

# PAVING THE WAY

2023 Sustainability Report



بنك الاتحاد  
Bank al Etihad

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# 01

## About this report

We are proud to continue delivering on our commitment towards sustainability and transparent reporting by unveiling Bank al Etihad's third consecutive annual sustainability report. Under our reporting practice, we aim to communicate to our stakeholders and audience our bank's goals and achievements in our sustainability journey.

This report focuses on our Environmental, Social, and Governance (ESG) performance from January 1, 2023 to December 31, 2023, and was prepared in accordance with the Global Reporting Initiative (GRI) Standards.

# Reporting Scope



## Reporting Scope

### Reporting Period

1 January 2023 to 31 December 2023.

### Comparative Data

Performance data for 2023, with comparative figures for 2022 and 2021. Restatements are clearly marked as footnotes.

### Assurance Process

Internal assurance through departmental review and approval.

### Entities Covered

All data covers Bank al Etihad's operations in Jordan only, unless otherwise stated.

### Monetary Values

Presented in Jordanian Dinars (JOD), unless otherwise stated.

### Financial Performance

Pertains to Bank al Etihad's Group financial performance. Please refer to our Annual Report for more information about our financial performance.

# Reporting Quality Principles

To ensure high-quality reporting, we adopted the following quality principles when developing our report.



Principle & Description

## Accuracy

Data in this report comes from a detailed process involving leveraging technology to collect and store data, staff participation, dependable data gathering methods, multiple reviews, and a comprehensive approval process to guarantee accuracy.

## Balance

Our report adopts a neutral stance, offering a transparent view of our performance, including opportunities for improvement.

## Clarity

Sustainability reports are published in both English and Arabic on our website, ensuring they are clear and well-organised for an enhanced and inclusive reader experience.

## Comparability

This report presents performance data for 2021, 2022, and 2023, facilitating year-over-year comparisons to track progress, subject to data availability.

## Completeness

The report goes beyond reporting on only material topics, as requested by GRI, and covers a wider range of disclosures to give a holistic view of the Bank's sustainability performance.

## Sustainability Context

The report reflects our efforts as a Bank to integrate sustainability into our core business. We report on our sustainable finance efforts, environmental impacts, social contributions, and governance model.

## Timeliness

Adhering to an annual reporting cycle, we ensure timely production of our sustainability reports to keep stakeholders informed of our progress.

## Verifiability

Through a stringent data collection and verification process, we ensure the reliability and accountability of our reported data.

# Reporting Alignments

We believe that the GRI standards are optimised when used jointly with other leading sustainability standards. Therefore, we consider other national and international sustainability frameworks to highlight the length of our impact and contributions to other sustainability agendas.

## National and International Alignments:

- Jordan's Economic Modernisation Vision, National Vision and Strategy 2025
- Amman Stock Exchange's guidance on sustainability reporting
- United Nations Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC) Principles

To highlight our impact on a local level, we refer to Jordan's 2025 National Vision and Strategy, and Amman Stock Exchange's guidance on sustainability reporting. On a global level, our approach aligns with the United Nations Global Compact's (UNGC) Principles and the United Nations Sustainable Development Goals (SDGs).



## Ask us about our sustainability report and initiatives



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02

## About Bank al Etihad

## 2.1 Our Bank

Founded in 1987, Bank al Etihad is a leading customer-focused financial services group in Jordan, encompassing a diverse portfolio of services. The group includes a central exchange unit, Etihad Brokerage for financial brokerage services, Etihad Leasing for financial leasing, and Etihad Financial Technology Company, specialising in fintech solutions. Moreover, Bank al Etihad holds a 10% interest in The National Bank (TNB) in Palestine, with representation on its board, and gained a majority stake in Safwa Islamic Bank in 2017.

Our commitment to digital innovation and empowerment fuels our collaboration with individuals, entrepreneurs, and businesses, aiding them on their journey to success. With a dedicated workforce of 1,430 employees, we play a significant role in boosting the local economy. Our comprehensive suite of banking services includes savings and current accounts, loans, credit cards, and insurance products. To cater to our customers' needs, we operate 62 branches throughout the Kingdom, complemented by user-friendly mobile banking solutions, ensuring convenient and seamless access to financial services.





# Our Values

## Endlessly Entrepreneurial

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



## Championing Creativity

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



## Always Learning

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



## Community Spirited

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



# Our Values

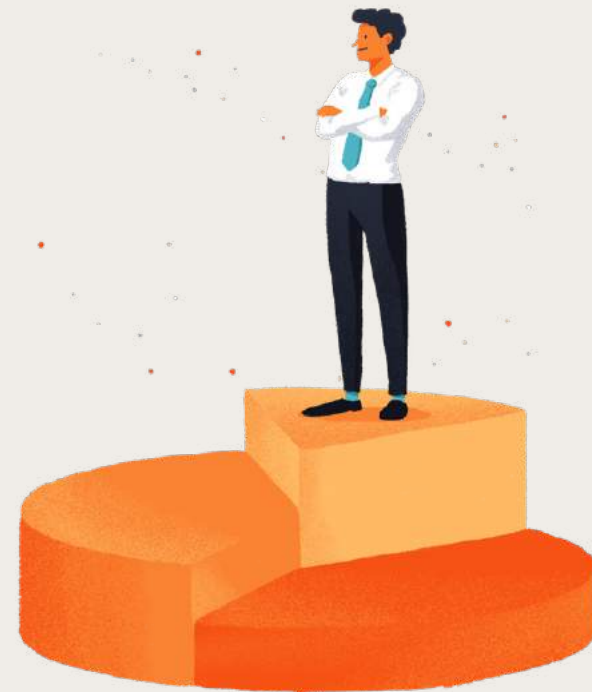
## Our purpose - To empower and engage

We're rooted in assisting our clients to flourish and meet their goals by offering banking services that are accessible on their terms, anytime and anywhere. From investing in education, renovating a home, to expanding a business, we are devoted to supporting their journey towards success.

