adjustments, enhanced monitoring, pricing recalibration, or where risks exceed the Bank's defined appetite, a decision to decline the opportunity. This approach aligns sustainability risk management with our long-term strategy and prudential Risk management practices, ensuring that governance processes meaningfully influence outcomes rather than serving as procedural checks. Environmental and social due diligence is applied on a case-by-case basis to corporate and project finance transactions.

### Climate Risk Governance

Our approach to climate risk is embedded within our established ESG Risk governance. Although the Taskforce on Climate-related Financial Disclosures (TCFD) Framework is not yet formally applied, climate considerations are already incorporated into risk governance and capital planning through a phased alignment approach, supporting the gradual strengthening of analytical capabilities and disclosure.

Oversight is anchored at Board level, with the Board Risk Committee supervising climate-related risks and opportunities in alignment with ICAAP. Within this structure, both physical and transition climate risks are incorporated into the Bank's risk inventory and ICAAP assessments, supported by ESG scorecards developed with external experts. Climate-related opportunities are assessed through the same ICAAP lens, including the identification of aligned assets and activities.

To strengthen forward-looking assessment, we apply stress testing at portfolio level. The insights from these exercises inform planning, risk responses, and strategic decision-making.

At present, climate considerations are integrated into financial planning as part of broader ESG and risk assessments under ICAAP. Detailed standalone climate financial modelling that explicitly quantifies impacts on financial position, performance, and cash flows over defined horizons is still under consideration. Nevertheless, climate risks and opportunities are considered across short-, medium-, and long-term horizons consistent with ICAAP planning cycles.

### Metrics and Targets

Warba Bank's sustainability metrics are structured to enable informed decision-making, disciplined risk oversight, and transparent reporting. The Bank applies a balanced mix of quantitative and qualitative indicators to monitor performance, support management dialogue, and inform strategic planning. ESG rating indicators and selected environmental and social key performance indicators currently form the core measurement set, serving as a foundation for tracking material sustainability risks and opportunities. This methodology is progressively evolving toward a more integrated and comprehensive suite of sustainability risk indicators, strengthening the linkage between ESG performance, enterprise risk management, and long-term strategy.

The existing indicator architecture spans four interconnected domains:



Climate and environment



Credit and ESG risk



Social and human capital



Governance

These domains reflect our Islamic banking business model and emphasis on responsible finance, ethical governance, and stakeholder value creation. Metric selection and development are informed by internationally recognized standards and references, including GRI, the UN SDGs, ICMA principles, and applicable local regulatory guidance, ensuring alignment with both global expectations and Kuwait's regulatory landscape.

At the current stage of maturity, sustainability ambitions are articulated primarily at a strategic level. While objectives guide overall direction, they are not yet systematically categorized according to mitigation, adaptation, or science-based alignment methodologies. While time horizons are not consistently expressed for all goals, milestones and interim targets are embedded within the Bank's broader strategic planning cycle, with progress monitored internally on a quarterly basis and communicated externally through our annual Sustainability Reports.

## 4.4 Data Security and Privacy

### 4.4.1 Oversight and Governance

Given the sensitive nature of the information we manage, Warba Bank treats data security and privacy as fundamental to protecting customer trust, sustaining operational resilience, and meeting regulatory expectations.

Oversight of information security and data protection is exercised at Board level through the Board Risk Committee. The Committee reviews cyber and data security risks, regulatory compliance, key risk indicators, and significant incidents, ensuring that technology and privacy risks remain integral to the Bank's overall governance framework. Board oversight is further strengthened by members with relevant expertise in risk, technology, and information security, supported through regular briefings and training on emerging cyber threats and regulatory developments.

At the executive level, accountability is assigned to the Chief Technology Officer (CTO), supported by dedicated Information Security and cybersecurity assessment functions within the Information Technology Group (ITG).

These functions manage cybersecurity operations, Policy implementation, incident response, and performance monitoring, while coordinating with Risk Management and Compliance to ensure integration within the Bank's Enterprise Risk Management function. Designated roles within Risk Management and Compliance oversee privacy-related compliance and provide independent oversight, with operational implementation supported by the Cybersecurity function within ITG and escalation through established governance channels to senior management and, where material, to the Board Risk Committee.

The structure is supported through independent assurance from Internal Audit, external auditors, ISO 27001 surveillance, SOC reports, and CBK reviews, with findings tracked and escalated to executive management and the Board Risk Committee. Independent third-party audits are conducted to verify compliance with the Bank's Privacy Policy, including an external audit performed by BDO as part of the Cybersecurity Framework (CSF) – Data Privacy and Security.

Cascading beyond Board and executive functions, data protection responsibilities are embedded across the workforce through mandatory cybersecurity awareness training, onboarding programs, periodic refreshers, and targeted learning for higher-risk roles, to support consistent application of policies and controls.

### Privacy and Data Security



100%

Percentage of employees trained on privacy and data security

We also apply disciplinary actions in cases of privacy or data protection breaches, in accordance with internal policies and applicable regulations. This includes a zero-tolerance approach to deliberate or malicious misuse of personal data.

#### 4.4.2 Information Security Framework and Controls

The Bank maintains a formal Information Security Policy and Information Security Management Program that define roles, responsibilities, and controls for protecting information assets across all business lines and systems. The Information Security Policy includes a clear commitment to protecting the integrity, confidentiality, and security of data throughout its lifecycle, including controls to prevent unauthorized access, alteration, loss, or disclosure, and requirements for the following data security controls.

##### Data Security Controls



Through the Policy, the Bank also commits to continuous monitoring and timely response to information security threats, including defined escalation and reporting mechanisms and integration with Cyber Resilience, Business Continuity, and Disaster Recovery Frameworks.

Warba’s Information security management system is aligned with the CBK Cybersecurity Framework and CBK Cyber Resilience requirements, and informed by internationally recognized standards including ISO/IEC 27001:2022, NIST Cybersecurity Framework principles, and SWIFT Customer Security Program (CSP) controls.

In addition, Warba Bank’s data security practices are aligned with the Data Privacy Protection Regulation issued by the Communication & Information Technology Regulatory Authority, contractual requirements embedded within third-party and outsourcing arrangements.

Compliance extends to related CBK regulations governing information security, operational resilience, outsourcing, technology risk management, incident reporting, and regulatory notification obligations.

Building on this Policy foundation, the Bank applies a structured process to identify and manage cyber risks throughout their lifecycle. Security risks are assessed through a risk-based lifecycle approach as shown below:



##### Incident Management and Reporting

The Bank has established comprehensive incident management arrangements. Incident management procedures define roles and escalation paths across IT, risk, legal, and compliance, enabling timely identification, containment, investigation, and remediation. Processes are integrated with business continuity and disaster recovery to ensure prompt restoration of critical services.

##### Identification, Escalation, and Disclosure of Incidents

###### Incident response and escalation procedures

- Prompt assessment of potential data breaches
- Scope, impact, and regulatory obligation of incident is determined

###### Affected customer data

- Compliance with regulatory requirements and internal approval processes identified
- Timely and controlled disclosure to customers and relevant authorities
- Customer communication through designated governance channels

###### Post-disclosure action

- Reviews conducted to confirm remediation actions, strengthen controls, and update procedures, where necessary.

Lessons learned from incidents and testing are used to enhance controls and procedures, ensuring responsiveness to evolving threats. To address evolving attack vectors such as ransomware, phishing, supply-chain risks, and advanced persistent threats, we have enhanced identity and access management, monitoring and threat detection, encryption, secure configuration management, resilience testing, and security-by-design practices across digital channels and third-party integrations.

### Privacy and Data Security Performance in 2025

During the reporting period, no data breaches related to customer privacy and no material data protection controversies were reported. The Bank nonetheless investigates all security events as part of its preventive approach.

### Privacy and Data Security

0 | Number of data breaches

0 | Number of affected account holders



# Case Study

## Cyber Resilience and Secure Digital Workplace

### Objective

Warba Bank set out to strengthen its cyber resilience and create a secure digital working environment by aligning IT operations with the CBK Cybersecurity Framework and CBK Cyber Resilience requirements. The initiative focused on safeguarding employee digital workplaces, protecting customer data, and reinforcing risk governance.

### Approach

The Bank launched an integrated cyber resilience program led by the Information Technology Group (ITG). The program focused on four core pillars—prevention, detection, response, and recovery—to ensure comprehensive protection against evolving cyber threats. Cybersecurity risk management, business continuity planning, and structured incident response mechanisms were embedded into daily operations. Enhanced access controls, continuous monitoring tools, and clear escalation protocols were implemented to protect information assets and maintain the integrity of critical banking services.

### Impact

- **Safer Digital Workplace:**  
The program strengthened infrastructure and defined response procedures to manage digital and operational risks.
- **Enhanced Customer Data Protection:**  
Improved access management and real-time monitoring supported privacy safeguards.
- **Governance and Resilience:**  
The Program supports cyber risk management and operational continuity under existing governance arrangements.



### Evidence and Supporting Information

The program is supported by independent CBK compliance assessments, ISO 27001 certification, cybersecurity and incident response policies, employee awareness initiatives, and internal audit reviews. Independent auditor reports and detailed documentation are available upon request.

### 4.4.3 Customer Data Privacy and Rights

Respect for customer autonomy and privacy is central to the Bank’s data protection and privacy governance. Personal data is collected solely for legitimate and clearly defined purposes such as service delivery, regulatory compliance, risk management, and fraud prevention, and is limited to what is necessary and proportionate to those purposes.

The Bank requires explicit customer consent before sharing data beyond core banking purposes and does not rent or sell personal information. Customers are provided with clearly defined options regarding the use of their data in accordance with applicable data privacy protection regulations and CBK requirements. Customers are informed of the purposes for which personal data is collected through privacy notices, terms and conditions, and digital channels, and are provided with appropriate controls over how their data is collected, used, retained, and processed through approved and secure channels. Where processing is not necessary for core banking services or regulatory obligations, opt-in consent is obtained and the purpose of processing is clearly communicated. Customers may also opt out of non-essential processing activities—

such as optional communications or value-added services—subject to applicable terms and conditions. In addition, they may request deletion of their personal data, and such requests are assessed and fulfilled where legally permissible, considering regulatory, retention, and legitimate business requirements.

Individuals are provided with rights of access, rectification, and data portability through secure and verified channels. Customers may request access to their personal data via approved digital banking platforms or customer service channels, subject to identity verification. Requests to correct or update inaccurate, incomplete, or outdated information are facilitated through digital or branch services aligned with documented procedures and regulatory requirements. We evaluate data transfer requests on a case-by-case basis and facilitate them where technically feasible and legally permissible, while ensuring confidentiality and security. All such requests are managed through defined processes with established timelines and verification steps, supported by the Cybersecurity function, Risk Management, and Compliance. Retention periods for customer information are defined in accordance with regulatory and operational requirements.

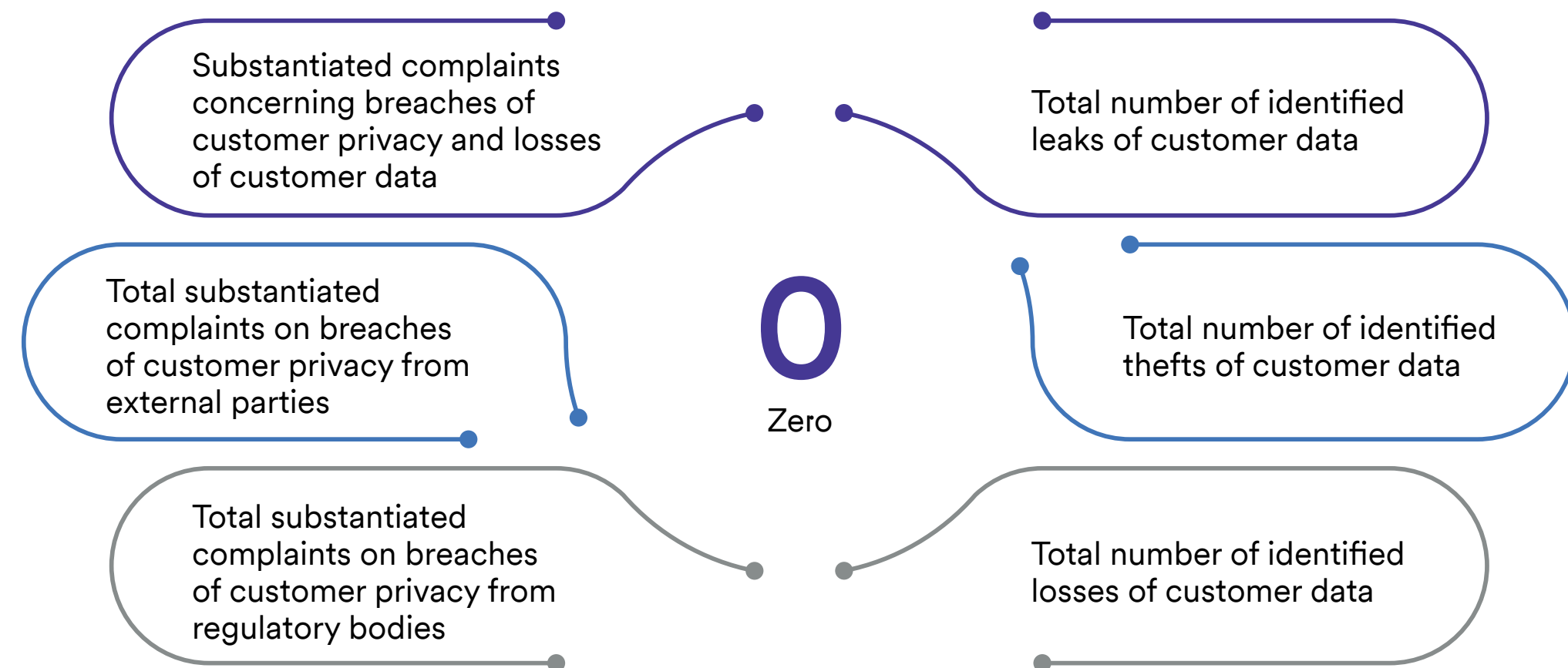
#### Key categories include:

 <p><b>Customer identification and KYC records</b></p>	 <p><b>Transaction records</b></p>	 <p><b>AML/CFT, FATCA and CRS records</b></p>	 <p><b>Accounting and financial records</b></p>	 <p><b>IT and cybersecurity logs</b></p>
<p>Retained for a minimum of five years after the end of the customer relationship to support AML/CFT compliance and regulatory inspections</p>	<p>Retained for at least five years from the transaction date for audit trails, monitoring, and dispute resolution</p>	<p>Retained for at least five years to support financial crime prevention and international tax compliance</p>	<p>Retained for a minimum of ten years to support statutory audits and CBK reviews</p>	<p>Retained for one to five years, depending on data type, to enable forensic analysis and operational resilience.</p>

These protections extend beyond the Bank’s boundaries to our ecosystem of suppliers and service providers. Third-party arrangements involving access to Bank data or systems are subject to risk-based due diligence, contractual safeguards, access controls, ongoing monitoring, audit rights, and mandatory incident notification obligations. Disclosures to third parties occur only when legally required, necessary for service delivery, or based on explicit customer consent, and are governed by purpose-limitation and data-minimization principles.

To ensure customers understand how these safeguards operate in practice, we publicly disclose Warba Bank’s [Privacy Policy](#), [Information Security Policy Statement](#), and related governance information through our website and sustainability reporting. This helps keep customers informed of their rights and of the Bank’s commitment to protecting personal information.

**Substantiated Complaints - Customer Privacy**



## 4.5 Digital Transformation and FinTech

### 4.5.1 Digital Access and Branchless Channels

Warba Bank continues to invest in digital platforms to expand access to financial services, and support customer access beyond physical branches. Corporate and retail clients are supported through online and mobile solutions including corporate online banking, mobile applications, and digital onboarding tools that enable secure, anytime access to banking.

Corporate clients can submit Letters of Credit and Letters of Guarantee requests through online platforms, while retail customers benefit from end-to-end digital services such as account opening, financing applications, and real-time transaction management.

Accessibility is further strengthened through our integrated 24/7 call center services that enable customers to complete selected transactions remotely and receive guidance on products, including sustainable financing options. Partnerships with authorized agents and retail partners broaden our reach beyond traditional branches, supporting inclusive access to payments and remittance services.



# Case Study

## Warba Invoice Gate (WIG)

### Objective

The Warba Invoice Gate (WIG) platform was introduced to replace manual invoice handling with a fully digital submission and tracking system, supporting the Bank's digital transformation through greater efficiency, transparency, and sustainability.

### Approach

WIG enables vendors and internal users to submit invoices electronically, track their status in real time, and process payments through automated workflows governed by a defined Service Level Agreement. The platform integrates governance controls to ensure accuracy and accountability across the payment lifecycle.

### Impact

Payment processing time was reduced from five days to one day, while digital tracking increased transparency and minimized manual errors. The transition from paper-based processing significantly reduced paper use through SLA-driven service delivery.



## Enterprise Workflow Automation Initiative

### Objective

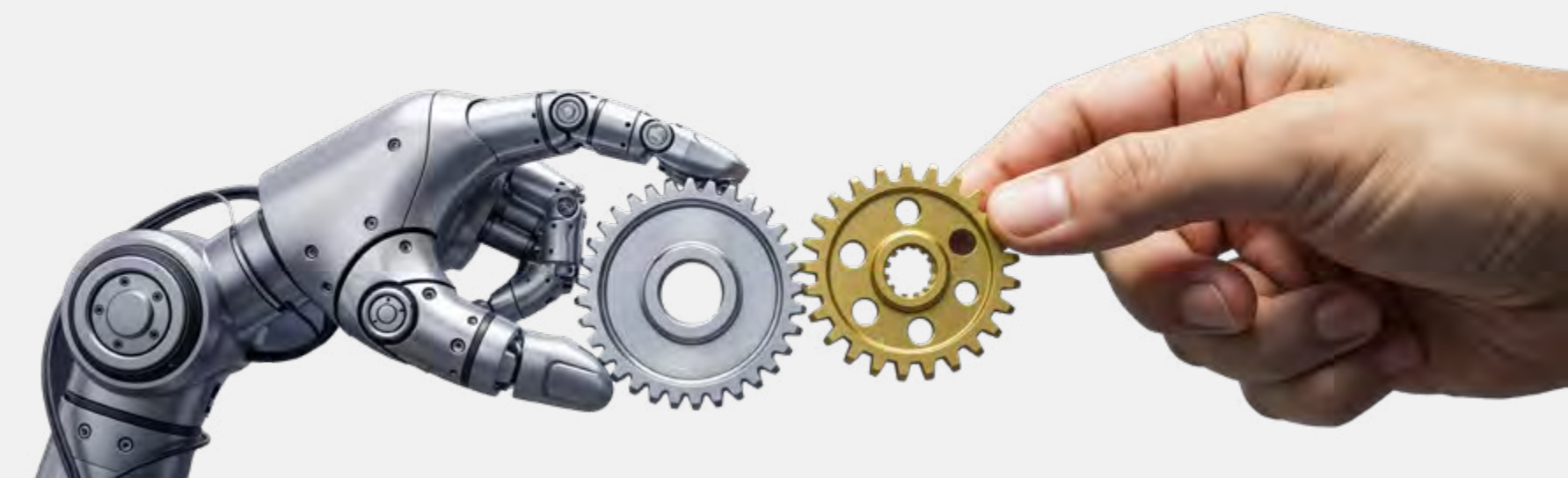
Warba Bank launched the Enterprise Workflow Automation Initiative to streamline internal operations, reduce manual workload, and enhance service delivery efficiency. The program sought to build a scalable automation framework capable of supporting high-volume operational processes, minimizing errors in repetitive tasks, and enabling employees to focus on higher-value activities that directly support customers and business growth.