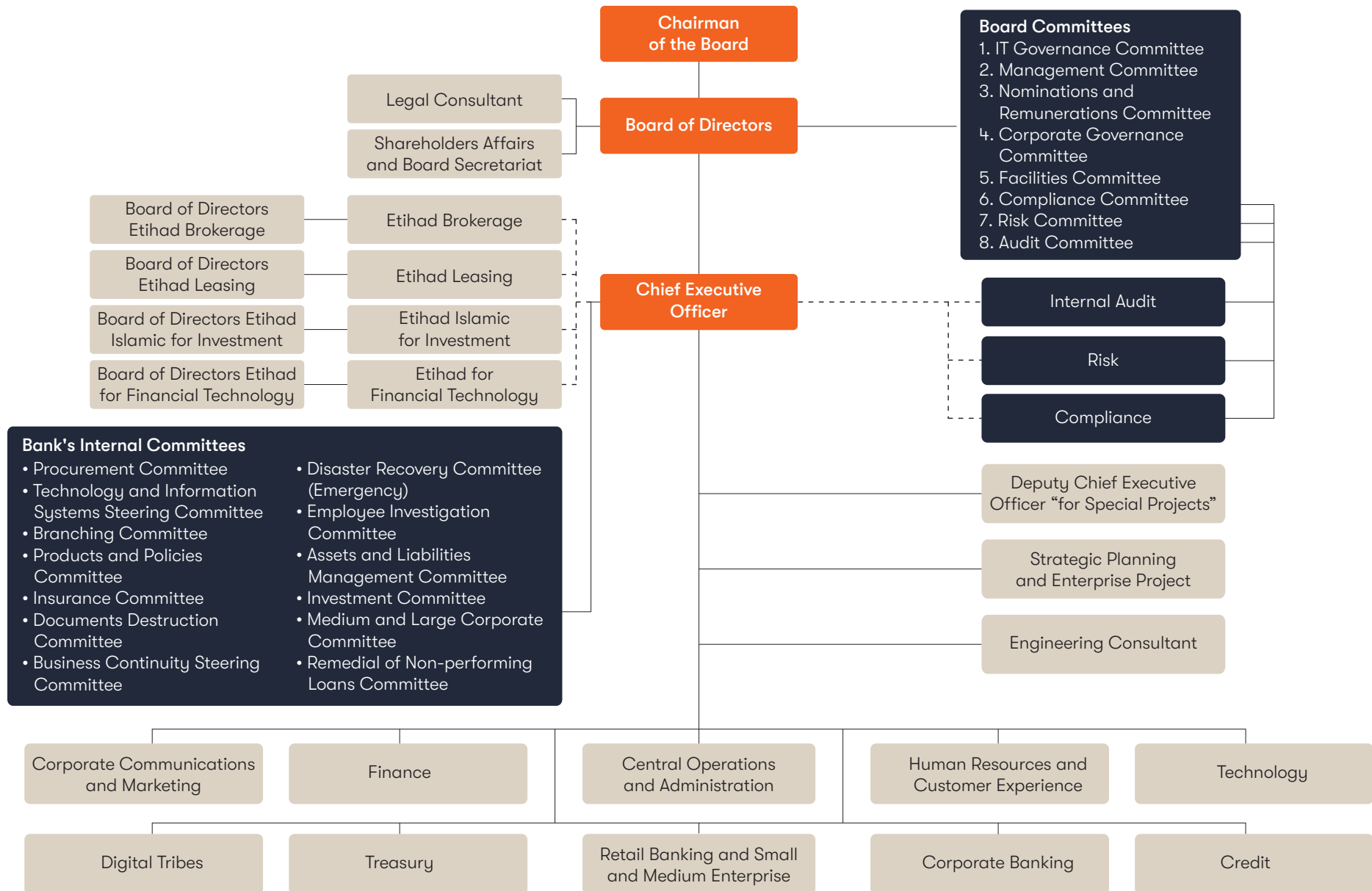


## Our promise - Shape your future

We enable our customers to craft their own destiny. Through a commitment to innovation, entrepreneurial spirit, and embracing new technologies, we offer forward-thinking services designed to fulfil individual needs and ambitions. Recognising life's various obstacles, we strive to simplify financial management. Prioritising our customers at every step, we are devoted to assisting them in creating a promising future.



# Bank al Etihad's organisational structure



## 2.2 Our Corporate Strategy

### Our Strategic Priorities

To achieve our vision of becoming the leading digital bank in Jordan, we have defined three main strategic priorities. These include growing our market share and customer base, providing the most exceptional customer experience, and becoming the top destination for premier talent in the Middle East.

Additionally, in recent years we have worked on transforming our bank by integrating sustainability and sustainable finance practices into our core business, aiming to evolve into a quicker, more innovative, cost-efficient, and sustainable bank. To achieve this vision, we developed and implemented our inaugural sustainability strategy in 2022, which we reviewed in 2023 to align with our accomplishments and advancements in sustainability integration.



### Our Strategic Pillars

#### Enhance Customer Experience

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

#### Improve Efficiency

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

#### Drive Employee Productivity

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

# Developing Our Strategy

## Developing Our Strategy

Our CEO and senior leadership, including the strategy team, are responsible for developing, executing, and sustaining the corporate strategy, including reviewing key strategic priorities and translating them into comprehensive strategic plans, tracking and monitoring major business and departmental projects, and evaluating information about industry and market trends.

The strategy team coordinates closely with department heads to ensure the

steady progress and successful delivery of the mapped strategic initiatives, support in reaching goals and KPIs, set targets, track and monitor major business and departmental projects, and ensure the projects reflect the Bank's strategic priorities. Additionally, the strategy team acts as a resource to increase broad synergies for strategic plans and assist with the evaluation process to ensure alignment with the Bank's strategic goals.



# Our Strategic Journey

Our journey began 42 years ago when we established a public shareholding company, known as the Arab Financial Corporation, where our focus was on corporate banking and customer relationship management.

1978

We decided to convert the corporation into a bank under the name Bank al Etihad for Savings and Investment and continued our journey in serving the corporate sector.

1991

We took a strategic decision to drive growth through diversification. We collaborated with one of the world's leading consulting firms to develop our new expansion strategy.

2007

We expanded to serve the retail sector and launched our new brand name, Bank al Etihad, while unveiling our promise, The Bright Choice, to our employees and customers.

2011

2018

- Phase 1 of our digital transformation journey: We established a robust foundation by scaling up our infrastructure, team, and business processes to support hyper-growth.
- Creation of group strategy: We developed our 5-year strategic plan outlining our priorities and goals from 2019-2023.

2017

- We embarked on a digital transformation journey by adopting a 3-year plan that involved developing our technological infrastructure and automating our banking services and operations.
- We acquired 62.4% of Safwa Islamic Bank, making it our arm in the Islamic banking sector.

2013

We developed innovative savings products to address the needs of every customer. This contributed to an increase in brand awareness and market share in the retail sector.

# Our Strategic Journey

- We launched our revamped mobile banking app and developed a 5-year strategy and a working plan to achieve our vision of becoming the leading digital bank in Jordan.
- We established the Etihad Financial Technology Company.
- We became the third-largest bank in Jordan in terms of assets.

2019

Despite the pandemic, we managed to respond to COVID-19 through innovation. We were also awarded the “Best Digital Bank” in Jordan, the “Most Innovative Digital Bank” in Jordan and the Middle East by New York’s Global Finance Magazine, and the “Best Socio-Economic Impact Bank” by Business Vision Magazine in London.

2020

- We pursued further digital innovations to enhance customer experience, enabling us to reap 7 more awards in innovation and support for international trade operations.
- We launched a revamped business-banking platform.

2021

2023

- We successfully launched a Tier 1 Capital Bond issuance on September 12, 2023, with subscription requests totalling \$176.5 million USD.
- We extended our footprint in the Middle East by receiving approval from the Central Bank of Iraq to begin operations in Iraq.
- We achieved a 20% increase in our overall customer base since 2022 and a 38% rise in customers acquired through digital channels.
- We launched several sustainable finance initiatives and partnerships.