### Approach

Over fifty automated workflows were developed and maintained across key business functions. The automation framework was designed to be modular and adaptable, allowing rapid deployment of new processes in response to evolving operational and regulatory needs. Rule-based workflows were embedded to ensure consistency, compliance, and auditability across routine activities.

### Impact

The initiative generated significant organizational benefits, with more than 60,000 automated flows executed to date. Processing times were reduced and accuracy improved, lowering reliance on manual intervention and decreasing operational risk. Employees were able to redirect time from repetitive tasks toward strategic and customer-focused work, while standardized workflows strengthened compliance and service quality. The scalable platform continues to support the Bank's digital transformation and operational resilience.



## 4.5.2 Digital Financial Inclusion

Innovation at Warba Bank is guided by market research and continuous customer feedback to address the needs of all segments. Delivery methods are deliberately tailored to the needs of specific groups. Mobile-only onboarding, youth-focused user experiences, and localized language options are used to improve adoption, while initiatives such as Wave Banking offer prepaid cards, gamified weekly offers, and a youth marketplace.

Beyond product access, we support digital empowerment through corporate online portals for individuals and small businesses. The launch of SiDi accounts, for example, marked Kuwait's first digital financing product for domestic workers. Its development was informed by studies identifying access barriers faced by low-income groups and by direct client feedback calling for simple, independent, and mobile-friendly solutions. More information can be found on: [Warba Bank - SiDi Account](#)



## Case Study

# SiDi – Digital Financial Inclusion for Underserved Communities



### Objective

Warba Bank seeks to expand financial inclusion by developing digital, Sharia-compliant solutions tailored to underserved groups, enabling safe and independent access to essential banking services for customers who have traditionally faced barriers to the formal financial system.

### Approach

As part of this commitment, the Bank launched SiDi accounts—Kuwait’s first digital financing product designed for domestic workers. The initiative was shaped by market research that identified key access challenges faced by low-income workers, including limited documentation, dependence on cash transactions, and the need for simple, mobile-friendly tools. Client feedback further emphasized the importance of an independent, easy-to-use platform that supports everyday financial needs without requiring branch visits.

SiDi offers a comprehensive suite of accessible features designed to remove financial barriers and enhance convenience:

- Free digital account opening through the SiDi application
- Free ATM card delivery within 3–5 business days of successful registration
- Free international money transfers to the home country at competitive rates
- Free SiDi-to-SiDi transfers
- Free mobile bill payments
- Free money request links that can be shared with anyone
- Access to the WAMD instant transfer service
- A built-in Marketplace offering competitive rates on e-vouchers (Apple, Google, PlayStation and others)
- Ability to receive salary directly into the SiDi account
- 24/7 assistance through the Bank’s call center (1815551) and WhatsApp (22288886)



### Impact

Through SiDi, the Bank provides a digital, Sharia-compliant product designed to support access for domestic workers. SiDi Bank strengthens financial independence, supports transparent wage management, and aligns with Kuwait’s national financial-inclusion objectives by integrating underserved communities into the formal banking sector.

# Case Study

## Sharia and Inclusive Customer Engagement

### Objective

Warba Bank sought to enhance customer engagement and financial inclusion through digital Sharia services, accessible religious content, and community initiatives that reflect the Bank's values and commitment to responsible banking.

### Approach

A range of digital initiatives were launched, including a Qur'an competition hosted through the Saad application, new accessibility features within the Mus'hafi application for the visually impaired, elderly, and children, and the publication of Sharia Supervisory Board fatwas in interactive Arabic and English formats. The Bank also developed an electronic Sharia request system and a smart Zakat calculator, while providing on-the-job Sharia training to fifteen trainees (12 female and three male).

### Impact

The Qur'an competition engaged 1,844 participants, strengthening community connection and digital outreach. Accessibility enhancements broadened the use of Islamic banking resources among diverse customer groups, particularly people with disabilities. Digital Sharia services improved transparency and ease of access to guidance, while training programs built internal capacity and expertise.



### 4.5.3 Responsible Adoption of Artificial Intelligence

Warba Bank has established formal procedures governing the responsible and secure use of emerging technologies, including Artificial Intelligence (AI). Our approach is based on ethical, risk-based principles that promote transparency, fairness, and accountability while aligning with CBK expectations and data protection regulations.

AI initiatives are subject to governance oversight by executive management and relevant risk and technology committees, and, where applicable, to CBK approval requirements and relevant regulatory guidance. Controls address data usage, model behavior, cybersecurity, and operational impact, with ongoing monitoring and validation to ensure responsible deployment. Commitment to these principles is endorsed at executive level; IT policies are approved by the Board of Directors and overseen by the Chief Technology Officer, with relevant matters reported to the Board Risk Committee.

While a standalone AI Policy is under development, AI-related risks are already embedded within our existing Privacy, Cybersecurity, Technology Risk, Operational Risk, and HR Policies, ensuring comprehensive oversight of automated and AI-supported processes. The Bank plans to formalize a dedicated AI Policy in 2026 as part of ongoing governance enhancements.



# Human Capital, Wellbeing and Inclusion

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# 5.1 Employee Engagement and Culture

## 5.1.1 Inclusive Workplace

Warba Bank promotes a respectful, inclusive, and fair workplace culture through a structured framework of policies and standards governing employee conduct and people practices. Our HR Policy, Diversity & Inclusion Policy, Employee Handbook, and General Principles for Customer Protection define expectations for equal opportunity, non-discrimination, and respectful behavior across the organization. These standards apply throughout the employee lifecycle, from recruitment and development to daily workplace interactions. Employees formally acknowledge relevant policies on an annual basis to reinforce consistent understanding and compliance. We embed awareness of conduct expectations through mandatory onboarding and annual refresher training.

The Bank prohibits discrimination based on gender, age, religion, nationality, or disability, and applies employment practices consistently across functions and levels. We also support workforce inclusion by recruiting employees with disabilities to strengthen representation and participation.

Warba Bank maintains a zero-tolerance approach to harassment, whether sexual or non-sexual, including bullying. The Diversity & Inclusion Policy, Employee Handbook, and General Principles for Customer Protection clearly define these prohibitions. We enforce these standards through defined reporting channels, HR oversight, regular monitoring, and disciplinary procedures to ensure consistent application across operations.

Confidential reporting channels are available through line management, HR, and the whistleblowing system. These mechanisms are supported by impartial investigation processes and protection against retaliation. During the reporting period, no incidents or controversies related to discrimination or harassment were recorded. Established investigation and disciplinary procedures remain in place should concerns arise.

## 5.1.2 Employee Engagement

We monitor employee engagement, satisfaction, and wellbeing through structured surveys conducted on annual and biennial cycles. These include the Employee Net Promoter Score (eNPS), Organizational Health Index (OHI), and post-training satisfaction surveys, which provide insight into employee experience and organizational health. The surveys assess engagement, wellbeing, loyalty, and overall organizational effectiveness.

We embed defined OHI targets within executive scorecards and review them annually to ensure that employee feedback translates into leadership accountability and measurable follow-up actions. We also disclose year-on-year engagement trends in the Bank's annual report, reinforcing transparency and responsiveness to workforce feedback.

In the event of organizational changes, we follow structured notification practices aligned with applicable labor regulations. Where restructuring affects employees, we communicate changes promptly after confirmation. Although no closures occurred during the reporting period, any employment termination resulting from closures would be subject to a three-month notice period in accordance with Kuwaiti labor law.

We analyze employee feedback across twelve organizational pillars, including leadership, accountability, innovation, capabilities, motivation, and work environment. Each pillar is assessed across multiple dimensions, such as shared vision, professional standards, risk management, and talent development. This structured analysis allows us to identify areas for improvement and implement targeted actions across the organization.

### Employee Satisfaction



Employee engagement with the community is enabled through staff participation in charitable and volunteer initiatives. The Bank offers up to five days of leave for volunteering activities.

# Case Study

## Pulse

Warba Bank launched PULSE, its continuous improvement framework aimed at enhancing operational efficiency, strengthening process discipline, and developing staff capabilities through structured Lean Six Sigma training and improvement projects. The program fosters a culture of problem-solving, cross-functional collaboration, and data-driven decision-making. By integrating PULSE Academy and PULSE Projects, Warba Bank embeds continuous improvement into its daily operations and long-term organizational culture.

PULSE supports Warba's ESG goals by reducing operational waste, improving workflow efficiency, and minimizing resource usage. The program reported certifying 167 White Belts and training 15 Green Belts, creating a broad internal problem-solving community. Four priority improvement projects have been initiated, targeting efficiency, customer experience, and operational reliability.



## 5.2 Human Capital Profile

Warba Bank manages human capital through structured oversight processes that support workforce planning and regulatory compliance, focusing on workforce stability, inclusion, and alignment with national priorities. Workforce data collection and reporting are designed to support both regulatory compliance and internal talent management.

During the reporting period, our total employee headcount increased by 10%, while the overall gender composition of the workforce remained broadly consistent with the previous year. Women represent approximately 16% of total employees, reflecting our continued commitment to gender balance as the organization scales.

### Workforce Composition by Gender

	2025	2024	% Change
Male	724	659	9.86%
Female	142	128	10.94%
Total	866*	787	10.04%

\*The total number of employees reported is 866, representing the Bank's actual workforce during the reporting period. However, ten positions are excluded from Kuwaitization report submitted to CBK in accordance with regulatory classification requirements. Accordingly, the employee count used for Kuwaitization reporting purposes differs from the total workforce figure reported here.

### Workforce Composition by Employee Category

	2025	2024	% Change
Full-time	866	787	10.04%
Non-employed workers	192*	159	20.75%
Percentage of non-employed workers within total workers	18.15%	16.80%	1.35 PP**

\*Includes 153 Outsourced employees, 2 CBK approved Consultants appointed through contractor and 27 Contract Workers.

\*\*Percentage Points

In parallel, Warba Bank emphasizes local employment in support of national development objectives. This year, Kuwaitization rate stood at 86.36%, reflecting approximately 1% increase from 2024. Notably, Kuwaitization is assessed in accordance with Central Bank classifications of nationals and non-nationals and consistent with Kuwait National Development Goals.

### Kuwaitization

Region-wise Breakdown of Employees	Unit	2025	2024	% Change
Kuwaiti employees	Number	722	668	8.08%
Non-Kuwaiti employees	Number	144	119	21.01%

Employee information is analyzed and further segmented by management level to enable effective workforce planning, and succession management. Leadership representation is monitored through governance oversight and periodic review. This allows for stronger alignment between human capital strategies with operational and governance needs.

 **19%**  
Women in Executive Committee

 **88%**  
Kuwaitis in Senior Management Level

### Management Composition by Gender

	Female (%)	Male (%)
Entry and junior level	12.36	55.66
Middle management	3.58	26.44
Senior management and above*	0.46	1.50

\*Senior management refers to employees holding the grade of Senior Manager and above, which includes leadership-level roles across all business units and divisions.

### Management Composition by Age

	Under 30 (%)	30–50 (%)	Over 50 (%)
Entry and junior level	29.68	36.84	1.50
Middle management	0	28.06	1.96
Senior management and above*	0	1.04	0.92

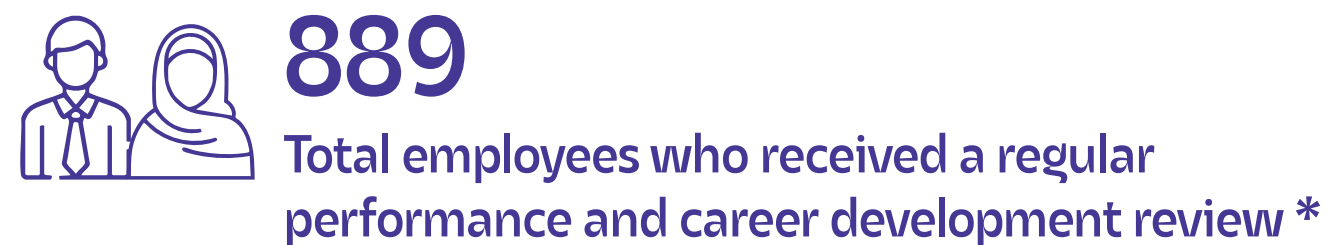
# 5.3 Talent Management, Growth and Performance

## 5.3.1 Performance Management and Reviews

Warba Bank’s approach to workforce development and performance management supports employee wellbeing, capability building, and alignment with long-term business objectives. We apply a management-by-objectives approach, supported by annual performance appraisals and mid-year reviews.

Individual objectives are linked directly to the Bank’s strategic priorities, ensuring that employee contributions align with broader organizational goals. During the reporting period, all employees participated in regular performance and career development reviews, reinforcing a culture of accountability, feedback, and continuous professional growth.

### Performance and career development review



### By Gender



### By Employee category



\* The total number reported includes both active and inactive staff assigned to the 2025 performance cycle

## 5.3.2 Rewards and Compensation

This performance-driven approach is supported by reward mechanisms that link outcomes to contribution, through annual performance bonuses available to employees, including but not limited to long-term incentives such as cash-based phantom shares vested over three years, with payouts in years four and five, supporting retention and alignment with long-term performance objectives.

The Bank promotes equal remuneration between genders, applies salary benchmarking, and maintains regulated working hours, supported by learning and development solutions aligned with strategic, regulatory, and compliance objectives. Employee security and long-term stability are further strengthened through statutory retirement arrangements. Kuwaiti and GCC employees participate in mandatory pension schemes, while all employees receive end-of-service benefits pursuant to labor law. The employer contributes 11.5% and the employee contributes 10.5% of the monthly salary to the retirement plan.

Wages are determined through a structured compensation process based on Mercer’s International Position Evaluation (IPE) methodology. This approach ensures role-based grading, internal equity, and alignment with market benchmarks, supporting fair and competitive remuneration practices. This is in full compliance with Kuwaiti labor law and, in many cases, exceeds statutory requirements. Minimum wages are 1.4 times higher for nationals and 4.4 times higher for non-nationals, increasing to 2.3 times and 7.2 times respectively for bachelor’s degree hires. Equal pay and benefits are provided for men and women.

### Employee wages and benefits



### 5.3.3 Learning and Development

To support employees in meeting performance expectations and progressing along defined career pathways, the Bank delivers structured learning and development programs across leadership, digital, technical, and professional certification tracks. These include sponsored MBA opportunities and specialized development initiatives.

Training is accessible to all employees, with a target completion rate of 70%. During the reporting period, mandatory training programs achieved 100% coverage, while overall training data covers 70% of employees. Over the past three years, 17 ESG-related training programs were conducted, covering areas such as ethics, customer protection, AML/CFT, and whistleblowing.

Average training investment reached KD 279 per FTE. Learning delivery methods include structured classroom training, coaching, mentorship, and team-based learning approaches, available to both full-time and contractual.



#### Average hours of training

Average hours of training		
Overall average	Number	28.92
Male	Number	27.85
Female	Number	34.41

#### Average employee training hours by employee category

Average employee training hours by employee category		
Entry and junior level	Number	28.92
Middle management	Number	
Senior management and above	Number	

### 5.3.4 Workforce Planning

Warba Bank manages recruitment through structured processes that balance external hiring with internal mobility. We track and disclose total hires annually in line with regulatory requirements.

Internal mobility remains a core element of our people strategy. By prioritizing internal candidates, we support career progression, retain institutional knowledge, and reduce reliance on external recruitment. During the reporting period, approximately 30% of vacancies were filled internally. At the same time, we maintained a strong focus on hiring Kuwaiti nationals in line with CBK nationalization directives.

Our Talent Acquisition Team manages all hiring activities directly, without reliance on external recruitment agencies. We monitor recruitment efficiency through defined cost indicators, with an average hiring cost of KD 548.250 per full-time equivalent (FTE). Initiatives such as the In-House Engagement Policy further encourage internal referrals and strengthen workforce engagement. In addition, the Bank engages non-employee workers only where necessary, whose activities are directly controlled by the organization. These roles primarily support specialized and operational functions, including Software Development, SiDi Branch employees, SiDi Telephone Service employees, and selected support positions.

We monitor and disclose employee turnover annually, with reporting scoped to Kuwait-based operations. Automated attendance and absence systems link directly to payroll controls, reinforcing discipline and transparency in workforce administration.

People Analytics supports workforce planning by aligning headcount decisions with strategic priorities. We use data to assess capacity requirements, identify skills gaps, and guide recruitment planning across business units. Annual learning needs assessments inform upskilling priorities, and recruitment and performance data help evaluate the effectiveness of hiring channels.

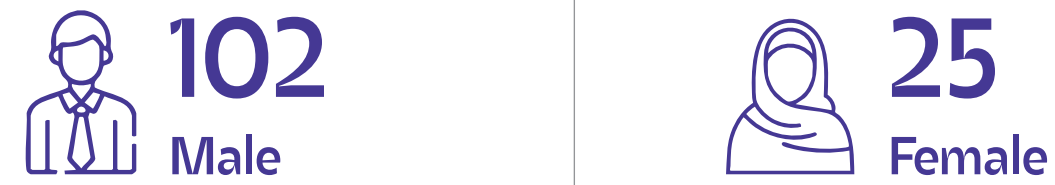
#### Total number of new employee hires



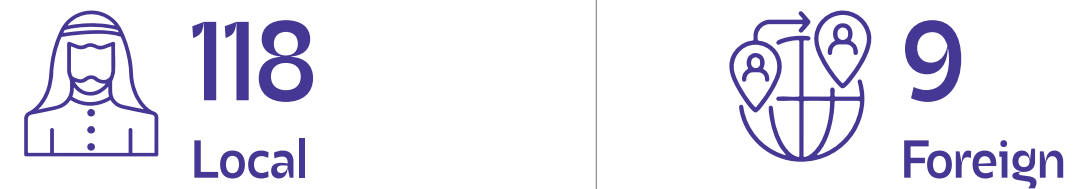
### Employee New Hires Breakdown 2025



#### By Gender



#### By Region



### Annual Turnover Rate



\*The total number of employees reported is 866, representing the Bank's actual workforce during the reporting period. However, ten positions are excluded from Kuwaitization calculations in accordance with regulatory classification requirements. Accordingly, the employee base used for turnover calculations is 856, reflecting only employees included within the Kuwaitization reporting scope.