2022

- We published our first GRI-aligned sustainability report reflecting our ESG performance in 2021.
- We developed a 3-year strategy to work towards reaching our ESG goals.
- We established an environmental and social risk policy to consider ESG in our lending and investing activities.

## 2.3 CEO Message

### Dear Stakeholders,

Bank al Etihad is pleased to present its third consecutive sustainability report, reflecting our ESG performance.

Through our focus on sustainability and digital excellence, we've marked significant milestones in our journey as a financial institution. In 2023, we successfully updated and implemented our ESG strategy, and we continue to be guided by the principles of the United Nations Global Compact (UNGC).

Our journey towards digital transformation has been both challenging and rewarding. By increasing our automated processes from 45% in 2022 to 68% in 2023, we've boosted our operational efficiency. This shift has not only facilitated customer migration to digital platforms, but also significantly advanced our sustainability goals. As a key pillar of our ESG strategy, internal and operational innovation ensures our digital efforts are aligned with our commitments to sustainable practices.

Our commitment to sustainability has been a large contributing factor to our growth. Our asset value increased by 10.9% compared to the previous year, and customer deposits grew by 9%. These figures are a testament to the benefits of incorporating a sustainable approach in our operations and financial well-being.

Our ongoing partnership with the European Bank for Reconstruction and Development (EBRD) through the Green Economic Financing Facility has enabled us to introduce the Green Technology Selector (GTS) platform, thereby offering opportunities for SMEs to adopt green technologies. We've continued our collaborations this past year with securing a \$50 million



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



USD loan guarantee with the European Investment Bank (EIB) and a roll out of a EUR 90 million financing facility. These efforts further align with our sustainability goals and provide SMEs with crucial financial resources. Additionally, we introduced our green guide, channelling 100 million JOD towards green loans. These collaborations, aligned with the Paris Agreement, emphasise our commitment and leadership in the transition towards green financing and strategically designed to fuel entrepreneurship and empower women-led SMEs in Jordan as drivers and diversifiers of the local economy.

We dedicated the 8th edition of our SME Awards to celebrating businesses that champion sustainable business practices under the theme “Green Future.” With over 80 applications, the Jordan Company for Carton Industry (JCCI) emerged as this year’s winner, demonstrating excellence in sustainable business with their circular economy model and zero-waste operations. They were awarded 50,000 JOD to further their green initiatives.

Empowering women has always been a priority for us. We support women as clients, business owners, and our own female employees. Since 2014, the Shorouq programme has had a transformative impact, benefitting 1,920 women entrepreneurs through coaching, mentorships, and workshops. Additionally, our Shorouq Comeback programme has enabled 53 women to re-enter their careers after taking a voluntary break.

These achievements emphasise the critical role of women in our client ecosystem, which now comprises 35% of our total client base, further rooting our commitment to gender inclusivity as fundamental to sustainable development.

Dedicated to lowering our carbon emissions and enhancing operational efficiency, we have significantly increased our focus on harnessing

renewable energy. Our two rooftop projects in our Dahyet Al-Nakheel and Ajloun branches have taken the total capacity to 3.2 MW. This achievement not only contributes to the growth of our solar assets, but also marks a pivotal step in our journey and focus towards reducing our carbon footprint.

To our employees, customers, and stakeholders, your support throughout the years has been invaluable. As we celebrate our achievements, we also recognise the ongoing challenges and opportunities in our sustainability journey. Our belief to drive sustainable practices and innovation remains strong as we continue to explore new ways to meet the evolving needs of our clients and contribute to Jordan’s sustainable economic future.

Together, we’re proud to witness the progression of sustainable banking in Jordan. Our collective efforts are creating a tangible and positive impact for our stakeholders and the broader community. I look forward to sharing our journey as we continue to reach our goals in the coming years.

**Nadia Al Saeed**

CEO of Bank al Etihad

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**2023 Highlights**

# ESG Highlights at a Glance

## Climate

**100 million JOD**

Outstanding balance in green loans, screened through the EU Taxonomy and outlined in our Green Guide.

**89.4%**

of employees have received sustainability-related trainings.

2 new solar PV installations in 2023, taking the total capacity to

**3.2 MW**

## Enterprise

**35%**

of our clientele is women.

**29.9%**

uptake of our green financing for women.

**62.4%**

uptake of our green financing for youth.

## DEI

**28%**

Female board representation in 2023.

**85%**

of our employees are below the age of 40.

**46%**

of our workplace is female.

## Financial Literacy

**1,456**

beneficiaries from our financial literacy programmes.

## Digital

**23%**

Increase in our digital automated processes in 2023.

**2<sup>nd</sup> Digital bank in Jordan**

Bank al Etihad ranks as the 2nd bank in Jordan for digital bills payments

**58%**

of our New to Bank retail base was digitally acquired.

## Climate

**2,235 tCO2**

savings annually.

## Enterprise

**53%**

Increase in procurement from local suppliers.

## DEI

**1,920 females**

impacted By our Shorouq initiative, a 60% increase from 2022.

## Financial Literacy

## Digital

**60%**

of retail customers perform their banking needs digitally.

**33%**

of our auto loan portfolio was towards e-mobility.

**3.3 M JOD**

Total contributed to CSR and philanthropic initiatives.

**Zero incidents**

No discrimination incidents reported in 2023.

**Zero breaches**

No data security breaches reported in 2023, marking five consecutive years.

**100% accessible**

percentage of our premises suitable for wheelchair access.

# 2023 Awards

Our achievements have been recognised on a national and international level. We share the accolades received by Bank al Etihad in 2023.

<p>“Best places to work” in Jordan for 2023</p> <p><b>Best Places to Work</b></p> 	<p>Most active issuing bank in Jordan</p> <p><b>EBRD</b></p>  <p>European Bank for Reconstruction and Development</p>	<p>Best Mobile Banking App Jordan 2023</p> <p><b>International Business Magazine</b></p> 	<p>Most Innovative Digital Bank Jordan 2023</p> <p><b>International Business Magazine</b></p> 	<p>Best Bank for Digital Solutions in Jordan</p> <p><b>Euromoney</b></p> 	<p>Best Bank for CSR in Jordan</p> <p><b>Euromoney</b></p> 
<p>Best Corporate/ Institutional Digital Banks In The Middle East By Country Jordan / Bank al Etihad</p> <p><b>Global Finance</b></p> 	<p>Best Online User Experience (UX) Portal</p> <p>Best Digital Bank Awards 2023 Corporate/ Institutional Sub-category Winners in the Middle East by Country</p> <p><b>Global Finance</b></p> 	<p>Best Information Security and Fraud Management</p> <p>Best Digital Bank Awards 2023 Corporate/ Institutional Sub-category Winners in the Middle East by Country</p> <p><b>Global Finance</b></p> 	<p>Best SME Banking</p> <p>Best Digital Bank Awards 2023 Corporate/Institutional Sub-category Winners in the Middle East by Country</p> <p><b>Global Finance</b></p> 	<p>Best Customer - Centric Banking Brand, Jordan</p> <p><b>Global Brands Magazine</b></p> 	<p>Best SME growth bank</p> <p><b>CFI.co</b></p> 



# Our Memberships

Jordan Strategy Forum



Association of Banks in Jordan



Financial Alliance for Women



Endeavor



Institute of Banking Studies



World Economic Forum



Edama





04

## Sustainability at Bank al Etihad

## 4.1 Our Sustainability Strategy

Our commitment to sustainability is underpinned by our values and ambition to become Jordan's leading bank. All our actions are aimed at realising our strategic goals and fulfilling our mission. In 2022, we developed our inaugural sustainability strategy, which represents a major milestone in our journey to become a more accountable and environmentally conscious bank. In 2023, we embarked on an exercise to review our sustainability strategy and revise it considering market developments. Our strategy focuses on four key pillars: financing, product innovation, governance, and stakeholder engagement.



### Our Sustainability Beliefs

#### **A sustainable economy depends on sustainable practices**

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

#### **Influencing sustainable growth**

Taking on new challenges is one of the things we are best known for. We act on sustainability by leveraging our brand to shape a better future for our customers, communities, and planet. We are committed to being a key player and to help our customers transition to more sustainable business practices.

#### **We are in it for the long haul**

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



# Our Values

2023 was a year full of learning, collaborations, and achievements as we reviewed our sustainability strategy, and refreshed our sustainability objectives as outlined below.

## To Finance

Increase Green and Sustainable Finance in Bank's portfolio

## To Innovate

To create innovative solutions that align with sustainability objectives

## To Govern

- Reduction of internal carbon emissions including Scope 3 emissions
- Monitoring and Reporting

## To Engage

Active engagement with internal and external stakeholders

## Our Sustainability Objectives

### Environmental

Increase Green Lending Portfolio

Carbon Footprint Measurement and Reduction

Sustainable Technology Adoption

### Social

Financial Inclusion

Employee Wellbeing and Diversity

Community Development

### Governance

Transparent Reporting

Compliance with Standards and Best Practices

Sustainability and Climate Risk Governance

### Financial

Responsible Banking

Sustainable Finance

Climate Resilient Portfolio

## 4.2 Our Sustainability Governance

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

In line with our revised ESG Strategy, we have embedded sustainability into our departmental objectives, which further improves our ability to identify and leverage opportunities and

sustainability-related risks.

Building upon these foundations, in 2023 we further strengthened our sustainability governance framework with several key initiatives aimed at embedding sustainability deeper into our organisational culture, strategy, and operations. A significant move was the establishment of a standalone department dedicated to sustainability. Moving forward, this

team will oversee the implementation of the Bank's sustainability related objectives.

These developments in our governance ensure that as we press forward, our operations and business practices are increasingly aligned with the principles of sustainability, creating long-term value for our stakeholders.

### Paris Alignment

In 2022, we embarked on a collaborative journey with the European Bank for Reconstruction and Development (EBRD) to devise a transition strategy aimed at aligning our financial activities and business ethics with the objectives of the Paris Agreement. This groundbreaking initiative, intended to weave climate risk considerations into the core of our operations, seeks to create new business prospects, offer our clients a suite of low-carbon products and services, and ensure the bank is well positioned to handle physical and transition risks due to climate change.

A pivotal component of this collaboration was securing a \$35 million USD subordinated loan from the EBRD, a move designed to reinforce our

lending capabilities to a diverse clientele, including businesses, individuals, and particularly women-led MSMEs. The loan's proceeds are earmarked for fostering sustainable growth throughout Jordan, with a significant \$10 million USD allocation specifically directed towards supporting women-led MSMEs under the local EBRD Women in Business programme. This effort underscores our commitment to leveraging the untapped potential within Jordan's growing market.

Building upon this foundation in 2023, our Paris Agreement Climate Risk – Double Materiality Transition Plan marks a decisive advance in aligning our operations with the Paris Agreement's ambitions. Set for full implementation by 2024,



this plan embodies a holistic integration of climate considerations across our bank's fundamental domains – governance, strategy, risk management, metrics and targets, and disclosures. This transition plan not only underscores our dedication to sustainable finance and effective climate risk management, but also aligns with our broader commitment to the United Nations Sustainable Development Goals (UNSDGs) and the Women's Empowerment Principles (WEPs), showcasing our leadership in the transition towards a sustainable financial sector.

## 4.3 Our Sustainability Reporting

In just the span of 3 years, since the start of our reporting journey, our Bank has fully integrated sustainability reporting, with active participation and commitment from all employees. We adhere to the Global Reporting Initiative standards and consider other frameworks, such as the United Nations Global Compact principles, Sustainable Development Goals, and Jordan's 2025 National Vision and Strategy. By leveraging multiple frameworks, we aim to deliver a comprehensive report that addresses the diverse information requirements of stakeholders and encompasses all dimensions of our performance.

### Materiality Analysis

Conducting a materiality analysis has been a fundamental component of our sustainability journey to help us define our priorities. The materiality exercise conducted in 2021 allowed us to identify, understand, and prioritise the topics that impact our business and will help us to progress in our sustainability performance. In preparation for our 2023 sustainability report, we revised our materiality map and conducted an updated materiality exercise. This involved updating the topics under evaluation and engaging with a broader spectrum of stakeholders.

### Our Materiality Process:

#### 1. Research and Benchmarking

We conducted a comprehensive review based on best practices, benchmarking ESG topics against regional and international peers, referring to relevant global frameworks and standards, national strategies, and trend analysis.

The review focused on identifying topics that impact our business the most and vice versa.

#### 2. Define ESG Topics

Informed by the review, we shortlisted 14 topics to include in the materiality assessment.

#### 3. Stakeholder Engagement

We developed a detailed stakeholder map that captured our needs and expectations.

The map suggested our primary engagement methods with stakeholders, which allowed us to delve deeper into understanding their requirements and aspirations.

#### 4. Analysis and Matrix

Capturing the essential data through stakeholder engagements, we collated the data and generated our inaugural materiality matrix – as presented below.

This matrix maps out the identified topics according to their weighted importance from stakeholders and our business.