### Employee Turnover Breakdown 2025



#### By Gender



#### By Region



### Total employee turnover



## 5.4 Health and Safety

### 5.4.1 Employee Health and Wellbeing

Warba Bank continues to support employee health and wellbeing through health insurance, wellbeing initiatives, and flexible working arrangements. We promote physical health, mental wellbeing, and work-life balance through a combination of health insurance, structured wellness initiatives, and flexible working arrangements.

In addition to a Health and Safety course for employees, preventive healthcare measures include regular awareness campaigns and on-site medical teams, complemented by broader wellbeing initiatives such as sports activities and family-inclusive events, supporting employees in maintaining long-term health and resilience.

- “Take a Breath” wellbeing campaign
- Breast cancer awareness campaign
- November men prostate awareness campaign
- Work stress management session
- Chiropractor session
- Football tournament for employees and their families



Wellbeing support includes remote working options, extended work-from-home arrangements for pregnant employees and post-maternity leave accommodations. Furthermore, the Bank applies Kuwaiti labor law standards on working hours and requires employees to take a minimum of two consecutive weeks of annual leave each year, supporting rest, recovery, and wellbeing. These provisions are communicated through the internal HR portal.


Selected Employee Benefits	Leave Entitlements
<ul style="list-style-type: none"> <li>• Health insurance employees (employees, spouse, and children)</li> <li>• Life insurance</li> <li>• Air ticket allowance</li> <li>• Education allowance</li> <li>• End of service (based on Labor Law)</li> <li>• Up to 3 months’ work from home provision for pregnant employees</li> <li>• Work from home for exceptional circumstances</li> <li>• Schooling shift flexibility</li> </ul>	<ul style="list-style-type: none"> <li>• Fatherhood leave</li> <li>• Maternity leave</li> <li>• Marriage leave</li> <li>• Hajj leave</li> <li>• Volunteer work leave</li> <li>• Emergency leave</li> <li>• Compassionate leave</li> <li>• Education leave</li> <li>• Work anniversary leave</li> <li>• Companion leave</li> </ul>


Complementing our wellbeing initiatives and flexible work arrangements, we maintain family-supportive policies designed to strengthen employee wellbeing, inclusion, and long-term workforce sustainability. Parental leave is a key element of this approach, enabling employees to manage family responsibilities while maintaining career continuity and supporting higher retention outcomes. The following table summarizes 2025 parental leave eligibility, utilization, return-to-work performance, and post-return retention during the reporting period.

## 2025 Parental Leave Indicators

### Employees entitled to parental leave

 **519**  
Total


 **462**  
Male

 **57**  
Female

### Employees who took parental leave

 **98**  
Total


 **90**  
Male

 **8**  
Female

### Employees who returned to work after parental leave

 **98**  
Total

 **90**  
Male

 **8**  
Female

### Employees who returned to work after parental leave ended who were still employed 12 months after their return to work

 **87**  
Total

 **80**  
Male

 **7**  
Female

## 5.4.2 Occupational Health and Safety Governance

Occupational health and safety is embedded within Warba Bank's operational culture through a structured management system that applies across all our workplaces and workers and is aligned with CBK guidelines. Occupational health services are delivered by licensed medical providers under comprehensive medical insurance coverage. The program is subject to periodic quality reviews and internal audits and is benchmarked against local regulatory requirements and relevant international best practices, ensuring continued effectiveness, regulatory compliance, and quality assurance.

A Health & Safety Policy applies to employees and contractors under the Bank's supervision, and is endorsed by the Board. The Policy is accessible internally and aligned with the Global Sustainability Standards Board (GSSB) Occupational Health and Safety (OHS) guidance and the UN Sustainable Development Goals.

We are committed to continuous improvement of health and safety performance through proactive risk prioritization, action planning, and adherence to evolving best practices. This includes maintaining certified first aiders, embedding employee consultation mechanisms, and implementing systems and controls to support safe working environments.

## 5.4.3 Hazard Control and Incident Management

Workplace hazards are identified and mitigated through preventive maintenance, regular inspections, and structured reporting mechanisms. Targeted measures address role-specific risks. These include reducing musculoskeletal and posture-related risks through ergonomic office furniture, and managing screen-time fatigue through optimized monitors and lighting.

Monthly inspections are conducted by certified personnel to identify and address risks such as electrical hazards, ventilation issues, and unsafe storage conditions, supported by defined Key Risk Indicators and follow-up action plans.



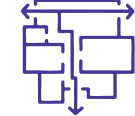

Controls extend to third-party vendors through inspections and maintenance of fire protection systems, first aid arrangements, and emergency preparedness measures, including evacuation and incident response procedures.

### Hazard Identification and Control Measures

Hazards with high-consequence injury risk	Diesel leakage
How hazards were identified	Identified through the occurrence of diesel leakage incidents
Hazards contributing to high-consequence injuries	None identified
Actions implemented / underway	<ul style="list-style-type: none"> <li>• Installation of containment trays</li> <li>• Leakage detection system</li> <li>• Daily generator inspections</li> </ul>
Workers excluded from hazard identification and reporting processes	None

Training and awareness form a core component of the Bank’s safety culture. Health and safety training is delivered to all employees, with targeted emergency procedure training for wardens and mandatory Safety and Security sessions for new joiners. Employees can report hazards through ServiceNow, a service request platform, and are empowered to remove themselves from unsafe situations where necessary, supported by awareness and training mechanisms delivered through the Warba Learning Gate e-learning platform.

#### Training covered

 Ergonomic workstation setup	 Safe IT equipment handling	 Emergency response and evacuation procedures	 Digital wellbeing and burnout prevention
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Work-related incidents are investigated by relevant personnel within the General Services Department, with root-cause analysis used to implement corrective and preventive actions and strengthen the overall OHS system.

OHS Indicators	2025
Total work-related injuries	1
Fatalities	0
High-consequence injuries (non-fatal)	0
Recordable injuries	1
Main injury type	Sprain in right ankle
Hours worked	1,294,020
Work-related ill health cases	0
Hazards posing ill-health risk	0
Total Recordable Incident Rate (TRIR)*	15.46

\*TRIR is calculated on 200,000 Hours worked

Employee health information is handled with strict confidentiality, managed directly between employees and insurance providers, with limited HR access only where voluntary disclosure is required for workplace support and in line with data protection requirements.

During the reporting year, the Bank reported no incidents of non-compliance with product or service health and safety regulations or voluntary standards, underscoring the effectiveness of our health, safety, and wellbeing controls.

# Community Development and Socio-economic Impact

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# 6.1 Financial Performance and Economic Contribution

Warba Bank operates within a stable financial reporting environment supported by disciplined governance, prudent risk management, and transparent disclosure practices. Through our [Annual Report](#), we disclose key financial information annually to reflect performance across the reporting period. Audited financial statements provide business, financial, and tax information for each jurisdiction in which the Bank operates, in line with GRI requirements. This disclosure approach supports stakeholder confidence and demonstrates our direct economic contribution.

## Economic Performance

Metric	2025 KD'000
Total operating income	307,411
Operating cost	47,101
Employee wages and benefits	30,054
Payments to governments*	2,258
Profit before tax	51,945
Tangible assets (excluding cash and cash equivalents)*	5,786,587

\*Taxes comprise Domestic Minimum Top-up Tax (DMTT) of KD 1,763k, Overseas Corporate Tax – UAE of KD 154k, and Kuwait Foundation for the Advancement of Sciences (KFAS) contribution of KD 341k.

In addition to financial performance indicators, Warba Bank maintains a sound operating environment characterized by regulatory compliance and structured financial oversight. During the reporting period, no material financial or regulatory concerns were identified.

In the reporting period the Bank experienced

**No** —

- Delays in filings and shareholder notices
- Subjection to receivership / bankruptcy / liquidation
- Breaches, waivers, or deferrals of debt covenant terms
- Going-concern or financing concerns identified
- Ongoing tax-related controversies

Beyond reported financial results, the Bank contributes to Kuwait’s economy through its role as an Islamic financial institution. Financing extended to individuals, SMEs, and corporates supports business activity and entrepreneurship. Sharia-compliant capital market and financing solutions, including Sukuk and project finance structures, channel capital toward infrastructure, real estate, and other productive sectors. Community development lending includes participation in low-cost housing development contracts, contributing to broader socio-economic stability.

These activities align with stakeholder expectations and national policy priorities. The Bank frames its economic contribution within Kuwait Vision 2035 and national development ambitions, while also referencing relevant international priorities such as the UN Sustainable Development Goals.

No significant actual or potential negative impacts on local communities were reported in connection with operations during the reporting period. At the same time, we recognize indirect economic risks inherent in financial intermediation. These may include over-indebtedness where financing is not used prudently, as well as sector concentration exposure common within the Kuwaiti banking market, particularly in areas such as real estate. Established credit assessment processes, risk management controls, and customer protection practices address these risks and support responsible financing and sustainable portfolio growth. We continue to strengthen our internal capacity to assess financial impacts. Current methodologies remain proportionate to data maturity and available capabilities, while targeted training and capability-building initiatives support ongoing enhancement of financial impact assessment practices. The indicators in the following table summarize corporate portfolio activity contributing to economic participation.

## 2025 Portfolio Indicators

Indicator	Unit	Value
Corporate financing	Number	851
Value of corporate financing	KD	2,813,702,000

Warba Bank’s contribution also extends beyond Kuwait through our investment activity, where we participate in infrastructure strategies and funds across global markets. These investments are structured on a commercial basis and are implemented through general partners who apply ESG principles in investment selection and oversight. As part of this exposure, we have indirectly contributed to infrastructure development including renewable energy projects as well as water desalination and treatment facilities in the GCC region.

## 6.2 Support for Local Micro-Small and Medium-sized Enterprises (MSMEs)

Warba Bank recognizes micro, small, and medium-sized enterprises (MSMEs) as a vital part of Kuwait's economic diversification, private sector development, and employment generation. In line with CBK classifications and national development priorities, the Bank's financing model is designed to provide Sharia-compliant capital to MSMEs to strengthen entrepreneurial resilience, promote financial inclusion, and support sustainable business growth.

Within Corporate Banking, our SME financing supports trading and development purposes, enabling businesses to access working capital and expansion funding under Sharia-compliant structures. These efforts are complemented by the Retail and Corporate segments collectively serving SMEs, inclusive enterprises, and larger corporates under regulatory-aligned classifications.

Our approach combines short-term responsiveness with long-term portfolio development. In the near term, liquidity support and rescue financing mechanisms are designed to safeguard business continuity and protect employment during periods of economic stress. Over the longer term, we aim to diversify our Sharia-compliant SME portfolio, embed digital innovation to foster entrepreneurship, and promote green and community-oriented business development. Policy refinements and newly approved SME financing criteria are intended to support approval processes and accessibility while maintaining prudent risk standards.

In the reporting year, the share of total financing portfolio allocated to SME was 0.04%. The following figures provide a summary of our MSME-related account and financing activity classification.

### SME Portfolio Classification

Classification	Revenue (Million KD)	Assets (Million KD)	Number of Employees
Small Companies	< 750	< 250	< 50
Medium Companies	< 1,500	< 500	51-150

### SME Banking

Indicator	Unit	Value
Small business checking & savings accounts	Number	2,170
Value of small business checking & savings accounts	KD	32,436,666
Small business financing	Number	16
Value of small business financing	KD	1,145,306

Beyond Corporate Financing activities, Warba Bank incorporates regulatory examination findings into its capacity-building efforts. We use examination outcomes as structured inputs to strengthen outreach, improve product utilization, enhance customer protection standards, and refine digital delivery channels. This feedback also informs improvements in MSME support and service delivery.

The Bank tracks services provided to financially excluded communities through SME financing, digital inclusion initiatives, entrepreneur seminars, and inclusive account offerings. Social considerations form part of our SME financing decisions, reflecting a broader focus on community resilience and responsible banking practices.

Through these combined efforts, Warba Bank operates as a domestic financial intermediary contributing to Kuwait's economic ecosystem. Our revenue base remains primarily concentrated within the local market, reinforcing our role in supporting national economic activity.



## 6.3 Community Outreach and Development

### 6.3.1 Financial Inclusion

Warba Bank maintains a publicly available commitment to financial inclusion, reflected in our Annual Report, Sustainability disclosures, and dedicated inclusion initiatives. Oversight is embedded within executive management, Board-level governance, and the Sustainability Working Group to ensure that inclusive finance initiatives remain aligned with institutional objectives and regulatory expectations.

We integrate regulatory compliance into our financial inclusion model through alignment with CBK requirements and the Customer Protection Manual, supported by internal audits and structured compliance programs.

Within this governance approach, the Bank develops tailored financial solutions that address structural barriers to access. SiDi accounts enable low-income individuals and domestic workers to access basic banking services through simplified and accessible processes. Retail customers experiencing changes in financial circumstances are offered structured financing modification options, including contract restructuring and installment adjustments tailored to retirees or customers facing income changes. This approach prioritizes fairness and long-term relationship management.

Digital inclusion remains a central pillar. Accessible current and savings accounts, microfinance solutions, remittance services, mobile banking platforms, and streamlined onboarding processes reduce procedural complexity and expand access to financial services.

Youth-oriented offerings combine financial tools with academic rewards and interactive digital features to encourage responsible financial behavior among younger customers. In Corporate Banking, the BEYOND segment provides flexible structures, simplified requirements, and digital accessibility tailored to smaller enterprises.

The Bank maintains public transparency around these offerings through official websites, social media platforms, and formal reporting channels. We monitor financial inclusion performance through internal reporting mechanisms, tracking portfolio growth, literacy outcomes, and expanded access indicators.

### 6.3.2 Capacity Building and Financial Literacy

Warba Bank complements financial access initiatives with programs that strengthen financial capability across diverse community segments. Through seminars, awareness campaigns, gamified digital experiences, and youth engagement events, we promote financial literacy and responsible financial behavior.

The Bank continues its participation in the national “Diraya – Let’s Be Aware” campaign, focusing on customer rights protection and fraud awareness. During the reporting period, initiatives included Islamic Sharia personal finance seminars, youth consultations, augmented reality-based financial literacy experiences, and digital engagement tools that support broader public understanding of financial principles.



# Case Study

## Youth Skill Development

### Rowad – Advancing Regional Innovation and ESG Leadership

2025 marked the sixth edition of the Rowad program in collaboration with the Dubai International Financial Centre (DIFC), expanding its geographic scope to target GCC students studying in the European Union. The program was designed to diversify participation, strengthen regional entrepreneurial exposure, and connect emerging talent with real-world financial sector challenges.

This cycle reported an increase in applications, reflecting growing regional interest in structured innovation platforms. Notably, female participation strengthened with dedicated all-female teams contributing to the program.

Importantly, the latest edition integrated ESG-focused challenge statements into the competition.



## Innovation and Entrepreneurship

### Kuwait National Robotics Competition Fostering STEM and Practical Innovation

Warba Bank sponsored the Kuwait National Robotics Competition (KNRC) for the 2025–2026 season as a platinum partner, reinforcing its long-standing partnership with Kuwait University. KNRC is an annual robotics competition that brings together students from public and private schools to compete in advanced robotics and technology challenges, cultivating technical skills and creative problem-solving.

Beyond sponsorship, Warba Bank deepened its collaboration with Kuwait University by supporting graduate students through capstone projects. The Bank provided real-life banking challenge statements developed by internal experts, allowing students to apply academic knowledge to practical financial sector scenarios.



# Case Study

## Inclusion and Education Support

### RubaPay Education Financing Partnership

As part of its inclusive finance expansion, Warba Bank signed an agreement with RubaPay, a Sharia-compliant education payment platform, serving as a financing partner through structured lead generation and direct sales engagement. The initiative enables parents to discover schools and universities while easing tuition payments through flexible monthly installment plans. The Bank provides zero-profit financing structures that make education costs more manageable for families.



## Sustainability Awareness

### Green Expo – Guinness World Record Sustainability Campaign

As part of its broader environmental engagement strategy, Warba Bank participated in the Green Expo initiative in collaboration with A5 Mall, achieving entry into the Guinness World Records by creating the largest written phrase formed using Moringa plants. The installation spelled “عاشت لنا الكويت,” symbolizing national pride aligned with environmental responsibility.

This large-scale initiative combined sustainability messaging with creative public engagement, particularly targeting youth audiences between the ages of 15 and 25. By distributing over 1,200 Moringa plants during the event, Warba Bank extended the impact beyond the exhibition space, encouraging participants to carry forward sustainable agricultural practices within their own environments.



## Community Engagement Initiatives



### Community Support

Supporting Hujjaj (pilgrims) at the airport by providing essential needs prior to departure.



### Education Support

Honoring high-achieving students in Kuwait in recognition of academic excellence.



### Environmental Awareness

- Collaborating with the Ministry of Electricity, Water and Renewable Energy to support the “Waffer” campaign promoting responsible consumption.
- Participating in the Thura Exhibition to support sustainability initiatives and environmental awareness.



### Financial Awareness

Supporting and promoting the “Let’s Be Aware” campaign led by the CBK.



### Public Awareness & Education

- Launching an awareness campaign in collaboration with the Scientific Center aimed at promoting public education and awareness.
- Launching an awareness campaign on Kuwait’s new Traffic Law focusing on road safety and public education.



### Public Safety

- Collaborating with the Kuwait Fire Force to raise awareness on safety measures and precautionary practices.
- Partnering with the Ministry of Interior – Coast Guard to distribute marine safety kits and enhance public safety at sea.



### Social Support

- Conducting daily Ramadan meal distributions during the holy month.
- Distributing hospitality items and essential supplies for worshippers in mosques during Ramadan, including the Grand Mosque.



### Youth Development

- Supporting Kids Marathon events in Nuzha and Kaifan to encourage physical activity and healthy lifestyles among youth.
- Supporting students through the distribution of school supply boxes across multiple schools.



### Special Needs Support

- Sponsoring the Kuwait Down Syndrome Association Marathon to promote awareness and inclusion.
- Supporting the Tamkeen Tech Exhibition in collaboration with the Kuwait Down Syndrome Association.
- Supporting visually impaired students through educational initiatives in collaboration with relevant institutions.
- Sponsoring Hope School for Special Needs to support inclusive education and student development.



# Environment and Resource Management

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# 7.1 Resource Management and Impact

## 7.1.1 Climate Governance and Measurement

Warba Bank integrates climate considerations into its broader sustainability strategy through the Climate Change and Carbon Reduction Policy. The Policy outlines objectives that include monitoring greenhouse gas (GHG) emissions, supporting emissions reduction and mitigation, and developing a decarbonization roadmap aligned with national and international targets. In this context, we recognize Kuwait’s national objective of achieving carbon neutrality by 2060 and reflect this trajectory in our climate risk approach.