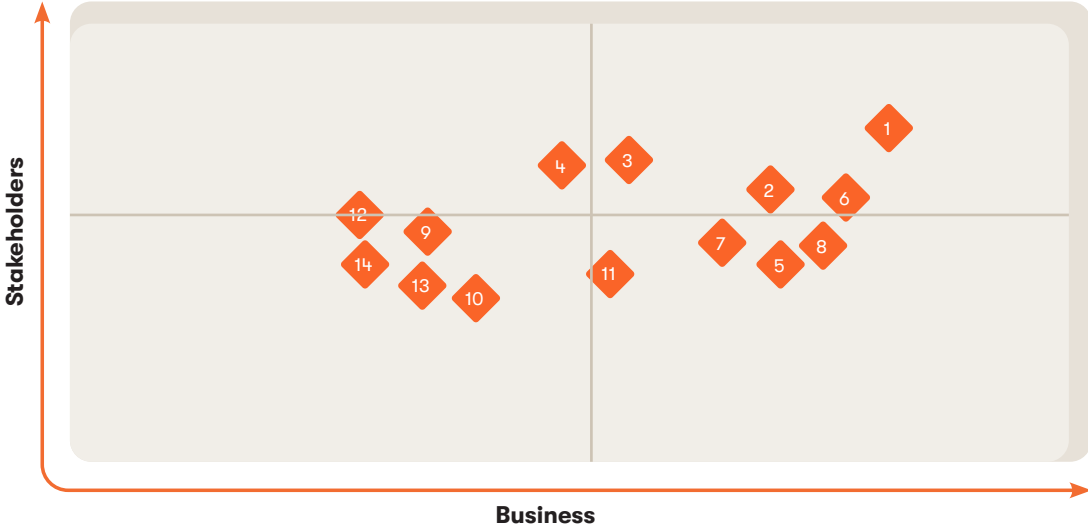
# Stakeholders Engaged

As we advance in our sustainability transformation journey, we are focused on incorporating sustainability and ESG-related topics into our stakeholder discussions. Hence, for the 2023 materiality assessment we extended the scope of engagement to include a wider range of our external stakeholders. We leveraged our existing communication channels tailored to each stakeholder group by distributing a digital survey to collect their input on the defined topics. The insights gained from this exercise allow us to understand what is most material to each stakeholder group, considering their unique relationship with the Bank. Additionally, these insights will help us design and conduct deeper and more effective conversations with our stakeholders, advancing both our and their sustainability journeys. We outline below the stakeholder groups engaged and the topics defined for the materiality exercise.



- |             |                          |
|-------------|--------------------------|
| Employees   | Corporate Clients        |
| Investors   | Sustainability Champions |
| SME Clients | Governmental Entities    |
| Management  | Retail Clients           |
| NGOs        |                          |

## Materiality Matrix 2024



## Materiality Topics\*

- 1 Data Security:** Protecting customer data and privacy by integrating best technologies.
- 2 Ethical Business:** Enforce the Bank's ethical code, compliance with laws and regulations, to achieve highest ethical standards.
- 3 Sustainable Financing:** Consider the environment and society in Bank's financing activities and decisions.
- 4 Business Continuity:** Consider sustainability risks in the Bank's risk management and business continuity planning.
- 5 Financial Success:** Achieve financial growth and success while being sustainable.
- 6 Digitalisation and Innovation:** Investing in technology to offer better products and experiences to our customers.
- 7 Customer Experience:** Focus on customer experience and high qualityhigh-quality satisfaction.
- 8 Employee Development and Wellbeing:** Ensure our employees receive fulfilling work opportunities while maintaining a healthy work-life balance.
- 9 Supporting SMEs & Entrepreneurs:** Facilitating financial resources and services to support SMEs in Jordan.
- 10 Diversity and Equality:** Promote a culture of inclusivity, equality, and women professional empowerment.
- 11 Human Rights Management:** Respect and protect Human Rights in all bank's operations.
- 12 Community Investment:** Support and invest in the development of the communities in Jordan.
- 13 Environmental Footprint:** Track, and reduce the Bank's environmental impact.
- 14 Climate Change Management:** Consider in our operations and contribute to the climate change mitigation.

\*Disclaimer: our understanding and approach to these topics are not limited to the above descriptions. The descriptions are capsulised to achieve efficient communication with stakeholders.

## 4.4 Our Contributions

As we incorporate sustainability into our core business practices, we place a significant importance on ensuring the relevance of our strategies and initiatives by aligning with global and locally acknowledged frameworks and strategies. This alignment ensures our operations are in harmony with both international standards and the needs of the local communities we serve. By adopting these frameworks, we gain clearer insights into the environmental and social challenges that demand our attention and action. These latest contributions for 2023 signify our commitment to adhering to these guidelines and actively pursuing collaborations that will propel us closer to fulfilling our sustainability goals.

### Jordan's Economic Modernisation Vision



#### Vision Pillars

	Quality of Life	Economic Growth	Sustainability
Goals	<ul style="list-style-type: none"> <li>• Double the percentage of Jordanians satisfied with their quality of life to reach 80%</li> <li>• Have one Jordanian city ranked among the top 100 cities in the world</li> <li>• Improve Jordan's ranking in the Legatum Prosperity Index to the top 30 percentile</li> </ul>	<ul style="list-style-type: none"> <li>• Accommodate 1+ million young females in the labour market</li> <li>• Increase income per capita by an average of 3% per year</li> <li>• Improve Jordan's ranking in the Global Competitiveness index to the top 30 percentile</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Jordan's ranking in the Global Competitiveness index to the top 30 percentile</li> <li>• Improve Jordan's ranking in the Global Environmental Performance Index to the top 20 percentile</li> </ul>

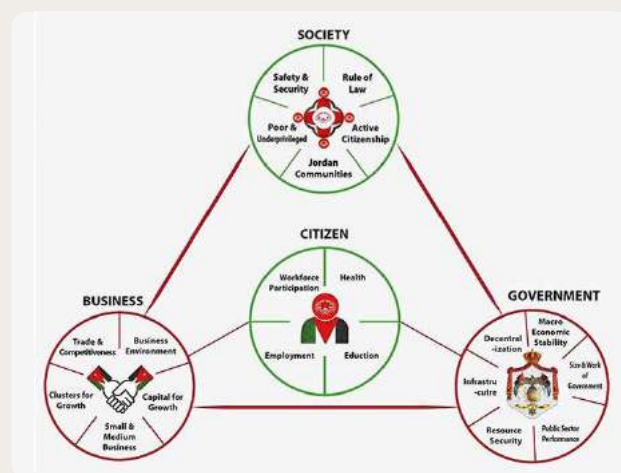
Launched in 2022, Jordan's Economic Modernisation Vision is an elaborate 10-year roadmap revolving around two strategic pillars: economic growth and improved quality of life, underpinned by sustainability. As a leading financial institution, we play a crucial role in achieving this vision through our financing and investment activities, support we provide to SMEs, attraction of foreign investments, improving accessibility to financial products and digital banking, advancement of sustainable finance and contributions to the development of our communities. To understand how our Bank has contributed to achieving the goals of the Economic Modernisation Vision in 2023, refer to **Chapter 6**. 'Our Shared Value' and **Chapter 8**. 'Our Communities.'

## Jordan's 2025 National Vision and Strategy



Launched in 2015, the Jordan 2025 National Vision and Strategy is a comprehensive plan aiming to guide the country's development over a decade (2015 – 2025). The vision 2025 focuses on sustainable economic growth, enhancing social development, and improving governance and public services. As a financial institution, we identified several goals that we can contribute to. The goals under the 2025 vision, to which we can contribute, are perfectly aligned with the Economic Modernisation Vision.

Our contributions revolve around driving economic growth, empowering SMEs, driving sustainable finance, and promoting social development. To learn more about how our bank aligned with and



contributed to the Jordan 2025 vision, refer to **Chapter 6.** 'Our Shared Value,' **Chapter 7.** 'Our People,' and **Chapter 8.** 'Our Communities.'

## United Nations Sustainable Development Goals



We recognise the relevance and significance of the Sustainable Development Goals (SDGs) on a local and global level. As a bank, we have acted on the SDGs through different avenues, such as incorporating the goals in our strategy development, business decisions, and social development investments and activities. Considering the SDGs in our business and community investments allowed us to have a more strategic and focused approach to tackle different topics and issues. We highlight our contributions to the SDGs in 2023 across different chapters of the report.

UNGC Principle	Description	Our Alignment
Principle 1	Businesses should support and respect protection of internationally proclaimed human rights	We foster a culture of respect and fair employment practices, as highlighted in our Code of Ethics and compliance trainings.
Principle 2	Ensure and avoid human rights abuses	We enforce ethical standards through our E&S policy and supplier due diligence process.
Principle 3	Freedom of association and the effective recognition of the right to collective bargaining	We grant the right to join labour unions or similar bodies, complying with local laws.
Principle 4	Eliminate forced and compulsory labour	Our employment policies strictly prohibit forced and compulsory labour.
Principle 5	An effective abolition of child labour	We do not employ underage workers and ensure suppliers adhere to this standard.
Principle 6	Elimination of discrimination in employment and occupation	Our policies support eliminating employment discrimination, promoting diversity and inclusion and female empowerment.





UNGC Principle	Description	Our Alignment
<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges	We prioritise the integration of sustainability into our business strategies and investment decisions, with a focus on our environmental and carbon footprint.
<b>Principle 8</b>	Undertake initiatives to promote greater environmental responsibility	We develop sustainable solutions and improve resource efficiency, prioritising green finance investments to support the low-carbon transition in line with the Paris agreement. We also engage with the community in several initiatives aimed at recycling and environmental volunteering.
<b>Principle 9</b>	Encourage the development and diffusion of environmentally friendly technologies	We invest in sustainable technologies, including those aimed at enhancing energy efficiency and renewable energy by reducing our environmental impact across our operations.
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery	We enforce a strong anti-corruption policy, reflected in our governance frameworks and ethical guidelines, which include thorough training and compliance checks for all employees.





# 05

## Our Governance

We acknowledge the key importance of having a strong governance model in place and the integrity of our organisation in achieving our goals. Our governance structure is designed to enhance transparency and accountability while effectively managing risks, ensuring compliance with regulations, and facilitating a strategic decision-making process. We also implement comprehensive audits to ensure the smooth operation of our systems.

Moreover, it's crucial to recognise that pursuing our business goals involves more than just achieving outcomes. How we achieve these goals is equally important. To this end, our workforce is steered by a set of internal guidelines, standards, and ethical values. Our ethical code is anchored in the core values of integrity, respect, and fairness, aiming to foster responsible conduct throughout all levels of our organisation.










# 5.1 Our Board of Directors

Our Board of Directors plays a pivotal role in guiding and overseeing the bank’s comprehensive operations. Tasked with setting our strategic direction, they also ensure compliance with all relevant laws, regulations, and the effective mitigation of risks. Ultimately, the board is responsible for maintaining operations in a manner that safeguards the interests of our stakeholders.

Bank al Etihad’s Board is composed of a diverse and skilled group of 11 members. Their extensive experience provides us with invaluable insights

and perspectives, empowering us to adeptly navigate the complex dynamics of the financial sector. Our decisions are informed and tailored to benefit all our stakeholders. We are committed to promoting an inclusive board nomination process that encourages diversity across genders, ethnicities, and cultural backgrounds, thereby enriching our board’s collective wisdom and perspective.

The board members are arranged in three rows. The top row features Isam Halim Salfiti (Chairman) and Basem Isam Salfiti (Vice Chairman) with orange icons. The middle row includes Mughith Ghiath Sukhtian (Member), Jabra “Raja Yaqoub” Ghandour (Member), Lana Yousef Ibrahim Ghanem (Member), and Imad Mohammad Abdel-Khaleq (Member) with grey icons. The bottom row includes Shaden Ziyad Nabih Darwish Alhaji (Represents the Social Security Corporation), Moussa Alhassan Atiq Ali (Represents the Libyan Foreign Investment Company), Rana Jamel Saeed Abbadi\* (Member), and Ali Mahmoud Hassen Mohammed (Represents the Libyan Foreign Investment Company) with dark grey icons.

				
		<b>Isam Halim Salfiti</b> Chairman		
<b>Mughith Ghiath Sukhtian</b> Member		<b>Jabra “Raja Yaqoub” Ghandour</b> Member	<b>Lana Yousef Ibrahim Ghanem</b> Member	<b>Imad Mohammad Abdel-Khaleq</b> Member
				
<b>Shaden Ziyad Nabih Darwish Alhaji</b> Represents the Social Security Corporation	<b>Nadia Ahmad Abdulmuhsin Alanani</b> Member		<b>Rana Jamel Saeed Abbadi*</b> Member	
		<b>Moussa Alhassan Atiq Ali</b> Represents the Libyan Foreign Investment Company		<b>Ali Mahmoud Hassen Mohammed</b> Represents the Libyan Foreign Investment Company

\*Rana Jamel Saeed Abbadi resigned from her position as a board member in December 2023.

We are dedicated to achieving the benchmarks set by the Central Bank of Jordan, specifically aiming for a minimum of 20% female representation on our board. It brings us great pleasure to report that, since 2022, we have experienced a 19% surge in women’s board representation, reaching the 28% target this year and exceeding the central bank’s benchmark. Furthermore, we are actively engaging in discussions to establish a formal board diversity policy and hope to achieve this goal in the foreseeable future.

	2021	2022	2023
Percentage of board seats occupied by men	91%	91%	72%
Percentage of board seats occupied by women	9%	9%	28%
Percentage of board seats occupied by independent directors	36%	36%	36%
Executive members of the board of directors	0	0	0
Non-executive members of the board of directors	11	11	11
Independent members of the board of directors	4	4	4
Non-independent members of the board of directors	7	7	7

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

Committee	Responsibility
<b>Audit Committee</b>	The Audit Committee oversees internal and external auditing, accounting issues with significant impact on financial statements, and control systems. It also advises the board on matters of appointment, termination, fees, and independence of external auditors.
<b>Compliance Committee</b>	The Compliance Committee oversees compliance policies and procedures, conducts annual assessments of compliance risks, approves reports prepared by the Compliance Department, and supervises the implementation of the compliance policy. The committee sees that compliance-related issues are resolved efficiently by the Bank’s executive management with the assistance of the Compliance Department.

### **Governance Committee**

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

### **Credit Committee**

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

### **Nomination & Remuneration Committee**

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

### **IT Governance Committee**

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

### **Risk Committee**

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



## 5.2 Risk and Business Continuity Management

The core function of risk management is to protect our customers, company, employees, shareholders, and the broader public interest, all while supporting the realisation of our business goals and fostering sustainable development. To achieve this objective, we have implemented a strong risk management and governance structure that is aligned with global best practices and underpinned by our organisational culture and principles. Our robust framework, characterised by meticulous risk identification, measurement, management and mitigation, remains at the core of our operations.