At present, a formal time-bound carbon reduction target covering all scopes has not been disclosed. The current focus remains on strengthening emissions measurement and reducing operational impacts through defined initiatives. These include improving energy efficiency across our branches and head office locations and offsetting employee travel emissions under the Environmental Policy aligned with Kuwait Vision 2035. Net-zero and interim target development remains under review as monitoring systems and governance processes continue to advance. Although a comprehensive climate target has not yet been formally announced, operational progress is tracked through measurable initiatives. These include a 20% solar energy target across eight branches and the rollout of efficiency measures such as smart meters.

### Measurement and Reporting

We continue to strengthen how we measure, manage, and disclose our operational environmental footprint. During the reporting period, our efforts focused on improving data quality, expanding site coverage, and refining estimation methodologies across energy use, water consumption, business travel, waste generation, and GHG emissions.

The Bank publicly discloses operational GHG emissions annually, including Scope 1, Scope 2, and Scope 3 totals as well as operational GHG intensity. Disclosures are prepared in accordance with the GHG Protocol.

The organizational boundary applied to operational reporting covers Warba Bank’s banking services and owned, operated, and controlled facilities within the State of Kuwait, unless otherwise specified. This provides a consistent basis for Scope 1 and Scope 2 reporting. We make this information available through our Sustainability Reports.

## GHG Emissions

Scope <sup>1</sup>	GHG Emissions 2025 (tCO <sub>2</sub> e)	GHG Emissions 2024 (tCO <sub>2</sub> e)	% Change (tCO <sub>2</sub> e)
<b>Scope 1</b>			
Stationary combustion <sup>2</sup>	1,065.70	1,178.94	-9.61%
Fugitive emissions from HVACs	47.50	28.68	65.63%
Scope 1 Total	1,113.20	1,207.62	-7.82%
Scope 1 Intensity (tCO <sub>2</sub> e/ FTE)	1.29	1.50	-14.30%
<b>Scope 2</b>			
Electricity <sup>3</sup>	1,554.39	4,064.14	-61.75%
Scope 2 Total	1,554.39	4,064.14	-61.75%
Scope 2 Intensity (tCO <sub>2</sub> e/ FTE)	1.79	5.16	-65.22%
<b>Scope 3</b>			
Purchased goods and services – Water <sup>4</sup>	0.21	0.52	-59.16%
Business travel <sup>5</sup>	64.12	120.26	-46.69%
Waste generated in ops – Recycling <sup>6</sup>	35.59	-	-
Employee commute <sup>7</sup>	1,227.40	1,065.49	15.20%
Mobile combustion <sup>8</sup>	34.37	33.77	1.79%
Upstream transportation and distribution <sup>9</sup>	54.61	29.91	82.58%
Scope 3 Total	1,416.78	1,249.95	-
Scope 3 Intensity (tCO <sub>2</sub> e/ FTE)	1.64	1.59	-

<sup>1</sup> Emissions have been consolidated using the operational control approach as defined by the GHG protocol.

<sup>2</sup> Figures for the month of December were unavailable at the time of preparing this report. Accordingly, values have been estimated based on the average usage across the available months, excluding outlier periods (peak summer months), to provide a reasonable approximation. The emissions reported in tCO<sub>2</sub>e include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O as included in the emissions factors provided by the GHG protocol.

<sup>3</sup> The 2025 dataset does not include the Head Office (HQ) and reflects data only for the following branches: Avenues, Airport, Hawally, Fahaheel, Mangaf, Shuhadaa, Kifan, Jaber Alali, Jaber Al Ahmad, Adan, and Jawharat Al Khaleej. In contrast, the 2024 dataset included HQ (Arraya Tower) and a broader branch network (including Alraya, Ministries Complex, Saad Al Abdullah, West Meshrif, Adailiyah, Jahra, Salmiya, Sidi, Farwaniya, Egaila, and others). As a result, year-on-year comparisons may not be fully comparable due to differences in reporting boundaries and branch coverage. Kuwait-specific emission factors were sourced from [https://www.carbonfootprint.com/international\\_electricity\\_factors.html](https://www.carbonfootprint.com/international_electricity_factors.html)

<sup>4</sup> 2025 figures for water consumption excludes our Headquarters. Emission factors for embedded emissions were sourced from the latest available publication of the UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2025).

<sup>5</sup> Due to limited travel data availability, business travel distances are estimated based on travel routes between the capital cities of the reported origin and destination countries.

<sup>6</sup> Emission factors used for recycling activities were sourced from the latest available publication of the UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2025).

<sup>7</sup> The estimated number of working days per year is assumed to be 245. Calculations are based on a sample size of 295 employees and extrapolated to 866 employees using the median value, due to the high skew and standard deviation observed within the dataset.

<sup>8</sup> The emissions reported in tCO<sub>2</sub>e include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O as included in the emissions factors provided by the GHG protocol.

<sup>9</sup> For 2025, only spend data was available. Accordingly, spend-based Supply Chain Greenhouse Gas Emission Factors sourced from the North American Industry Classification System (NAICS), as referenced by the GHG Protocol, were applied. The emission factors were originally expressed in tCO<sub>2</sub>e per USD in 2021; therefore, values were adjusted to USD in 2025 using CPI-based inflation conversions and subsequently converted to Kuwaiti Dinar (KD).

### Operational Decarbonization

Decarbonization within Warba Bank’s operations is supported through targeted mitigation actions and enabling measures, including energy efficiency improvements across branches and head office locations, on-site solar deployment, and broader resource efficiency practices.

A vital component of this approach is the expansion of cleaner energy use through on-site solar photovoltaic generation. During 2024–2025, we initiated rooftop solar panel installations at selected facilities to supply a portion of operational electricity demand, with plans to expand coverage progressively as part of our ESG strategy. Solar deployment contributes to reducing reliance on conventional energy sources, increasing renewable energy generation, and lowering operational emissions.

### Renewable Energy

Metric	2025	2024	% Change
Renewable Energy Consumption (MWh)	204.12	76.05	168%
Avoided Emissions <sup>1</sup>	164.69	61.36	168%

<sup>1</sup> 2024 figures have been restated with updated EF’s for electricity generation in Kuwait from [www.carbonfootprint.com/international\\_electricity\\_factors.html](http://www.carbonfootprint.com/international_electricity_factors.html). Avoided emissions have been calculated using the energy generated by solar panels as a proxy for the equivalent amount of conventional energy displaced (e.g., energy saved).

Alongside renewable energy deployment, Warba Bank continues to implement energy-efficiency measures to reduce demand and improve operational performance. These measures include upgrading lighting systems, enhancing air conditioning efficiency, strengthening building management practices, and maintaining equipment performance.

The Bank also promotes digital service channels and e-statements to reduce paper consumption and limit customer travel. These efforts are complemented by employee awareness initiatives focused on responsible energy and resource use.

### Resource Consumption

Category	2025 Value	2024 Value	Unit	% Change
Fuel Consumption - Generators <sup>1</sup>	364,081.92	402,889.23	Liters	-9.63%
Electricity <sup>2</sup>	2,510,354.38	6,513,456.29	Kwh	-61.46%
Electricity Intensity <sup>2</sup>	2898.79	8,276.3	kWh/employee	-64.97%
Refrigerant Leakage <sup>3</sup>	25.355	15.28	Kg	+65.94%

<sup>1</sup> Figures for the month of December were unavailable at the time of preparing this report. Accordingly, values have been estimated based on the average usage across the available months, excluding outlier periods (peak summer months), to provide a reasonable approximation.

<sup>2</sup> The 2025 dataset does not include the Head Office (HQ) and reflects data only for the following branches: Avenues, Airport, Hawally, Fahaheel, Mangaf, Shuhadaa, Kifan, Jaber Alali, Jaber Al Ahmad, Adan, and Jawharat Al Khaleej. In contrast, the 2024 dataset included HQ (Arraya Tower) and a broader branch network (including Alraya, Ministries Complex, Saad Al Abdullah, West Meshrif, Adailiyah, Jahra, Salmiya, Sidi, Farwaniya, Egaila, and others). As a result, year-on-year comparisons may not be fully comparable due to differences in reporting boundaries and branch coverage.

<sup>3</sup> Increases in leakage are partially influenced by expanded equipment inventory from 44 to 52.



# Case Study

## Resource Efficiency through Digitization

Warba Bank advanced its digital transformation agenda through the digitization of the Wave Banking onboarding journey, specifically designed for the youth segment aged 15–25.

The initiative expanded paperless digital account opening capabilities, eliminating the need for physical documentation and branch-based onboarding processes.

**Revamped in 2025, the initiative generated:**

 **400+**  
digital account opening requests

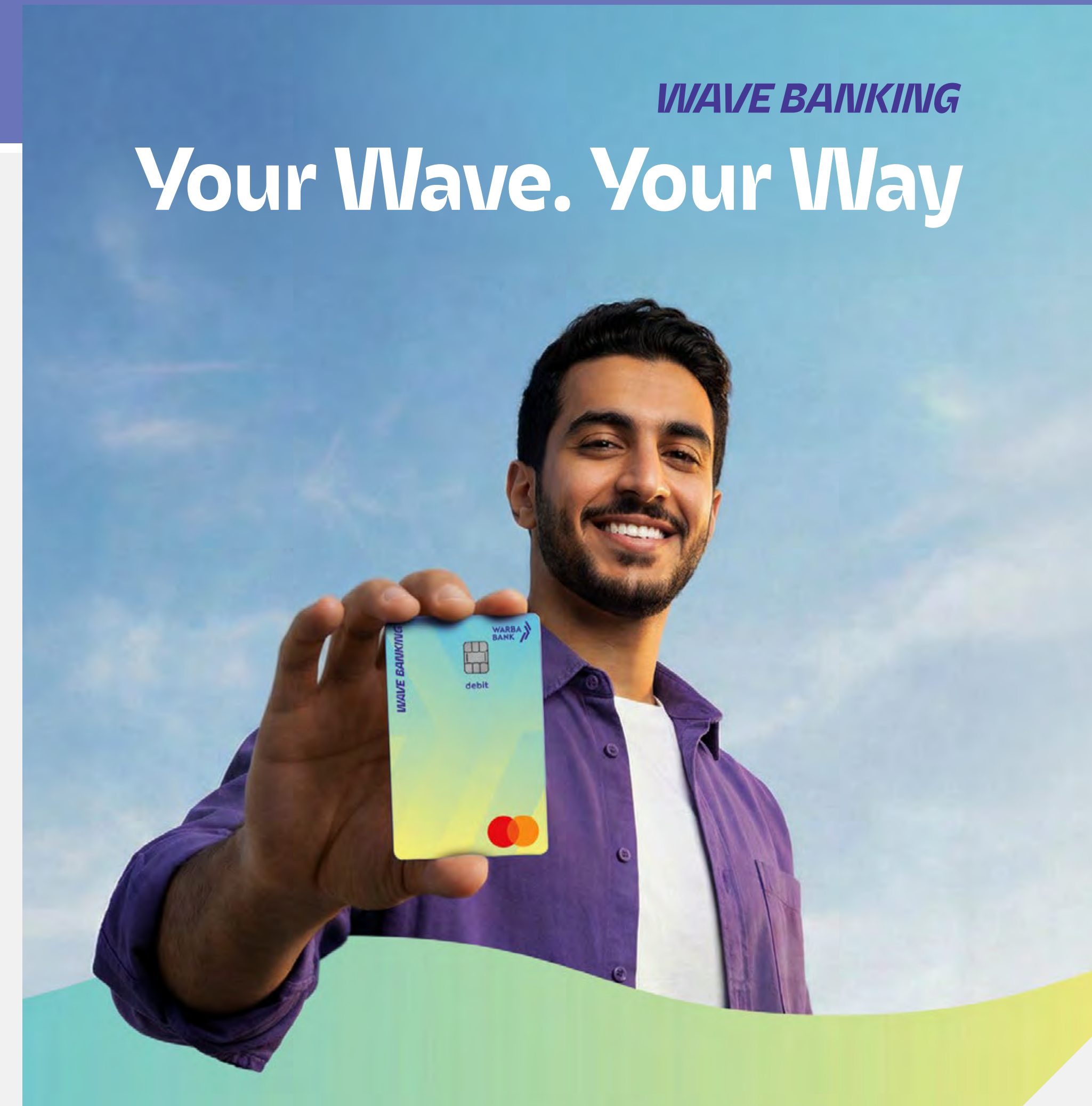
**Achievements during reporting period:**

 **3,000**  
paper sheets reduced

**Projected annual reduction:**

 **12,000**  
sheets

Beyond resource efficiency, the initiative also contributed to lowering emissions associated with customer travel, printing, and document handling. This initiative supports operational resource efficiency by reducing paper use associated with onboarding documentation.



### 7.1.2 Water Stewardship

Warba Bank’s water consumption reflects the nature of its office-based operations within the State of Kuwait. The Bank sources water from the national supply system, which relies primarily on desalinated seawater. Water is used for staff and facility purposes and discharged without additional treatment.

Although operations are not water-intensive, the Bank recognizes Kuwait’s high water stress and reliance on desalination. This context reinforces the importance of responsible consumption across branches and office facilities.

Water management forms an important part of the Bank’s environmental governance approach. Overall accountability rests with the CEO, while the senior management oversee day-to-day operational management. The branches committee supports oversight by coordinating monitoring and performance across facilities.

Where data is available, the Bank monitors water consumption across head office and main branches and conducts periodic water testing to maintain safe supply conditions. Operational controls include routine maintenance, installation of water-efficient fixtures, upgrades to sanitary systems, and employee and contractor awareness initiatives.

While a standalone quantitative water reduction target has not yet been established, the Bank discloses water consumption as part of its environmental reporting and uses this monitoring to track trends and improve controls.

Our current focus is on strengthening measurement maturity, refining monitoring mechanisms, and embedding water efficiency within facility management practices. As governance structures and data quality continue to advance, these foundational measures provide the basis for more formalized target-setting and benchmark-driven performance management in future reporting cycles.

### Resource Consumption

Category	2025 Value	2024 Value	Unit	% Change
Total water consumption <sup>1</sup>	1,110.07	2,947.10	m <sup>3</sup>	-62.33%

<sup>1</sup> 2025 figures for water consumption excludes headquarters.



## 7.2 Waste Reduction and Recycling

Waste generated by Warba Bank arises primarily from operational activities across branches and head office facilities, reflecting an office-based footprint. Waste streams are associated with administrative functions, including paper, packaging materials, and electronic equipment. While the overall waste intensity remains proportionate to the nature of banking operations, we recognize that responsible management of these streams remains a key component of operational environmental stewardship.

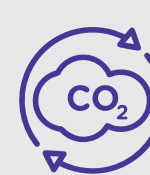
Oversight sits within the General Services Department, which coordinates internal controls and supervises third-party waste service providers. To ensure compliance with contractual and regulatory requirements, we conduct periodic audits, review licenses and environmental compliance certificates, and require structured reporting from waste management contractors. Monitoring and disclosure are supported through internal facility-level reporting systems, reinforced by weighbridge logs and contractor-provided documentation.

### Recycling Partnership – Tadwire

In 2025, recycling materials collected from Warba Bank were processed by Tadwire Recycling Company in accordance with Kuwait Environmental Protection Authority (EPA) requirements and secure chain-of-custody procedures.

As a result of these recycling efforts 7.8 Tonnes of waste was recycled which is equivalent to

 **80.9**  
Trees Saved<sup>1</sup>

 **8,331.78**  
kg CO<sub>2</sub> reduced<sup>1</sup>

<sup>1</sup> The reported figures have been provided by Tadwire. The Bank has not received additional information regarding the underlying methodology, emission factors, or calculation assumptions used to derive these figures.

### Waste Recycled by Material Type

 **2,454 kg**  
Plastic

 **414 kg**  
Electronic Waste

 **4,728.5 kg**  
Paper

 **99.5 kg**  
Old Corrugated Containers (OCC)

 **65 kg**  
Other Waste

### Waste Recycling

 **36.06 kgCO<sub>2</sub>e**  
Emissions from Recycling<sup>1</sup>

 **5,611.86 kgCO<sub>2</sub>e**  
Avoided GHG Emissions from Recycling<sup>1,2</sup>

<sup>1</sup> The above figures excludes emissions related recycled OCC and other waste

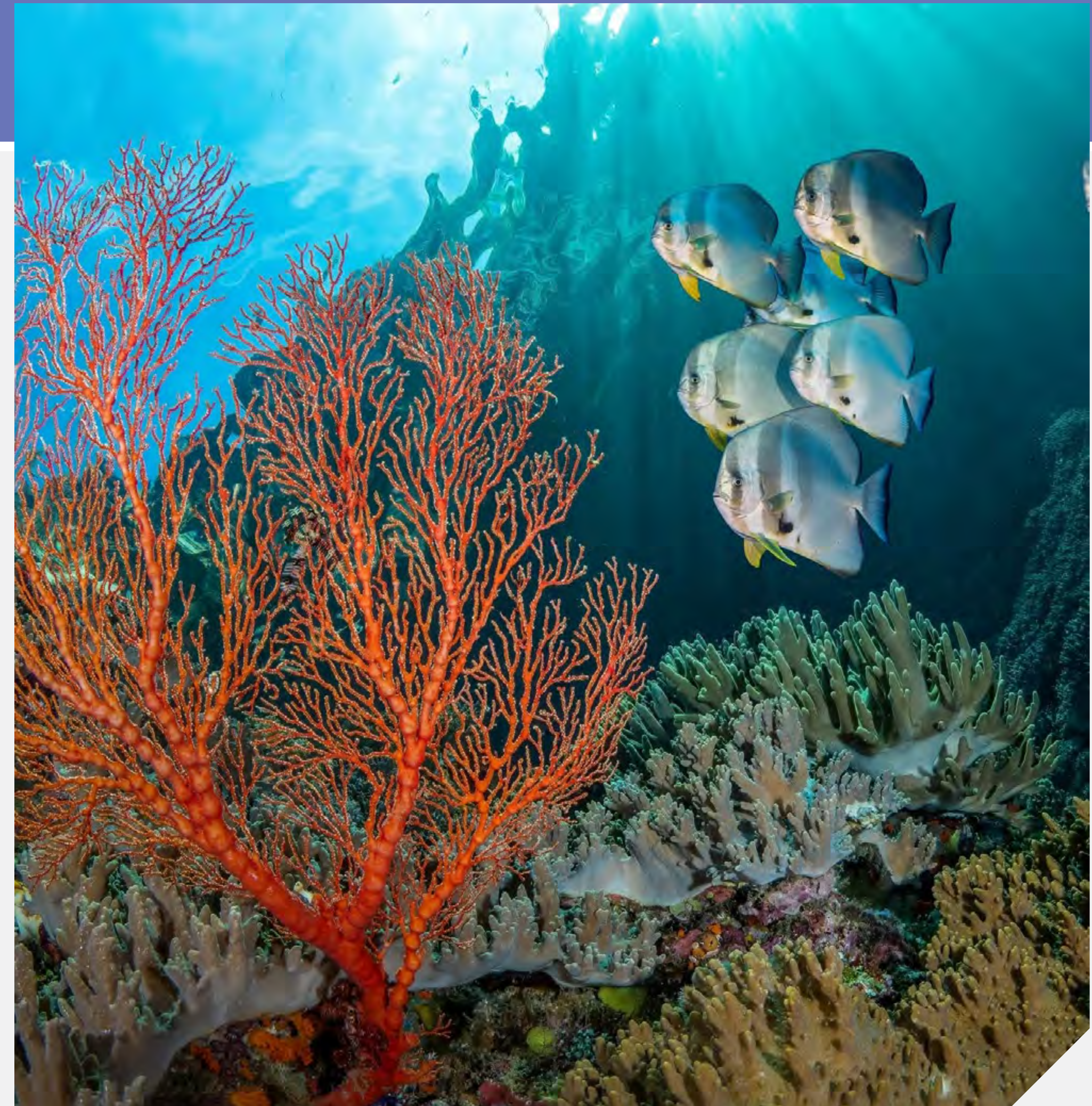
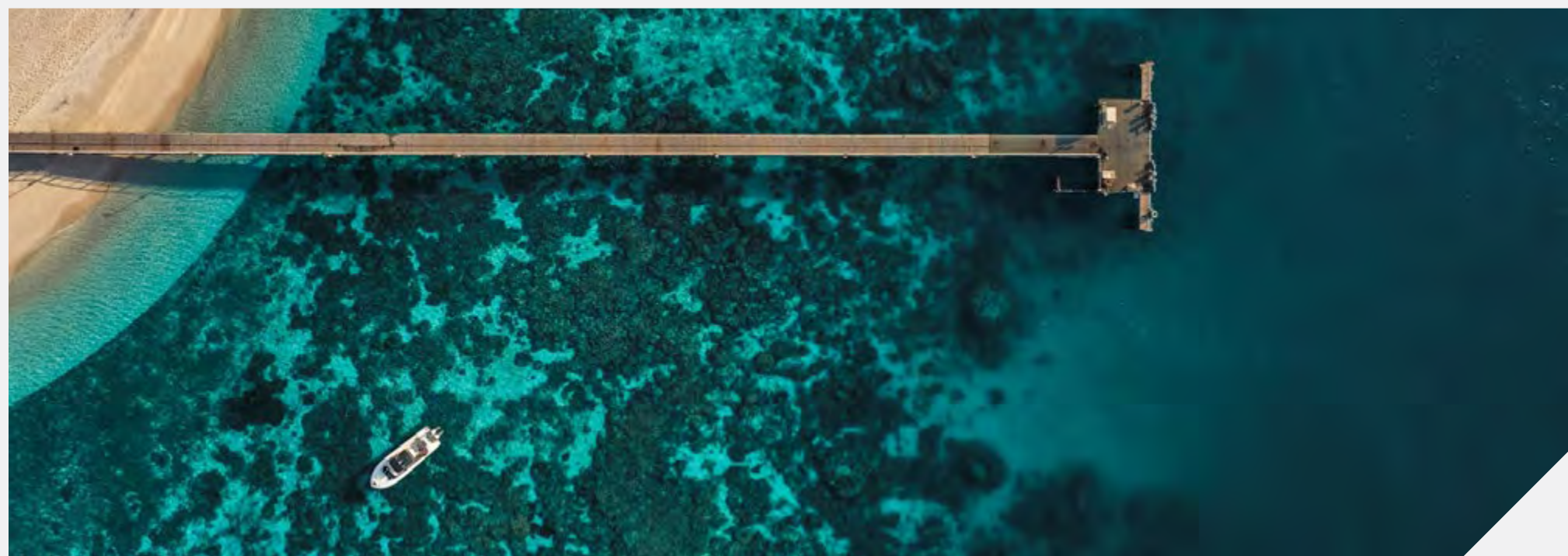
<sup>2</sup> Avoided emissions are estimated based on the difference between emissions that would have occurred if the waste had been sent to landfill and the emissions associated with recycling.

# Case Study

## Warba World – Reef Defense

Warba Bank launched Warba World: Reef Defense, an immersive augmented reality (AR) experience developed in collaboration with The Scientific Center of Kuwait. The initiative combined environmental awareness with digital engagement, encouraging users to actively participate in protecting Kuwait’s marine ecosystems through interactive gameplay.

Within the experience, participants are guided to reduce waste and restore coral reef systems across three of Kuwait’s coral islands—Umm Al Maradim Island, Kubbar Island, and Qaruh Island. The platform integrates scientifically verified information provided by The Scientific Center of Kuwait, ensuring that users gain accurate knowledge about marine biodiversity, ecosystem fragility, and conservation practices while engaging in interactive challenges.



# Case Study

## Trade Finance Paper – Reduction Program

### Objective

The Trade Finance Operations Unit implemented a paper-reduction initiative to digitize core processes and eliminate unnecessary printouts, contributing to environmental sustainability and operational efficiency.

### Approach

Email correspondence, corporate approvals, customer facility reports, debit advice, and other documents were migrated to digital platforms including TFMS, OpenText, internal email workflows, Oracle BI Publisher Reports, the core banking system, and the Eastnets platform.

### Impact

The program delivers an estimated monthly saving of 780 pages, reducing waste and storage needs while improving accessibility and processing speed. The initiative directly supports Warba Bank's ESG and digital transformation goals by embedding environmentally responsible practices into daily operations.



## 7.3 Supply Chain Management

Warba Bank continues to integrate environmental and social considerations into its procurement practices. Current supplier assessments prioritize financial stability, legal compliance, and compliance to Warba policies, regulatory adherence, compliance with the Bank's internal policies and procedures, and foundational ESG criteria. While supplier energy consumption and carbon emissions are not yet assessed quantitatively, suppliers may be requested to confirm whether they publish sustainability reports that disclose such information. As such, strengthening environmental data collection across the supplier base remains an area for future development.

The Bank has not established quantitative, time-bound upstream Scope 3 emissions reduction targets related to supply chain management. The current focus is on improving data quality and strengthening understanding of key upstream categories, including procurement and business travel, while embedding ESG considerations into supplier engagement processes. At the product level, environmental considerations are reflected in individual Murabaha transactions within the Retail Banking Group, where suppliers providing environmentally friendly materials aligned with internationally recognized standards are engaged. Supply chain labor practices operate in accordance with Kuwait's labor laws, which underpin our approach to supplier relationships within the domestic operating environment.

Procurement also contributes to local economic participation. During the reporting period, 79.22% of the procurement budget was directed toward local suppliers, reinforcing the Bank's role in supporting domestic economic activity.

### Local Supplier Expenditure (KD)



**21,868,267**  
2025

**18,392,982**  
2024

**18.89**  
% Change

### Local Suppliers (% of Supplier Base)



**80.84%**  
2025

**77.58%**  
2024

**3.26**  
% Change

**481**  
2025 #

**443**  
2024 #

**14.52**  
% Change

The Bank's upstream and downstream value chain activities including procurement and business travel are identified as relevant emission categories as part of the broader Scope 3 emissions inventory. Within this context, business travel represents a defined and currently measurable Scope 3 category

The Bank discloses Scope 3 emissions from business travel annually and offsets associated emissions, while minimizing non-essential travel where feasible. This year, we achieved a 26% decrease in total number of trips, with a 128% increase in economy class trips, and a 40% decrease in business class trips, demonstrating our commitment to reducing our carbon footprint. Additionally, emissions are further reduced through expanded use of digital channels, remote meetings, approval-based controls on non-essential travel, and improved staff planning practices.

### Business Travel<sup>1</sup>

Business Travel Trips	2025 Value	2024 Value	Unit	% Change
Total Distance Travelled	366,642.80	604,290.00	km	-39%
Business Class	50	84	Trips	-40.48%
Economy Class	16	7	Trips	+128.57%
First Class	2	1	Trips	+100.00%
<b>Total number of trips</b>	<b>68</b>	<b>92</b>	<b>Trips</b>	<b>-26.09%</b>

<sup>1</sup> Due to the unavailability of detailed travel data, flight distances have been estimated based on travel to and from the capital cities of the respective countries visited.



# Looking Ahead

81 | Future Outlook

80

## 8.1 Future Outlook

Warba Bank is entering the next phase of sustainability integration into its core business to support long-term value creation. Sustainability is embedded within business planning, capital allocation, and performance oversight, reinforcing the Bank's position as a responsible Islamic financial institution aligned with national and global development priorities.

Looking ahead, we intend to scale sustainable and Sharia-compliant finance under our Sustainable Finance Framework, supporting green and social projects that contribute to Kuwait's development agenda and the UN Sustainable Development Goals. Climate and ESG risk considerations will continue to be embedded within financing and investment processes to strengthen portfolio resilience and promote responsible economic growth.

Operationally, efforts to reduce the environmental footprint will continue alongside progressive development of longer-term decarbonization ambitions. Digital innovation remains a strategic enabler, supporting accessibility, operational efficiency, and inclusive financial services, while governance discipline and Sharia principles underpin decision-making across the organization.

As stakeholder expectations and regulatory requirements evolve, we remain focused on strengthening transparency, accountability, and data-driven ESG oversight. Enhancing the evidence base for disclosures represents a key next step, including gradual expansion beyond operational impacts where data quality and methodological maturity permit.

Through structured governance, integrated risk management, and transparent reporting aligned with global standards and local regulatory requirements, Warba Bank continues to advance sustainability integration across its operations and financing activities, supporting value creation for shareholders, customers, and the broader community.



# Appendix

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9.4   IFRS (S1 & S2)	98
9.5   Abbreviations	100