### Operational Risk Management

Recognising that operational risk management is a fundamental aspect of our commitment to sustainability and resilience, we established a comprehensive operational risk management framework designed to identify, assess, mitigate, and monitor operational risks across all aspects of the Bank's operations. Through the implementation of robust risk assessment methodologies, such as the Control Risk Self-Assessment (CRSA), the risks and control procedures of the various departments and units are identified, examined, and assessed to detect weaknesses and measure the effectiveness of the control procedures in place. Furthermore, our framework incorporates robust Fraud Detection and Prevention Management, leveraging advanced technologies and strict internal controls to detect and deter fraudulent activities.



### Environmental and Social Risk Policy

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

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

Our E&S policy is designed to align with the 8 principles of the IFC performance standards outlined below:

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

Our E&S policy extends beyond the risk department and is applicable bank-wide, requiring cross-departmental collaboration. To effectively implement and manage our E&S risks, it is vital that all our employees possess comprehensive knowledge and training about sustainability issues, enabling them to execute the required procedures in their daily operations. Our E&S Risk policy is specifically applicable to Corporate and SMEs loans and private equity investments. We also have an exclusion list against which all potential credit and investment activities are screened, preventing business activities that have a potential negative impact on the environment and society from being approved.

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

Transactions within the Triggered Performance Standards (PS) scope, not triggered by national regulation but rather by our Bank's requirements, are subject to the Enhanced Environmental and Social Due Diligence (ESDD) process by an E&S Expert. The ESDD's objective is to identify potential gaps in a client's Environmental and Social Management practices. Upon conducting the ESDD, a client action plan will be developed (if appropriate), outlining the necessary measures the client must take to address any identified gaps. The client is requested to implement the actions in the plan, which is then incorporated into the credit decision.

### Category (A): High risk projects

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

### Category (B): Medium risk projects

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

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

### Category (C): Low risk projects

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

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

## Climate Change Risk Management

Our risk management department has identified stress testing scenarios concerning Climate Change Risk by identifying clients in vulnerable sectors that are exposed to physical and transition risks. We also evaluate the potential impact of physical risks on the Bank's assets, profitability, liquidity, and capital adequacy through stress testing. We incorporated a climate change risk assessment into the Bank's ICAAP (Pillar II requirements) and quantified the impact on the Bank's Pillar II risk-weighted assets and internal

capital using both quantitative and qualitative models.

Furthermore, in alignment with the goals of the Paris Agreement, we have set forth a comprehensive Double Materiality Transition Plan, aiming for full implementation by 2024. This initiative integrates climate considerations into the core pillars of the bank – governance, strategy, risk management, metrics and targets, and disclosures. The plan represents a significant step towards our commitment to sustainable finance and climate risk management.



## Business Continuity Management

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

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

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



## 5.3 Internal Audit and Compliance

Our audit team focuses on delivering impactful communication that enhances the interdepartmental audit experience through fulfilling the expectations of the Bank's stakeholders. Our role includes providing an independent and objective assurance on the effectiveness of governance and controls over key risk areas, thereby adding value and contributing to operational enhancements. The independence of internal audit is maintained through the oversight of the Audit Committee, which approves the internal audit charter, strategy, audit plan and its implementation.

We introduced several innovations in our internal audit methodology to improve audit quality and effectiveness as illustrated below:

### Process Automation and Efficiency

We worked on automating routine, repetitive, and time-consuming tasks to reduce the risk of errors and improve the accuracy and consistency of audit results. The automated procedures allow for faster reporting of audit results to the audit committee and executive management to facilitate immediate corrective actions.

### Artificial intelligence and machine learning

We integrated AI and ML into our audit processes to increase efficiency in detecting unusual patterns of transactions or behaviours. These technologies have significantly improved our audit function by enhancing our ability to identify potential fraud or misconduct early and with greater precision, thus increasing both the efficiency and accuracy of our investigations.

Following an external assessment by PricewaterhouseCoopers (PwC), the internal audit department **achieved the highest rating possible for compliance** with the Chartered Institute of Internal Auditors (IIA) standards.

### Role of Internal Audit in ESG Integration

In our continued dedication to advancing ESG integration, Internal Audit plays a crucial role in ensuring robust assurance in our sustainability reporting. Our Internal Audit plans comprehensively encompass ESG considerations, including Green, Climate, Diversity, Equity, and Inclusion related disclosures. This approach will facilitate thorough reviews of reporting accuracy across ESG domains while also evaluating the governance of related policies. Through proactive involvement in these processes, Internal Audit will be instrumental in upholding the integrity and transparency of our organisation's ESG practices, further solidifying our commitment to sustainability.

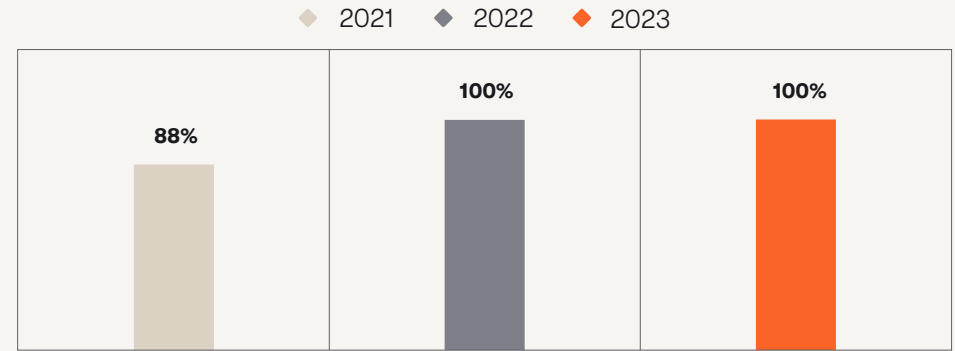
## Our Compliance

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

To maintain our high compliance standards, we conduct yearly evaluations and encourage our staff to report any instances of non-compliance anonymously through our grievance hotline. Our employees receive consistent reminders about relevant policies and procedures during compulsory yearly trainings and, through regular communications regarding regulatory modifications. Promoting a strong culture of compliance within Bank al Etihad has been a key goal for our department. A survey we conducted this year showed over 95% employee satisfaction, proving our success in increasing awareness and integrating compliance practices across the organisation.



### Percentage of employees trained in compliance



### Incidents of non-compliance



Incidents of non-compliance are handled internally to ensure no repetition of the incident occurs. This process includes coordination between the Compliance Department and other departments where applicable. Bank al Etihad does not publicly disclose details on incidents of non-compliance unless they are related to customer privacy and data breaches.

## 5.4 Data Privacy and Cyber Security

At Bank al Etihad, we acknowledge the importance of data privacy and cybersecurity in safeguarding our clients' personal and financial information against potential breaches. Our robust cyber security framework, which includes comprehensive measures such as governance, risk management, access control, incident response, continuous monitoring and security awareness training, forms the core of our efforts to protect sensitive data from unauthorised access and leaks. Building on our achievements in 2022, we've continued to enhance our cyber security infrastructure by integrating advanced tools for data classification and leakage prevention, thereby reinforcing our defence mechanisms against cyber threats.