## 9.1 GRI Content Index

Name	Brief
Statement of use	Warba Bank has reported in accordance with the GRI Standards for the period January 1st, 2025, to December 31st, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>General disclosures</b>					
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	a-d) 1.3   Business Profile			
	2-2 Entities included in the organization's sustainability reporting	a-c) Reporting Boundary and Standards			
	2-3 Reporting period, frequency and contact point	a-d) Reporting Period			
	2-4 Restatements of information	a) Reporting Period			
	2-5 External assurance	No sustainability report assurance was conducted			
	2-6 Activities, value chain and other business relationships	a) 1.3   Business Profile b(i) 1.3   Business Profile	b(ii) b(iii) c d	Not applicable	Being a bank, supply chain-related requirements are not relevant to the Bank's business activities. Additionally, although the Bank established a minority investment with Gulf Bank (32.75%), there have been no significant changes to Warba's operation that came into effect in the reporting year.
	2-7 Employees	a, b(i,iv), c, d, e) 5.2   Human Capital Profile	b(ii) b(iii) b(v)	Not applicable	All employees are full-time, permanent employees. Additionally, the Bank does not employ non-guaranteed hour employees.
	2-8 Workers who are not employees	a, c) 5.2   Human Capital Profile, 5.3.4   Workforce Planning b) Worker numbers are reported in headcount. Data reflects the end of the reporting period (December 2025).			
	2-9 Governance structure and composition	a) 4.1   Sharia Corporate Governance and Board Oversight b) 4.1.3   Board Committees and Accountability c(i-iii) 4.1   Sharia Corporate Governance and Board Oversight c(iv) Information regarding positions and commitments held by board members are reported in the published <a href="#">Annual Report</a> c(v) 4.1   Sharia Corporate Governance and Board Oversight c(vii) 4.1.3   Board Committees and Accountability	c(vi) c(viii)	Information unavailable/incomplete	The Bank does not collect specific information on under-represented social groups, or on stakeholder representation, in relation to the composition of the highest governance body.
	2-10 Nomination and selection of the highest governance body	a) 4.1.1   Board Independence and Nomination b(i) 4.1.1   Board Independence and Nomination b(ii) 4.1   Sharia Corporate Governance and Board Oversight b(iii-iv) 4.1.1   Board Independence and Nomination			
	2-11 Chair of the highest governance body	a) 4.1   Sharia Corporate Governance and Board Oversight	b	Not applicable	The Chair of the highest governance body is not a senior executive.
	2-12 Role of the highest governance body in overseeing the management of impacts	a) 4.1   Sharia Corporate Governance and Board Oversight b) 4.1.2   ESG Governance and Oversight c) 4.1.3   Board Committees and Accountability			
	2-13 Delegation of responsibility for managing impacts	a) 4.1.2   ESG Governance and Oversight b) 4.1.2   ESG Governance and Oversight			
	2-14 Role of the highest governance body in sustainability reporting	a) 4.1.5   ESG Governance and Oversight	b	Not applicable	The Board is responsible for reviewing and approving the reported information.
	2-15 Conflicts of interest	a-b) 4.2.2   Responsible Business Conduct			
	2-16 Communication of critical concerns	a-b) 4.2.3   Monitoring, Escalation and Outcomes			
	2-17 Collective knowledge of the highest governance body	a) 4.1.2   ESG Governance and Oversight			
	2-18 Evaluation of the performance of the highest governance body	a-c) 4.1.3   Board Committees and Performance Accountability			
	2-19 Remuneration policies	a(i,iii,iv) 4.1.4   Executive Remuneration and Performance Alignment b) 4.1.4   Executive Remuneration and Performance Alignment	a(ii) a(v)	Not applicable	The Board and executive management are not eligible for sign-in bonuses or retirement benefits.
	2-20 Process to determine remuneration	a) 4.1.4   Executive Remuneration and Performance Alignment	b	Not applicable	Stakeholder votes on remuneration policies or proposals are not applicable to the Bank.
	2-21 Annual total compensation ratio		a b c		Warba Bank considers the disclosure of the annual total compensation ratio to be confidential due to the sensitive nature of individual compensation information and applicable internal governance and privacy considerations.
	2-22 Statement on sustainable development strategy	a) Chairman's Message; and Chief Executive Officer's (CEO) Message			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 2: General Disclosures 2021</b>	2-23 Policy commitments	a(i) 4.2.6   Human Rights a(ii) 4.1.5   ESG Governance and Oversight a(iii) 4.3.2   Enterprise Risk Management and Risk Appetite a(iv) 4.2.6   Human Rights b(i-ii) 4.2.6   Human Rights c) 4.2.6   Human Rights d) 4.1.2   ESG Governance and Oversight e) 4.2   Ethics, Compliance and Anti-Corruption f) 4.2.6   Human Rights			
	2-24 Embedding policy commitments	a(i-iii) 4.1.2   Human Rights a(iv) 5.3.3   Learning and Development			
	2-25 Processes to remediate negative impacts	a) 6.1   Financial Performance and Economic Contribution, 2.3.2   Complaint Handling and Oversight b) 4.2.5   Whistleblowing and Complaint Resolution c-d) 2.2   Stakeholder Engagement e) 4.2.3 Monitoring, Escalation and Outcomes			
	2-26 Mechanisms for seeking advice and raising concerns	a) 4.2.5   AML/CFT framework			
	2-27 Compliance with laws and regulations	a-d) 4.2.5   AML/CFT framework			
	2-28 Membership associations		a	Not applicable	Warba Bank did not participate in industry associations, other membership associations, or national or international advocacy organizations in a significant role during the reporting period.
	2-29 Approach to stakeholder engagement	a-c) 2.2   Stakeholder Engagement			
	2-30 Collective bargaining agreements		a b	Not applicable	Employees are not covered by collective bargaining agreements, and employment terms and working conditions are governed through individual employment contracts and internal human resources policies in accordance with applicable labor laws and regulatory requirements in Kuwait.
<b>Material Topics</b>					
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	a-b) 2.4   Reaffirming Materiality Focus	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	a-b) 2.3   Reaffirming Materiality Focus			
<b>Financial Performance</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	6.1   Financial Performance and Economic Contribution			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	a-b) 6.1   Financial Performance and Economic Contribution			
	201-2 Financial implications and other risks and opportunities due to climate change	a) The Bank has proactively assessed the risks and opportunities associated with climate change as part of its climate risk roadmap, aligning with regulatory expectations such as the CBK Sustainable Finance Circular. a(i) The Bank identifies regulatory risks related to ESG disclosures and climate-related compliance, and physical risks including climate-induced disruptions that may affect business continuity and customer behavior. More information on these risks is given in Section 4.3.3 a(ii) These risks and opportunities may include changes to the financing portfolio mix, ESG-related investor expectations, and potential reputational impacts if sustainability targets are unmet. a(iii) Though not yet quantified, the Bank acknowledges that future capital allocations may shift toward ESG-compliant assets and green financing products. a(iv) Warba Bank has adopted several internal policies such as the Environmental Policy, and the Climate Change and Carbon Reduction Policy. It also launched Kuwait's first Sustainability Sukuk worth USD 500 million in 2024. More information in Section 3.2.1. (v) Costs are primarily associated with ESG integration, sustainable issuance frameworks, and improving environmental data infrastructure, and training. The amount of costs attributed to implemented actions is not categorically tracked.			
	201-3 Defined benefit plan obligations and other retirement plans	a-e) The Bank's employee retirement coverage is provided through the national system administered by the Public Institution for Social Security (PIFSS). While the Bank offers an end-of-service benefit in line with labor law, retirement pensions and long-term social security are managed externally through PIFSS. The Bank offers end-of-service indemnity in line with Kuwaiti law. Since the PIFSS is a public system, Warba Bank does not manage its own defined benefit plans or funds. For more details, see 5.2.2   Talent Development & Compensation.			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 201: Economic Performance 2016</b>	201-4 Financial assistance received from government	a-b) The Bank did not receive financial assistance from any government during the reporting period. This includes, but is not limited to, tax reliefs, subsidies, grants, awards, financial incentives, or other forms of government financial support c) 1.2   Business Profile			
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	a(i-iv) 4.2.7   Tax Transparency			
	207-2 Tax governance, control, and risk management	a(i-iv) 4.2.7   Tax Transparency	b c	Not applicable	Due to the nature of the Bank's operations and its jurisdiction, the Bank has not yet developed or disclosed a tax governance framework, strategy, or policy.
	207-3 Stakeholder engagement and management of concerns related to tax		a	Not applicable	Stakeholder engagement on tax is not currently addressed by the Bank.
	207-4 Country-by-country reporting	a) Warba Bank's Entities are tax resident in Kuwait, Oman and UAE b(i) Warba Bank (Kuwait), Al Themar Al Omania Development Company LLC (Oman) and Nassima Tower Investment LLC (UAE) b(ii) 1.3.1   Business Model and Core Activities b(iii) 5.2   Human Capital Profile b(iv,vii,ix) 6.1   Financial Performance and Economic Contribution b(v) Warba Bank does not have intra-group transactions at consolidated level as those are eliminated b(viii) No cash payments have been made to date; all amounts have been accrued for the current year. b(x) There are Some Tax Exclusion under the DMTT Law as per GloBe Rules. c) The data covers the fiscal year from January 1, 2025, to December 31, 2025			
<b>Financial Inclusion and Accessibility</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2.3.1   Multi-Channel Service 5.3.2   Rewards and compensation 5.2   Human Capital Profile 6.3.1   Financial Inclusion			
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	a-b) 5.3.2   Rewards and compensation c) "Local" is defined by the Bank as individuals who are nationals of the State of Kuwait. d) "Significant locations of operation" are defined as Warba Bank's operations within Kuwait, where the entirety of its core banking, governance, and its business operations are based.			
	202-2 Proportion of senior management hired from the local community	a) 5.1   Human Capital Profile b) Senior management refers to employees holding the grade of Senior Manager and above, which includes leadership-level roles across all business units and divisions. c) "Local" is defined as Kuwaiti nationals, in alignment with national labor regulations and Warba Bank's internal policies supporting national employment. d) "Significant locations of operation" refers exclusively to the Bank's operations within the State of Kuwait, which encompasses its 21 branches and headquarters.			
<b>Sustainable Finance and Investment</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	3   Sustainable Finance Impact and Inclusion 6.1   Financial Performance and Economic Contribution			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	a-c) 6.1   Financial Performance and Economic Contribution			
	203-2 Significant indirect economic impacts	a-b) 6.1   Financial Performance and Economic Contribution			
<b>Supply Chain Management</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	7.3   Supply Chain Management			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	a-c) 7.3   Supply Chain Management			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria		a	Not applicable	ESG practices are still being integrated into the Bank's overall practices, particularly into the supply chain management system. Therefore, information on suppliers that were screened using environmental criteria is not available yet for the Bank.
	308-2 Negative environmental impacts in the supply chain and actions taken		a b c d e	Not applicable	ESG practices are still being integrated into the Bank's overall practices, particularly into the supply chain management system. Therefore, information on suppliers that were screened using environmental criteria is not available yet for the Bank.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		a b	Not applicable	Information on the Bank's suppliers and their operations in relation to the right to exercise freedom of association is not part of the information applicable to the Bank.
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria		a	Not applicable	The Bank has not yet incorporated new supplier screening criteria.
	414-2 Negative social impacts in the supply chain and actions taken		a b c d e	Not applicable	The Bank has not yet incorporated screening processes that include social criteria. Therefore, no detailed data is available on the negative social impacts in the supply chain.
<b>Business Ethics and Compliance</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	4.2   Ethics, Compliance and Anti-Corruption 4.2.4   Anti-Bribery and Corruption Controls			
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	a-b) 4.3.2   Enterprise Risk Management and Risk Appetite			
	205-2 Communication and training about anti-corruption policies and procedures	b-e) 4.2.4   Anti-Bribery and Corruption Controls	a	Information unavailable/incomplete	The Bank communicates, shares, and trains its anti-corruption policies with its internal stakeholders, as outlined in Section 4.2.4. The Bank also extends these policies to suppliers and business partners. However, numerical data on total numbers and percentages of this information is not available on governance body members due to limitations on internal tracking for the Bank.
	205-3 Confirmed incidents of corruption and actions taken	a-d) 4.2.4   Anti-Bribery and Corruption Controls			
<b>Corporate Governance and Oversight</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	4.1   Sharia Corporate Governance and Board Oversight 4.2.2   Responsible Business Conduct			
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a) 4.2.5   AML/CFT framework b) Since there were no cases, there are no outcomes to report.			
<b>Energy and Resource Management</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	7.1.1   Climate Governance and Measurement 7.1.2   Water Stewardship 7.2   Waste Reduction and Recycling			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	a, b, c(i), e, f, g) 7.1.1   Climate Governance and Measurement	c(ii-iv) d)	Information unavailable/incomplete	Information relating to heating consumption, cooling consumption, and steam consumption is not available for the reporting period. The organization currently does not separately measure or track these energy consumption categories. The Bank does not produce or sell electricity, heating, cooling, or steam as part of its operations.
	302-2 Energy consumption outside of the organization		a b c	Information unavailable/incomplete	Data on energy consumption outside of the organization is not available, as such information is not currently tracked.
	302-3 Energy intensity	a-d) 7.1.1   Climate Governance and Measurement			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 302: Energy 2016	302-4 Reduction of energy consumption	a) Reduction of energy consumption in 2025 was achieved primarily through the production of 204.12 MWh of solar energy replacing grid electricity use. For more information, see 7.1.1   Climate Governance and Measurement. b) Energy reductions included grid electricity by integrating solar energy and operational efficiency improvements (lighting control systems, HVAC upgrades). c) No formal base year was set, but energy reductions are tracked against 2024 consumption. d) Calculation tools include GHG Protocol energy tools, energy invoices, and facility-level solar monitoring systems.			
	302-5 Reductions in energy requirements of products and services		a b c	Not applicable	As a financial services institution, the Bank does not produce or sell physical products or energy-consuming services for which reductions in energy requirements would be measured or reported.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	a) 7.1.2   Water Stewardship	b c d	Information unavailable/incomplete	The Bank has not yet developed a formal methodology to use to identify water-related impacts, and how they are addressed. Additionally, no targets have been set for water-related goals for the Bank.
	303-2 Management of water discharge-related impacts		a	Not applicable	Water discharge from the Bank's operations is limited to sanitary wastewater from office and branch facilities, which is discharged through standard municipal sewage systems. Therefore, the Bank does not engage in operations involving industrial processes or effluent discharge for internal or sector-specific water quality standards.
GRI 303: Water and Effluents 2018	303-3 Water withdrawal		a b c d	Not applicable	Water is sourced from the utility provider; therefore, water withdrawal is not applicable to the Bank's operations.
	303-4 Water discharge		a b c d e	Not applicable	Details on water discharge to all areas are not applicable to the Bank's operations and its water usage practices.
	303-5 Water consumption	a) 7.1.2   Water Stewardship d) The Bank retrieves water consumption based on the financial cost of the consumption of water per month or per year. Due to limitations from rented offices/branches, data on expenditure on water consumption was not available for all facilities. Therefore, the data available on expenditure from water consumption was used to calculate environmental data.	b c	Information unavailable/incomplete	Details on water consumption from areas in water stress, and details on changes in water storage have been identified. Therefore, this is not applicable to the Bank's areas of operations.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		a	Information unavailable/incomplete	Waste-related impacts are not currently measured or formally assessed by the organization. As such, the organization does not disclose detailed information regarding significant actual or potential waste-related impacts, including associated inputs, activities, outputs, or value chain impacts.
	306-2 Management of significant waste-related impacts	a-c) 7.2   Waste Reduction and Recycling			
	306-3 Waste generated		a b	Information unavailable/incomplete	The organization currently tracks only the weight of waste prepared for recycling by third-party service providers. A complete measurement of total waste generated and a full breakdown by waste composition is not available for the reporting period.
	306-4 Waste diverted from disposal	a, c(ii) 7.2   Waste Reduction and Recycling	b c(i,iii) d e	Information unavailable/incomplete	The organization currently tracks only the weight of waste prepared for recycling by third-party service providers. A complete measurement of total waste generated and a full breakdown by waste composition is not available for the reporting period.
	306-5 Waste directed to disposal		a b c d e	Information unavailable/incomplete	The organization currently tracks only the weight of waste prepared for recycling by third-party service providers. A complete measurement of total waste generated and a full breakdown by waste composition is not available for the reporting period.
<b>Environmental Impact</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	7.1.1   Climate Governance and Measurement 7.1.2   Water Stewardship 7.2   Waste Reduction and Recycling			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	a, b, e, f, g) 7.1.1   Climate Governance and Measurement d) Warba Bank is following a rolling base year approach and therefore the base year considered for this report is 2024. The rolling base year allows Warba Bank to use more accurate data and comparisons year over year. Base year emissions for categories corresponding to this reporting year are presented in the report. More information can be found in Section 7.4.3.	c	Information unavailable/incomplete	Biogenic CO <sub>2</sub> emissions are not calculated or reported, as they are not applicable to the Bank's operations and current emissions inventory.
	305-2 Energy indirect (Scope 2) GHG emissions	a, b, e, f, g) 7.1.1   Climate Governance and Measurement d) Warba Bank monitors and reports greenhouse gas emissions on a year-on-year comparison basis. A fixed base year has not been established for emission calculations.	c d	Information unavailable/incomplete	Market-based Scope 2 GHG emissions data is not available for the reporting period, as the required supplier-specific or contractual information is not currently tracked or accessible. Location specific emission factors are sourced from <a href="https://www.carbonfootprint.com/international_electricity_factors.html">https://www.carbonfootprint.com/international_electricity_factors.html</a> . Granular data on gases included is currently unavailable.
	305-3 Other indirect (Scope 3) GHG emissions	a,b,d,f,g) 7.1.1   Climate Governance and Measurement e) Warba Bank monitors and reports greenhouse gas emissions on a year-on-year comparison basis. A fixed base year has not been established for emission calculations.	c	Information unavailable/incomplete	Biogenic CO <sub>2</sub> emissions are not calculated or reported, as they are not applicable to the Bank's operations and current emissions inventory.
	305-4 GHG emissions intensity	a-d) 7.1.1   Climate Governance and Measurement			
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	a-e) 7.1.1   Climate Governance and Measurement			
	305-6 Emissions of ozone-depleting substances (ODS)		a b c d	Information unavailable/incomplete	Information relating to emissions of ozone-depleting substances (ODS) is not tracked for the reporting period. Accordingly, data on ODS quantities, substances included, emission factors, and related calculation methodologies are not available.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		a b c	Not applicable	As a financial services institution, the Bank's direct operational activities do not involve significant industrial emission sources.
<b>Employee Engagement, Diversity and Inclusion</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1.1   Inclusive Workplace 5.3.4   Workforce Planning			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	a(i) 4.1. Sharia Corporate Governance and Board Oversight a-b) 5.2   Human Capital Profile			
	405-2 Ratio of basic salary and remuneration of women to men	a-b) 5.3.2   Rewards and Compensation			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	a) 4.2.6 Human Rights	b	Not applicable	No incidents of discrimination were reported during the reporting year
<b>Health and Safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	5.4   Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	a-b) 5.4.2   Occupational Health and Safety Governance			
	403-2 Hazard identification, risk assessment, and incident investigation	a-e) 5.4.3   Hazard Control and Incident Management			
	403-3 Occupational health services	a) 5.4.3   Hazard Control and Incident Management			
	403-4 Worker participation, consultation, and communication on occupational health and safety	a-b) 5.4.2   Occupational Health and Safety Governance			
	403-5 Worker training on occupational health and safety	a) 5.4.3   Hazard Control and Incident Management			
	403-6 Promotion of worker health	a-b) 5.4.1   Employee Health and Wellbeing			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		a	Not applicable	As a financial services institution, the Bank's activities do not involve operational processes or business relationships that typically give rise to significant occupational health and safety impacts directly linked to products or services.
	403-8 Workers covered by an occupational health and safety management system	a-c) 5.4.2   Occupational Health and Safety Governance			
	403-9 Work-related injuries	a, c, d, e, f, g) 5.4.3   Hazard Control and Incident Management	b	Information unavailable/incomplete	Detailed breakdowns of work-related injuries for non-employed workers, among other details, are not tracked by the Bank yet due to the relatively recent establishment of the occupational health and safety system.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 403: Occupational Health and Safety 2018</b>	403-10 Work-related ill health	a) 5.4.3   Hazard Control and Incident Management	b c d e	Information unavailable/incomplete	Detailed breakdowns of work-related ill-health incidents based on type of employees, among other details, are not tracked by the Bank yet due to the relatively recently established occupational health and safety system.
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories		a	Not applicable	Information on product and service categories related to health and safety impacts is not tracked and therefore is not available for the Bank.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		a b	Not applicable	Data on incidents of noncompliance concerning health and safety is not measured at the Bank, due to the absence of monitoring mechanisms, and therefore it is not available.
<b>Human Capital Management</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	5.3   Talent Management, Growth and Performance			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	a-b) 5.3.4   Workforce Planning			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	a-b) 5.4.1   Employee Health and Wellbeing			
	401-3 Parental leave	a-e) 5.4.1   Employee Health and Wellbeing			
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	a) 5.1.2   Employee Engagement	b	Not applicable	Not applicable to the Bank as there are no collective bargaining agreements according to Kuwait's labor law pertaining to the financial sector.
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	a) 5.3.3   Learning and Development			
	404-2 Programs for upgrading employee skills and transition assistance programs	a) 5.3.3   Learning and Development	b	Information unavailable/incomplete	The organization does not currently provide formal transition assistance programs to facilitate continued employability or the management of career endings resulting from retirement or termination of employment.
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3.1   Performance Management and Reviews			
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures		a b	Not applicable	The Bank has not yet established processes for training in the organization's human rights policies. It has only recently developed a Human Rights Statement. Therefore, security personnel training in human rights policies or procedures is not yet applicable.
<b>Local Communities and Social Impact</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	6.1   Financial Performance and Economic Contribution 6.3   Community Outreach and Development 4.2.6   Human Rights			
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	a) None on record. c) Measures recently taken to contribute to the effective abolition of child labor are reflected in the publicly available <a href="#">Human Rights Statement</a> .	b	Not applicable	The Bank is committed to operations free from incidents of child labor, forced or compulsory labor, and other misconduct through the Human Rights Statement. However, it has not yet begun assessing the operations and suppliers considered to have significant risk for such incidents.
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	b) Measures recently taken to contribute to the effective abolition of child labor are reflected in the publicly available <a href="#">Human Rights Statement</a> .	a	Not applicable	The Bank does not have information on operations and suppliers with significant risk for incidents of forced or compulsory labor.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	a) 4.2.6   Human Rights	b	Not applicable	No incidents of violations were reported therefore b. is not applicable.
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs		a	Information unavailable/incomplete	Warba Bank engages in community initiatives; however, formal social or environmental impact assessments are not currently conducted for operations. As a result, the percentage of operations with implemented impact assessments is not reported.
	413-2 Operations with significant actual and potential negative impacts on local communities	a) 6.1   Financial Performance and Economic Contribution			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling		a b	Not applicable	As a financial services institution, the Bank does not manufacture or sell physical products requiring labeling related to sourcing, material content, safe use, or disposal. Financial products and services are governed by applicable regulatory disclosure requirements; however, product labeling requirements as contemplated under this disclosure do not apply to the nature of the Bank's activities.
	417-2 Incidents of non-compliance concerning product and service information and labeling	a-b) 4.2.2   Responsible Business Conduct			
	417-3 Incidents of non-compliance concerning marketing communications	a-b) 4.2.2   Responsible Business Conduct			
<b>Data Security and Privacy</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	4.4   Data Security and Privacy			
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	a-c) 4.4.3   Customer Data Privacy and Rights			
<b>Risk Management</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	4.3   Risk Management and Internal Controls			
<b>Digital Transformation and Innovation</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	4.5   Digital Transformation and FinTech			
<b>Customer Experience and Satisfaction</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2.3   Customer Experience			



## 9.2 Boursa Kuwait

Metric	Description	Disclosure / Section Number
<b>Environmental</b>		
<b>Greenhouse Gas (GHG) Emissions (Scope 1 &amp; 2)</b>	Total direct (Scope 1) and energy indirect (Scope 2) GHG emissions, in tonnes of CO <sub>2</sub> equivalent. A core climate metric indicating the company's carbon footprint.	7.1.1   Climate Governance and Measurement
<b>GHG Emissions – Scope 3</b>	Total indirect GHG emissions from the value chain (Scope 3), if significant (e.g., supply chain, product use). Indicates broader climate impact beyond operations.	7.1.1   Climate Governance and Measurement
<b>Emissions Intensity</b>	GHG emissions intensity, e.g., tonnes CO <sub>2</sub> per output unit (product, revenue, or BOE for oil/gas). Normalizes emissions relative to business size or activity.	7.1.1   Climate Governance and Measurement
<b>Energy Consumption</b>	Total energy used: direct energy (fuels) and indirect energy (electricity/steam) consumed (in MWh or GJ). Indicates the company's overall energy footprint.	7.1.1   Climate Governance and Measurement
<b>Energy Intensity</b>	Energy intensity, e.g., energy consumed per unit output or revenue. Measures energy efficiency of operations.	7.1.1   Climate Governance and Measurement
<b>Energy Mix (Renewables %)</b>	The breakdown of energy sources used (e.g., % from renewable sources vs. fossil fuels). Shows transition to cleaner energy.	7.1.1   Climate Governance and Measurement
<b>Water Usage</b>	Total water withdrawn/consumed and water recycled or reclaimed (in cubic meters). Reflects the company's water footprint and conservation efforts.	7.1.2   Water Stewardship
<b>Environmental Policy &amp; Management</b>	Existence of formal environmental management policies and systems. For example: Does the company have an environmental policy? Are there specific policies on waste, water, energy, recycling? Is an energy management system (e.g., ISO 50001) in place? (Yes/No for each).	Yes, Section 7.1   Resource Management and Impact
<b>Climate Governance and Risk Mitigation</b>	Whether the Board or executive management explicitly oversees climate-related risks and opportunities (Yes/No). Indicates if climate change is integrated into governance structures.	Yes, Section 4.1.5   ESG Governance and Oversight
<b>Climate Risk Mitigation Investments</b>	Annual investment (CAPEX or R&D spend) in climate change mitigation or adaptation projects – e.g. renewable energy, energy efficiency, climate-resilient infrastructure, low-carbon product development (in KD).	3.1   Sustainable Finance Infrastructure
<b>Social</b>		
<b>Employee Turnover</b>	Annual employee turnover rate – e.g., percentage of workforce leaving the company over the year, typically broken out by employee type: S2.1 Full-time, S2.2 Part-time, S2.3 Contractors. Indicates retention and stability of the workforce.	5.2   Human Capital Profile
<b>Gender Diversity (Workforce Composition)</b>	Gender breakdown of employees at different levels – e.g., S3.1 % of total workforce that is female vs male; S3.2 % of entry/mid-level positions held by women; S3.3 % of senior/executive positions held by women. Shows representation of women across the organization.	5.2   Human Capital Profile
<b>Training and Learning</b>	Average training hours per employee (by gender and employee category). Total investment in training and development. Percentage of employees receiving regular performance and career development reviews. Qualitative summary of key programs.	5.3.3 Learning and Development
<b>Temporary &amp; Contract Workers</b>	Proportion of workforce on non-permanent contracts – e.g., % of total employees who are part-time; % who are contractors/seasonal. Indicates reliance on contingent labor.	5.2   Human Capital Profile
<b>Non-Discrimination Policy</b>	Whether the company has a formal policy against discrimination and sexual harassment (Yes/No). Reflects commitment to equal opportunity and a safe workplace.	Yes, Section 4.2.6   Human Rights
<b>Injury Rate (Health &amp; Safety)</b>	Work-related injury rate, e.g., Lost Time Injury Frequency Rate (LTIFR) – number of injuries per million hours worked (or similar). Indicates workforce health and safety performance.	5.4.3   Hazard Control and Incident Management
<b>Occupational Health &amp; Safety Policy</b>	Whether the company has a formal occupational health and/or global safety policy in place (Yes/No). Shows if the company systematically manages employee health and safety.	Yes, Section 5.4.2   Occupational Health and Safety Governance
<b>Human Rights Policy</b>	Whether the company has a formal human rights policy (Yes/No) and if it extends to suppliers/vendors (Yes/No). Broadly covers commitments to respect human rights (fair labor practices, community impact, etc.).	Yes, Section 4.2.6   Human Rights
<b>Nationalization (Kuwaitization)</b>	Percentage of the company's workforce that are Kuwaiti nationals, and qualitative information on local hiring initiatives. E.g., S10.1 % of total employees who are Kuwaiti; S10.2 contribution to direct and indirect local job creation (e.g., via training, outsourcing to local firms).	5.2   Human Capital Profile 5.3.4   Workforce Planning
<b>Community Investment</b>	Total investment in community programs and initiatives that contribute to social, environmental, or economic development, expressed as a percentage of company revenues.	N/A
<b>Governance</b>		
<b>Board Diversity</b>	Gender composition of the Board of Directors – e.g., % of board seats occupied by women vs men; % of board committee chairs held by women vs men. Indicates gender diversity at the highest governance level.	4.1.2   Board Composition, Independence and Nomination 4.1.3   Board Committees and Performance Accountability
<b>Board Independence &amp; CEO/Chair Separation</b>	Independence of the Board: Does the company prohibit the CEO from also being Board Chair? (Yes/No). Percentage of board seats that are independent (per CMA definition). Reflects checks and balances in governance.	Yes, 4.1.2   Board Composition, Independence and Nomination
<b>Supplier Code of Conduct</b>	Whether the company requires its suppliers/vendors to adhere to a Code of Conduct (covering ethics, labor, environmental standards) (Yes/No), and if yes, what percentage of key suppliers have formally certified compliance. Shows how the company manages ESG risks in its supply chain.	Yes, Section 7.3   Supply Chain Management 100%
<b>Ethics &amp; Anti-Corruption</b>	Whether the company has a formal Ethics and/or Anti-Corruption policy (Yes/No), and if yes, what percentage of employees have formally certified compliance with it (e.g., via training or annual sign-off).	Yes, Section 4.2.1   Policy and Governance Backbone 100%, Section 4.2.4   Anti-Bribery and Corruption Controls
<b>Data Privacy</b>	Policies and procedures in place to comply with GDPR or similar global data protection and information security awareness of global privacy standards and likely measures like data security, user consent mechanisms, breach response plans, etc.	N/A
<b>External Assurance of ESG Data</b>	Whether the company's sustainability disclosures are assured or verified by an independent third party (Yes/No). Assurance can apply to certain metrics (e.g., GHG emissions) or the whole report. (This is a recommended best practice.)	No

## 9.3 Additional ESG Disclosures

#	Requirement	Response
1	A fully non-executive Audit Committee with at least half independent members in place?	Yes.
2	Bonuses for senior executives capped at a specific percentage of base salary?	Yes, based on the allocated grade.
3	Bonuses for other high-paid staff capped at a specific percentage of base salary?	Yes, based on the allocated grade.
4	Date of notice filing for the Annual General Meeting (AGM)?	The notice filing is conducted in accordance with applicable company laws and the guidelines of Bursa Kuwait and the Capital Markets Authority (CMA). The AGM is held no later than the end of the first quarter of each year.
5	Date of the Annual General Meeting (AGM)?	The AGM is conducted in accordance with applicable company laws and the guidelines of Bursa Kuwait and the Capital Markets Authority (CMA) and is held no later than the end of the first quarter of each year.
6	Performance relative to risk considered in variable compensation for other high-paid staff?	Yes. As set out in the Executive Remuneration Policy.
7	Claw-back or malus provision in place for senior executives' remuneration, and high-paid staff?	Yes. As set out in the Executive Remuneration Policy.
8	Claw-back or malus provisions applicable to the CEO and one or more senior executives?	Yes. Applicable to all executive management, as set out in the Executive Remuneration Policy.
9	External standards or frameworks used for risk management or reporting?	Central Bank of Kuwait (CBK) standards and guidelines.
10	Head of Compliance reports directly to the Board or its committees?	Yes. The Chief Compliance Officer reports directly to the Governance and Compliance Committee.
11	Number of fines or settlements over the past three years exceeding US\$100 million?	None.
12	Regular rotation of auditors or audit partners committed?	Yes. Audit partner rotation is required in Kuwait in line with regulatory instructions and audit firm policies. Rotation typically occurs every five to seven years depending on the audit firm. Listed companies in Kuwait generally require rotation every four years under CMA rules; however, banks are exempt from this rule and rotation follows the audit firm's policy. EY rotated the audit partner in 2025 after the previous partner served for seven years.
13	Compliance with the Code of Conduct or Ethics reviewed and non-compliance identified?	Yes.
14	Effectiveness of the Code of Conduct or Code of Ethics periodically reviewed?	Yes.
15	Three years of Scope 1 operational GHG emissions disclosed?	Yes. Disclosed annually.
16	Defined focus areas included in the community investment process?	Broadly, DID invests across various asset classes (traditional and alternative) and strategies. Parameters are primarily defined by Sharia guidelines and the internal Strategic Asset Allocation (SAA).
17	Volunteering with charitable partners recognized or encouraged?	Yes (e.g., Fursa).
18	Currency used for reporting corporate or group donations to registered not-for-profit organizations?	Kuwaiti Dinar (KD).
19	Voluntary turnover rate for full-time staff (%)?	0.08156%.
20	Reporting year for full-time staff voluntary turnover rates?	2025
21	Policy or commitment in place to provide personal development training for employees?	Yes. HR Policy includes an annual training plan provided by line managers and the Learning & Development team.
22	Detailed description provided on personal development training offered to employees?	Detailed personal development training is offered to successors.
23	ESG factors incorporated into investment analysis or decision-making?	ESG principles and guidelines are generally documented in investment memoranda for each fund investment.
24	ESG lending policies in place outlining approaches to sensitive or controversial sectors?	Yes. ESG considerations are embedded within lending policies. As a Sharia-compliant bank, additional Sharia requirements also inform ESG-related lending principles.
25	Collaboration with other organizations on ESG issues related to project or corporate finance?	Yes. The Bank collaborates and aligns with international frameworks and organizations. The DCM team participated in sustainable sukuk issuance, which required alignment with ICMA principles and a second-party opinion (SPO) from an independent provider (Sustainable Fitch).
26	Number of engagements undertaken on climate change matters?	Four engagements. Such engagements include but are not limited to awareness, sponsorships, and support to local NGOs, among others.
27	Governance body responsible for oversight of business ethics and corruption issues disclosed, including the responsible body?	Yes. Human Resources Group is a key function supporting implementation of business ethics in coordination with the Compliance Group, Legal Group, and other functions.
28	Related-party transactions disclosed in either of the two most recently reported financial years?	Yes. Related-party transactions are disclosed in the financial statements (related-party note 14 in the September financial statements).

29	<b>Non-executive board members serving on the boards of three or more additional issuers?</b>	No.
30	<b>Executive board members serving on the boards of two or more additional issuers?</b>	No.
31	<b>Employee training programs conducted related to consumer financial protection, including financial literacy and ethical selling practices?</b>	Yes. Training includes but is not limited to: All Over the Customer; Banking Confidentiality; Customer Relationship Management; Legal Procedures for the Relationship Between the Islamic Bank and Suppliers in Finance; and "Customer Experience Is Your Experience."
32	<b>Board-level committee or internal body responsible for reviewing financial products and services?</b>	Yes. Additionally, the Strategic Initiative Alliance is Warba Bank's relevant body in terms of reviewing new initiatives.
33	<b>Directors receiving a negative or withheld shareholder vote in excess of 10% in the most recently reported election?</b>	No.
34	<b>Customer fraud or billing controversies reported?</b>	Total number of fraud cases received by CCPU: 19.
35	<b>Dedicated team or individual responsible for analyzing ESG issues or providing ESG training to investment analysts?</b>	Yes. The Strategic Planning Group oversees and analyzes ESG matters. HR also provides ESG training to Bank employees.
36	<b>Board tenure concentration exceeding 35% at 15 years or greater?</b>	No.
37	<b>Board tenure exceeding 22% at 15 years or greater and directors aged 70+ exceeding 15%?</b>	No.
38	<b>More than four directors with tenure of 15 years or greater?</b>	No.
39	<b>Microfinance products offered directly to low-income or underserved customers?</b>	Yes.
40	<b>More than four directors aged 70 or over?</b>	No.
41	<b>Board composition includes more than 30% currently active corporate CEOs from other companies?</b>	No.
42	<b>Formal management systems in place to assess ESG risks in financing activities?</b>	The Bank is developing an ESG scoring tool to support incorporation of ESG considerations into financing decisions. The tool is expected to become a mandatory component of credit applications. The approach includes providing incentives for applications with favorable ESG scores and applying disincentives for applications with unfavorable ESG scores.
43	<b>Thresholds established for when ESG risks trigger additional review or escalation?</b>	Internal thresholds are set and tested based on each client's scorecard result.
44	<b>Examples of cases requiring extra ESG due diligence?</b>	ESG-eligible assets are reviewed by the Sustainable Finance Working Group.
45	<b>Board engagement on climate-related risk?</b>	The Sustainable Finance Working Group reports to the Board Assets & Liquidity Committee (ALCO) on ESG-related matters.
46	<b>Excessive influence concerns present, including an executive chair serving alongside a CEO?</b>	No.
47	<b>At least one non-executive board member with general expertise in risk management present?</b>	Yes.
48	<b>Controversial investments reported?</b>	No.
49	<b>Supplier energy consumption and/or carbon emissions assessed? Process described?</b>	Not yet assessed quantitatively. Current supplier assessment focuses mainly on financial, legal, compliance, and basic ESG criteria. Supplier energy consumption or carbon emissions are not measured or reported in a structured way. The Bank expects to strengthen this over time as data requirements evolve.
50	<b>Audit committee comprising only directors independent of management established?</b>	No. A criterion is in place to ensure that the majority of the committee comprises non-executive directors.
51	<b>Company executives serving on the audit committee or audit board?</b>	No.
52	<b>Audit committee members serving on multiple boards beyond thresholds (as defined)?</b>	No.
53	<b>Water-related controversies reported?</b>	No.
54	<b>Directors not independent of management serving on the pay committee?</b>	No.
55	<b>Company executives serving on the pay committee?</b>	No.
56	<b>Standing pay committee established, and executives serving on it?</b>	Yes. The Nomination and Remuneration Committee is established, and has no executives serving on it.
57	<b>Pay committee composition raises concerns regarding active CEOs or pay committee chair record?</b>	No.

58	Excessive influence concerns present, including a former CEO remaining on the board as a non-executive director?	No.
59	Concerns raised regarding treatment of security holders in raising and/or return of capital?	No.
60	Allegations related to investor access to facts or substantive breaches of investor protection requirements?	No.
61	Breach of continuing obligations threatening continued listing or trading?	No.
62	Excessive influence concerns present, including a non-executive chair who is a former CFO?	No.
63	Situations present that distract the board, raise major questions on past decisions, or indicate governance failures?	No.
64	CEO shareholding decreased year-on-year by 10% or more (as defined)?	No.
65	CEO annual incentives misaligned with annual performance (as defined)?	No.
66	Public criticism of “golden hellos” provided to the CEO or other senior executives?	No.
67	Excessive influence concerns present, including an executive chair at one group company serving as a non-executive director at another group company?	No.
68	CEO total realized pay in an extreme range relative to peer group?	No.
69	CEO total fixed pay in a low range relative to peer group?	No.
70	CEO potential cash severance pay exceeding five times annual pay?	No.
71	Excessive influence concerns present, including a founder/cofounder remaining on the board (not as chair or CEO)?	No.
72	Unvested equity awards eligible for vesting upon CEO termination?	Vesting depends on the type of termination. For “good leaver” cases (e.g., retirement, sickness, disability, death), unvested awards may vest. In cases such as resignation, low performance, or violations, unvested awards do not vest.
73	Incentive award run rate of 2% or more?	No.
74	Stock ownership guidelines adopted for non-executive directors?	Yes. As required under regulatory instructions and Companies Law No. 1/2016.
75	Shareholder or bloc controlling more than 30% of voting shares or able to elect more than 50% of the board?	No.
76	Ownership structure or governance arrangements indicating special concerns for minority public shareholders?	No.
77	Company widely held with no principal shareholders or large-bloc holders?	The Bank is widely held; however, key shareholders hold 5% and above.
78	Cross-shareholding series with other companies?	The Bank has reciprocal/cross-holding positions of AT1 with other local banks.
79	Company traded as a tracking stock or similar entity?	Warba Bank is listed on Boursa Kuwait.
80	At least 5% of group revenue derived from VIEs where the company holds less than 10% voting rights?	No.
81	Excessive influence concerns present, including unregistered directors providing leadership direction?	No.
82	Single share class with voting rights varying based on duration of ownership (or loyalty shares)?	Single share class.
83	Voting rights different for foreign or non-resident shareholders?	No.
84	Golden share provisions, equivalent legal provisions, or government representative on the board?	No.
85	Takeover defense adopted (e.g., poison pill or equivalent)?	No, in line with CBK and CMA rules.
86	Board unilateral right to amend bylaws/articles without shareholder approval?	No.

87	Shareholders lack right to requisition an EGM, or EGM threshold exceeds 10% of voting rights?	Yes. Threshold exceeds 10%.
88	Shareholders limited in ability to make changes due to governing document provisions?	Yes, where shareholders hold more than 50%.
89	Regular say-on-pay votes implemented?	No. (SR 2024 disclosure).
90	Named non-executive lead director or independent deputy chairman designated for a non-independent chair?	The chairman and deputy chairman are non-executives and non-independents.
91	Qualified shareholders permitted to nominate directors for AGM election and include nominees in the circulated agenda?	Yes.
92	Shareholder-elected directors stand for re-election at intervals greater than one year?	Yes.
93	Shareholders have the right to remove individual directors without cause?	Yes, via majority.
94	Constituency provision in place or subject to constituency protection under applicable law?	Yes.
95	Fair price provision / mandatory bid requirement (≤33.3%) in place, or not subject to fair price protection?	Mandatory bid requirements are required and monitored by regulatory authorities for acquisitions. Any person owning 30% or more of a listed company must submit a mandatory acquisition offer to the CMA in accordance with approved pricing methodology. No shareholder may exceed 5% of the capital without prior approval from the CBK. The CBK may exempt persons who have reached or exceeded 30% from submitting a mandatory offer to remaining shareholders.
96	Reporting currency for Basel III leverage ratio disclosures?	Kuwaiti Dinar (KD).
97	Guidelines provided for charitable contributions or sponsorships?	Engagements are limited to sponsorships or contributions made to registered associations or companies.
98	Climate alignment of lobbying coverage across jurisdictions?	Lobbying activities and trade association memberships are covered within the Bank's corporate governance and compliance framework. Participation in industry bodies is expected to be approved and monitored through relevant senior management and, where material, subject to Board and committee oversight; undergo compliance/legal review for alignment with laws, regulations, and internal policies; and be periodically reviewed to ensure continued alignment with the Bank's strategy and conduct standards.
99	Arm's-length principle applied in transfer-pricing practices?	Based on the most recent risk assessment, no transfer pricing events or transactions were identified between the Bank and its related parties as described.
100	Names of resident entities disclosed in each tax jurisdiction?	Yes. Subsidiaries are disclosed in the year-end audited financial statements.
101	Primary activities reported for each tax jurisdiction?	Yes. Subsidiaries' primary activities are disclosed in the year-end audited financial statements.
102	Income tax paid reported for each tax jurisdiction?	Yes, where applicable. Some jurisdictions are considered within transitional safe harbor under DMTT, and subsidiaries are consolidated with the Bank.
103	Earnings before tax for each of the last two reporting years?	2025: KD 51,945 thousand; 2024: KD 23,541 thousand; 2023: KD 20,674 thousand.
104	Income tax expenses reported for each of the last two reporting years?	2025: KD 2,258 thousand; 2024: KD 1,073 thousand; 2023: KD 941 thousand.
105	Effective tax rate for each of the last two reporting years?	2024: 4.55% (not in scope of Pillar Two DMTT). 2025: not finalized; as of Q3 2025, the ETR is 5.6% after exclusions under GloBE Rules.
106	Cash taxes paid for each of the last two reporting years?	2025: no cash taxes paid to date; amounts accrued as the financial year is not finalized. 2024: total taxes and KFAS paid amounted to KD 1.073 million.
107	Cash tax rate for each of the last two reporting years?	2024: 4.55%. 2025: no cash payments during the year to date.
108	Cumulative acceptable tax adjustments applied in calculating effective tax rates?	Yes, applied in accordance with GloBE Rules under Pillar Two.
109	Factors explaining a lower-than-expected effective tax rate described (if applicable)?	In accordance with GloBE Rules under Pillar Two.
110	Future tax impacts from global minimum tax regulations anticipated and assessed?	Yes. The Bank is in scope of DMTT starting from 2025, based on an assessment conducted with an independent tax consultant.
111	Main business activities deriving at least 5% of revenues?	Placements and finance income: KD 257,916 thousand; Net investment income: KD 32,675 thousand; Net fees and commission income: KD 11,849 thousand (below 5%).
112	Operations include commercial banking for corporate clients and investment banking?	Yes.
113	Engagement in investment holdings/multi-sector holdings, stock exchanges, index licensing, or financial data and analytics?	Yes.

114	<b>Sustainable Investment policy includes asset class-specific guidelines?</b>	Sharia exclusions encompass social impacts.
115	<b>Sustainable Investment policy includes sector-specific guidelines?</b>	Sharia exclusions encompass social impacts.
116	<b>Sustainable Investment policy includes exclusions?</b>	Sharia exclusions encompass social impacts.
117	<b>Publicly available stewardship policies covering engagement and voting activities?</b>	The Bank follows CMA bylaws, CBK regulations, and Companies Law.
118	<b>Publicly available voting policy, including assets covered?</b>	The Bank follows CMA bylaws, CBK regulations, and Companies Law.
119	<b>Voting policy includes criteria for ESG resolutions and decision-making processes on ESG issues?</b>	The Bank follows CMA bylaws, CBK regulations, and Companies Law.
120	<b>Proportion of revenues/activities/operations covered by sustainability disclosures and coverage determination?</b>	Sustainability disclosures cover the Bank's revenue-generating activities and operations in Kuwait. Coverage is determined using the same consolidation boundary as the financial statements, excluding non-operational SPVs and equity-accounted investments that are outside the operational sustainability boundary.
121	<b>Sustainable financing policy covers corporate finance activities?</b>	Yes. The Sustainable Finance Policy covers sustainability portfolios and the development of green financing products/projects. The policy also outlines the responsibilities of the Sustainable Finance Working Group, which oversees sustainable finance operations and reports findings to the Asset and Liability Management Committee (ALCO).
122	<b>ESG factors incorporated into corporate financing decisions under the sustainable financing policy?</b>	The policy sets expectations for incorporating ESG considerations into financing and investment, including assessing internal and external managers' capabilities to integrate ESG issues; advocating ESG training for financing and investment professionals; reporting on ESG-related engagements; integrating ESG within governance strategy with clear objectives; emphasizing products compatible with green and social financing and climate/environment-benefiting projects; and analyzing ESG financing.
123	<b>Engagement with corporate finance clients on sustainability-linked risks and opportunities?</b>	Engagement is undertaken by embedding ESG considerations into financing and capital markets decisions. The Bank is incorporating an ESG risk scoring tool into credit decisions to assess borrowers' environmental and social risk exposure, with incentives that may influence financing terms and investment decisions. The Sustainable Finance Working Group supports ESG due diligence and identification of ESG-compliant financing. The Bank also issues sustainable Sukuk and promotes ESG-friendly access to liquidity.
124	<b>ESG considerations integrated into financing of large-scale projects?</b>	Yes. The Bank provides such financing and is expanding its ESG financing book.
125	<b>Approach to ESG integration in project finance decisions and rationale (if not integrated)?</b>	ESG monitoring is expected via third-party engineers. Return/pricing considerations (including potential IRR) include ESG-related assumptions.
126	<b>ESG factors incorporated into fixed-income underwriting, including due diligence, engagement, and exclusions?</b>	Sharia exclusions encompass social impacts. For sustainable/ESG/green fixed income offerings, issuer disclosure on proceeds allocation may vary.
127	<b>Sustainable financing offered to consumers, including product categories, descriptions, and monetary values?</b>	Environmentally friendly and recycled products are used in offerings provided to retail customers.
128	<b>Sustainable advisory services offered related to fixed-income underwriting or securitization?</b>	The DCM function promotes sustainable Sukuk to clients.
129	<b>Independence safeguards applied where a former CEO/chairperson serves as Chairperson?</b>	Safeguards are implemented through Board sub-committee structures, committee charters, and internal policies.
130	<b>Reasons for not implementing an internal carbon price and plans to adopt one?</b>	An internal carbon price has not been implemented. The Bank's footprint is minimal, and current priorities include strengthening measurement and monitoring mechanisms. Broader climate governance and target-setting are still under development.
131	<b>Reasons for not setting net-zero or intermediate targets and plans to develop targets?</b>	The Bank's footprint is minimal, and current priorities include strengthening measurement and monitoring mechanisms. Broader climate governance and target -setting are still under development.
132	<b>Reasons for not calculating financed emissions intensity and plans to establish/enhance measurement?</b>	Financed (Scope 3) emissions are not yet disclosed. The Bank plans to integrate financed emissions' measurement in line with PCAF.
133	<b>Unconventional oil and gas investment policy not in place; investment status and rationale/transition plan?</b>	No investments.
134	<b>Programs in place to manage labor practices and public disclosure status?</b>	The Bank has programs and policies applied to all employees. Certain policies are disclosed internally, while the overall framework is publicly disclosed through the Annual Report and Sustainability Report.
135	<b>Mitigation measures implemented across operations, suppliers, or other business activities?</b>	Operational departments are subject to operational risk monitoring tools (RCSA, KRIs, incident reporting, etc.).
136	<b>Employee training and development data tracked and reported across the workforce?</b>	Monthly/quarterly reports are shared with group heads.
137	<b>Percentage of full-time employees covered by training and development data reporting?</b>	70% of full-time employees are covered by training and development data reporting. 100% are covered by mandatory training data reporting.
138	<b>Training and development data breakdown approach?</b>	Training data is broken down by nationality, job level, course, training type, date, vendor, training days, and training hours.
139	<b>Total number of new hires for each of the last four fiscal years and hiring trend commentary?</b>	2025: 148; 2024: 140; 2023: 176; 2022: 217.

140	<b>Total employee turnover rate for each of the last four fiscal years and trends?</b>	2025: 8.886%; 2024: 10.09%; 2023: 11.49%; 2022: 17.549%.
141	<b>Data coverage of reported turnover metrics (% of global FTEs)?</b>	Coverage is Kuwait-based only.
142	<b>Portion of CEO short-term incentive deferred into shares or stock-based instruments?</b>	Not applicable to short-term incentives. Long-term incentive: 30% of the annual performance bonus.
143	<b>Longest performance period used to assess CEO variable compensation and target approach?</b>	Performance is evaluated on an annual basis.
144	<b>Longest time-vesting period applied to CEO variable compensation and long-term alignment approach?</b>	Three years, with payment in the 4th and 5th year. Vesting is linked to the book value of stocks, which is linked to the Bank's equity and assets.
145	<b>Social indicator coverage and scope where the reporting boundary is not explicitly defined?</b>	Social indicators mainly cover the Bank's workforce and core operations in Kuwait under an operational control approach. Metrics typically include headcount, demographics (gender, nationality), turnover, training, health and safety, and selected customer/community indicators where available.
146	<b>Delivery methods tailored to the needs and preferences of targeted groups?</b>	The Bank designs channels to meet the needs of unbanked communities through mobile-first access, simplified onboarding, multilingual support, clear step-by-step guidance, partnerships with local groups/cooperatives/NGOs, flexible money management (real-time payments and cash-in/cash-out), and inclusive support via call centers and WhatsApp assistance.
147	<b>Engagement with external organizations to expand inclusive finance initiatives?</b>	Partnerships include KISR; the Ruba platform; environmental partners (e.g., "Plant it for Free" / AIGhanem Moringa Farm); and alignment of sustainability reporting with GRI/UN SDGs/CBK and CMA guidance.
148	<b>Tailored products/services offered to promote financial inclusion for underserved or low-income groups?</b>	Yes. Offerings include basic low-cost accounts, micro-savings solutions, microfinance financing, mobile banking, Wave Banking (youth-centric account with prepaid Visa, fixed 3% cashback up to KD 150/month, and academic rewards), 0% profit medical finance, housing finance with competitive Sharia-compliant structures, and auto/consumer finance.
149	<b>Types of inclusive financial products and services offered?</b>	Current and checking accounts for individuals, companies, and charities (Sharia-compliant); savings and investment accounts, including Super Savings and Al Sunbula (Wakala-based returns); microfinance and Sharia-compliant medical, housing, auto, and consumer financing; youth prepaid cards and rewards (Wave Banking); Sharia-compliant payment facilitation through RubaPay, including 0% profit financing up to KD 25,000; mobile banking; affordable remittance and bill payment services; 24/7 call center; and dedicated branch services.
150	<b>Rationale where management share ownership information is not disclosed?</b>	Management ownership is disclosed on the Boursa Kuwait website.
151	<b>Targeted client segments supported through non-financial programs?</b>	SMEs and entrepreneurs; low-income individuals, including labor and domestic workers (particularly those earning KD 400 or below per month); youth and young clients (ages 1–25), including university students, fresh graduates, and students with special needs; and the general community, supported through Islamic Sharia personal finance awareness initiatives.
152	<b>Coverage of customer satisfaction measurement?</b>	Customer satisfaction measurement covers more than 80% of retail and corporate customers across channels (branches and contact center), representing more than 95% of operational revenues.
153	<b>Stock ownership requirements for the CEO and executive committee in place?</b>	Partial suspension in accordance with CMA instructions.
154	<b>Rationale where no public stock ownership requirements exist for executives?</b>	Partial suspension in accordance with CMA instructions.
155	<b>Governmental institutions owning more than 5% of voting rights and presence of golden shares?</b>	No golden shares.
156	<b>Golden shares in place for governmental institutions and disclosure source?</b>	No.
157	<b>Founding individuals or family members owning more than 5% of voting rights?</b>	Abdullah Saleh Abdullah Al-Shalfan: 14.21%.
158	<b>Total percentage of voting rights held individually by founding individuals/family members (if above 5%) and disclosure reference?</b>	Abdullah Saleh Abdullah Al-Shalfan: 14.21%.
159	<b>Details of individual/family ownership?</b>	Abdullah Saleh Abdullah Al-Shalfan: 14.21%.
160	<b>Median annual compensation of employees (excluding the CEO)?</b>	KD 18,907.608 (annual total salary).
161	<b>Currency used for reporting compensation figures?</b>	Kuwaiti Dinar (KD).
162	<b>Number of participants in financial literacy initiatives for unbanked/underbanked/underserved customers and description of initiatives?</b>	Multiple campaigns were conducted through partners and social media platforms to promote financial education for these segments; however, specific participant counts are not available.
163	<b>Total number of unique individuals documented as participating in at least one initiative during the reporting period?</b>	332
164	<b>Total number of loans outstanding qualifying for programs designed to promote small business and community development?</b>	16
165	<b>Total number of past due and nonaccrual loans or loans subject to forbearance qualifying for small business and community development programs?</b>	4
166	<b>Total amount (KD) of past due and nonaccrual loans or loans subject to forbearance qualifying for small business and community development programs?</b>	179,242.90.
167	<b>Non-officer staff receiving variable pay and proportion eligible?</b>	Non-officer staff receive variable pay. Proportion eligible: 10.

## 9.4 IFRS (S1 & S2)

Topic	Disclosure Reference	Disclosure Description	Report Location
Governance	IFRS S1-27(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities, including information about: (i) how responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	4.1.5   ESG Governance and Oversight 4.1.4   Executive Remuneration and Performance Alignment
	IFRS S1-27(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about: (i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; (ii) Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	4.1.5   ESG Governance and Oversight 4.3.3   ESG and Climate Risk Integration
Strategy	IFRS S1-32(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	4.3.3   ESG and Climate Risk Integration
	IFRS S1-33(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	3.1.1   Governance and Decision-making 4.3.3   ESG and Climate Risk Integration
	IFRS S1-37(a)	In preparing disclosures about the anticipated financial effects of a sustainability-related risk or opportunity, an entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.	6.1   Financial Performance and Economic Contribution
	IFRS S1-37(b)	In preparing disclosures about the anticipated financial effects of a sustainability-related risk or opportunity, an entity shall use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.	6.1   Financial Performance and Economic Contribution
Risk Management	IFRS S1-43(a)	To understand an entity's processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-43(b)	To assess the entity's overall risk profile and its overall risk management process.	4.3.2   Enterprise Risk Management and Risk Appetite
	IFRS S1-44(a)	The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: (i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks; (iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the entity prioritizes sustainability-related risks relative to other types of risk; (v) how the entity monitors sustainability-related risks; (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period.	4.3.3   ESG and Climate Risk Integration
	IFRS S1-44(b)	The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-44(c)	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	4.3.3   ESG and Climate Risk Integration
	IFRS S1-46(a)	Metrics required by an applicable IFRS Sustainability Disclosure Standard; (i) that sustainability-related risk or opportunity.	4.3.3   ESG and Climate Risk Integration
Metrics and targets	IFRS S1-46(b)	Metrics the entity uses to measure and monitor: (ii) its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	4.3.3   ESG and Climate Risk Integration
	IFRS S1-48	Metrics disclosed by an entity shall include metrics associated with particular business models, activities or other common features that characterize participation in an industry.	4.3.3   ESG and Climate Risk Integration
	IFRS S1-49	If an entity discloses a metric taken from a source other than IFRS Sustainability Disclosure Standards, the entity shall identify the source and the metric taken.	4.3.3   ESG and Climate Risk Integration
	IFRS S1-50(a)	How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-50(b)	Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green — or RAG — status);	4.3.3   ESG and Climate Risk Integration
	IFRS S1-50(d)	The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.	4.3.3   ESG and Climate Risk Integration
	IFRS S1-51(a)	The metric used to set the target and to monitor progress towards reaching the target;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-51(b)	The specific quantitative or qualitative target the entity has set or is required to meet;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-51(c)	The period over which the target applies;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-51(d)	The base period from which progress is measured;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-51(e)	Any milestones and interim targets;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-51(f)	Performance against each target and an analysis of trends or changes in the entity's performance;	4.3.3   ESG and Climate Risk Integration
General Requirements	IFRS S1-59(a)	The specific standards, pronouncements, industry practice and other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards;	4.3.3   ESG and Climate Risk Integration
	IFRS S1-59(b)	The industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance relating to a particular industry(s) that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics.	4.3.3   ESG and Climate Risk Integration

Governance	IFRS S2-6(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities, including the information about: (i) How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s). (ii) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities. (iii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities. (iv) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities. (v) How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	4.3.3   ESG and Climate Risk Integration 4.1.4   Executive Remuneration and Performance Alignment
	IFRS S2-6(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee. (ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	3.1.1   Governance and Decision-making 4.1.5   ESG Governance and Oversight
Strategy	IFRS S2-10(a)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	4.3.3   ESG and Climate Risk Integration
	IFRS S2-14(a)	How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation, including the information about: (i) Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments). (ii) Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications). (iii) Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains). (iv) Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies. (v) How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets	7.1.1   Climate Governance and Measurement 3.1.2   Framework Scope and Guardrails
	IFRS S2-14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	3.2.1   Issuance and Allocation Snapshot
Risk Management	IFRS S2-25(a)	The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: (i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes). (ii) Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks. (iii) How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria). (iv) Whether and how the entity prioritises climate-related risks relative to other types of risk. (v) How the entity monitors climate-related risks. (vi) Whether and how the entity has changed the processes it uses compared with the previous reporting period.	7.1.1   Climate Governance and Measurement
	IFRS S2-25(c)	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	4.3.3   ESG and Climate Risk Integration
Metrics and targets	IFRS S2-29(a)	Information relevant to the cross-industry metric categories of greenhouse gases, including: (i) Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as: (1) Scope 1 greenhouse gas emissions (2) Scope 2 greenhouse gas emissions (3) Scope 3 greenhouse gas emissions (ii) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions. (iii) The approach used to measure greenhouse gas emissions including: (1) The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions. (2) The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions. (3) Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes. (iv) For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: (1) The consolidated accounting group. (2) Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries). (v) Location-based Scope 2 greenhouse gas emissions, and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions. (vi) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57: (1) The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). (2) Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.	7.1.1   Climate Governance and Measurement
	IFRS S2-29(g)	Remuneration, including the information about: (i) A description of whether and how climate-related considerations are factored into executive remuneration – see also paragraph 6(a)(v). (ii) The percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations.	4.1.4   Executive Remuneration and Performance Alignment

## 9.5 Abbreviations

Abbreviation	Meaning
<b>ABC</b>	Anti-Bribery and Corruption
<b>AI</b>	Artificial Intelligence
<b>AGM</b>	Annual General Meeting
<b>ALCO</b>	Asset and Liability Committee
<b>ALMT</b>	Asset-Liability Management Team
<b>AML</b>	Anti-Money Laundering
<b>APLMA</b>	Asia Pacific Loan Market Association
<b>BCBS</b>	Basel Committee on Banking Supervision
<b>BOD</b>	Board of Directors
<b>CBK</b>	Central Bank of Kuwait
<b>CCPU</b>	Complaints and Customer Protection Unit
<b>CEO</b>	Chief Executive Officer
<b>CH<sub>4</sub></b>	Methane (CH <sub>4</sub> )
<b>CMA</b>	Capital Markets Authority
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission
<b>CPI</b>	Consumer Price Index
<b>CRO</b>	Chief Risk Officer
<b>CRS</b>	Common Reporting Standard
<b>CSAT</b>	Customer Satisfaction Score
<b>CSF</b>	Cybersecurity Framework
<b>CSR</b>	Corporate Social Responsibility
<b>CSP</b>	Customer Security Programme
<b>CTO</b>	Chief Technology Officer
<b>DCM</b>	Debt Capital Markets
<b>DEFRA</b>	Department for Environment, Food and Rural Affairs (UK government)
<b>DIFC</b>	Dubai International Financial Centre
<b>DMTT</b>	Domestic Minimum Top-up Tax
<b>ECIC</b>	Executive Credit & Investment Committee
<b>eNPS</b>	Employee Net Promoter Score
<b>EPA</b>	Environmental Protection Agency (US)
<b>EP</b>	Equator Principles
<b>EUR</b>	Euro (currency)

Abbreviation	Meaning
<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>FERMA</b>	Federation of European Risk Management Associations
<b>FTE</b>	Full-Time Equivalent
<b>GBP (ICMA)</b>	Green Bond Principles
<b>GHG</b>	Greenhouse Gas
<b>GLP</b>	Green Loan Principles
<b>GSSB</b>	Global Sustainability Standards Board
<b>HQ</b>	Headquarters
<b>HR</b>	Human Resources
<b>ICAAP</b>	Internal Capital Adequacy Assessment Process
<b>ICMA</b>	International Capital Market Association
<b>IFRS</b>	International Financial Reporting Standards
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>ISO</b>	International Organization for Standardization
<b>ISMS</b>	Information Security Management System
<b>ISSB</b>	International Sustainability Standards Board
<b>ITG</b>	Information Technology Group
<b>KD</b>	Kuwaiti Dinar
<b>KIA</b>	Kuwait Investment Authority
<b>KISR</b>	Kuwait Institute for Scientific Research
<b>KFAS</b>	Kuwait Foundation for the Advancement of Sciences
<b>KYC</b>	Know Your Customer
<b>LMA</b>	Loan Market Association
<b>LSTA</b>	Loan Syndications and Trading Association
<b>LTI</b>	Long-Term Incentive (awards)
<b>MANCOM</b>	Management Committee
<b>MOCI</b>	Ministry of Commerce and Industry
<b>NAICS</b>	North American Industry Classification System
<b>NIST</b>	National Institute of Standards and Technology
<b>NPS</b>	Net Promoter Score
<b>OCC</b>	Old Corrugated Containers
<b>OHI</b>	Organizational Health Index

Abbreviation	Meaning
<b>OHS</b>	Occupational Health and Safety
<b>ODS</b>	Ozone-Depleting Substances
<b>PIFSS</b>	Public Institution for Social Security
<b>PPM</b>	Parts per million
<b>R&amp;D</b>	Research and Development
<b>RMC</b>	Risk Management Committee
<b>SAA</b>	Strategic Asset Allocation
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SBG</b>	Sustainability Bond Guidelines
<b>SBP</b>	Social Bond Principles
<b>SBTi</b>	Science-Based Targets initiative
<b>FWWG</b>	Sustainable Finance Working Group
<b>SLA</b>	Service Level Agreement
<b>SLP</b>	Social Loan Principles
<b>SME</b>	Small and Medium-sized Enterprises
<b>SPO</b>	Second Party Opinion
<b>SWIFT</b>	Society for Worldwide Interbank Financial Telecommunication
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TRIR</b>	Total Recordable Incident Rate
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>USD</b>	United States Dollar
<b>VAT</b>	Value-Added Tax
<b>WIG</b>	Warba Invoice Gate

## Sustainability Report 2025



بنك وربة  
WARBA BANK