In addition, we significantly improved our cyber security posture through the introduction of new tools and practices, including phishing campaigns aimed at elevating our employees' awareness of cybersecurity risks. In 2023, we took substantial steps to enhance our operational resilience. We focused on strengthening our ability to withstand, respond to, and recover from disruptions, regardless of their origin.

Our efforts in building a resilient operational framework ensure that we can maintain consistent service delivery standards, even in the face of unforeseen challenges. By prioritising the reliability of our operations, we not only uphold our service commitments to our customers but also secure the long-term sustainability of our business.

2023 marked the fifth consecutive year with zero reported incidents of data security breaches. We're pleased to report that our efforts in information security management have been recognised with an award for "The Best Bank in Information Security Management" by Global Finance Magazine in 2023. This accolade is a testament to our commitment to safeguarding our clients' information and maintaining their trust.

Global Finance Magazine named Bank al Etihad  
**"The Best Bank in Information Security Management"**

### Data Privacy and Cyber Security Standards

Our collaborative efforts with the Central Bank of Jordan have advanced the automation of threat information sharing within the Jordanian banking sector, substantially improving our threat detection and response capabilities. Furthermore, to ensure the highest standards of cyber security, our Bank implements various standards and frameworks such as ISO 27001, PCI, and COBIT.

Additionally, we acknowledge the importance of the EU GDPR and strive to align with its requirements to the best of our ability, despite not being mandated by the Central Bank of Jordan. In preparation for new regulations and data protection laws, we continuously work on enhancing our practices and processes to align with emerging regulations and best practices in data protection and cybersecurity. By adopting a proactive approach, Bank al Etihad ensures that it remains resilient and adaptable in the face of an evolving regulatory landscape.

COBIT<sup>®</sup> 2019



## Cybersecurity Policy

Our cybersecurity policy outlines guidelines and procedures to ensure the confidentiality, integrity, and availability of our information and assets. It provides measures to protect our networks, computer systems, and sensitive information from unauthorised access, theft, or damage.

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

## Fraud Detection and Prevention

In response to the rising sophistication of financial fraud schemes, we have successfully implemented an AI-enabled fraud prediction and prevention solution. This initiative represents a significant leap forward in our ability to safeguard our customers' transactions across all payment channels.

The advanced technology enables real-time, accurate detection of fraudulent activities, effectively blocking potential threats before they can affect our customers. The insights gained from this system have been instrumental in understanding the mechanisms of various fraud schemes, leading to significantly improved operational efficiencies. Most importantly, this solution has enhanced our capabilities in fraud prevention, demonstrating our commitment to maintaining the highest standards of integrity and customer trust.



## Enhancing Employee Competence in Data Security

To safeguard the privacy and security of sensitive information, we have implemented rigorous measures targeting employees who have access to such information. These measures include training programmes, password policies, bring-your-own-device guidelines, and employee identification procedures. Our security measures are supported by a range of high-level tools and technologies designed to mitigate security risks.

In 2023, we conducted our annual cybersecurity training for all employees. The trainings included “Introduction to Data Protection,” 2022 Social Engineering Red Flags,” and “How to become a Human Firewall.”



06

# Our shared values

## 6.1 Our Financial Performance

We are thrilled to share our financial results for the fiscal year 2023, which demonstrate another year of continued growth and success. This growth continues to enable us to offer value and contribute to the prosperity of the economy and people of Jordan. Below, we present an overview of Bank al Etihad and our subsidiaries.

For a more detailed analysis of our financial performance, please refer to our 2023 Annual Report. <https://www.bankaletihad.com/en/annual-reports/>

	2023 (JOD)	Growth from 2022	CAGR (3Yr)	CAGR (5Yr)
Net Income	57,737,275	31.8%	24.3%	7.0%
Total Assets	7,420,019,437	10.9%	12.1%	13.9%
Customer Deposits	5,651,353,018	9.0%	12.2%	13.6%
Profit Before Tax	90,397,269	26.0%	24.4%	7.6%

Company Name	Ownership of the Bank (%)	31-Dec-23		Nature of Operations	Date of Acquisition	Location	For the year ended December 31, 2023			
		Paid-up Capital (JOD)	Investment Amount (JOD)				Total Assets	Total Liabilities	Total Revenues	Total Expenses
Al-Etihad for Financial Brokerage	100	5,000,000	5,000,000	Financial Broker	2006	Jordan	11,115,265	861,025	814,954	(346,317)
Al-Etihad for Financial Leasing Company L.L.C	100	12,000,000	12,000,000	Financial Leasing	2015	Jordan	57,907,582	41,059,419	5,230,751	(3,676,307)
Al-Etihad Islamic Investment Company L.L.C	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan	114,576,198	34,116	-	(7,820)
Al-Etihad for Financial Technology Company	100	100,000	100,000	Manufacturing, programming development and supplying programs	2019	Jordan	446,522	716,432	616,524	(859,003)
Bank al Etihad – Iraq Expansion	100	35,450,000	35,450,000	Commercial Bank	2023	Iraq	36,219,163	1,044,051	-	(274,88)
<b>Total</b>		<b>165,589,028</b>	<b>118,112,636</b>							

## 6.2 Our Customer Experience

At Bank al Etihad, we are committed to empowering people to shape their futures and create better lives positively. We fulfil our promise by establishing trust with our customers, delivering an unmatched customer experience, providing innovative product offerings, and leveraging the expertise of our employees.

As a financial service provider, customer experience lies at the core of everything we do, which is why we continuously work on exploring new ways to engage with our customers and improve their experiences. To ensure world-class service, we follow the Customer Experience Professionals Association (CXPA) six-pillar framework to shape and guide our approach to designing and delivering customer experiences:



Additionally, as part of our dedication to excellence, we have a dedicated customer-centric team. The team focuses on working closely with various departments on different initiatives to boost the quality of our customer experience. Below are the team's responsibilities:

- **Developing Customer Centricity:** Build a customer-centric approach by focusing on tailored interactions and personalised services.
- **Implementing a Customer Experience Management Process:** Establish and maintain processes that enhance customer satisfaction and loyalty through continuous improvement of services.



- **Initiating Culture Programs:** Launch programs that promote a customer-orientated culture among employees, emphasising customer satisfaction and engagement.
- **Aligning KPIs and Incentives:** Coordinate short-term and long-term performance indicators that could be incentives to support and fulfil our commitment to customers.

Our dedication to refining the customer experience is validated through our Net Promoter Score (NPS) of 52.3% and a Customer Satisfaction (CSAT) score of 89.9%. These figures surpass industry benchmarks and are a testament to our relentless pursuit of excellence in banking services. Our advancements in both the digital and the human aspects of banking have allowed us to cater more effectively to the needs of our valued clients, establishing us as a leader in delivering the best banking experience in the market.



## Employee Training on Customer Experience

Our employees are the cornerstone driving the delivery of exceptional customer experiences and, ultimately, the fulfilment of our vision. Hence, we regularly conduct internal cultural programmes to nurture a collaborative work environment by sharing the key performance indicators across various teams and executives to better align with our customer-focused vision and mission. Additionally, we provide intensive training to our customer-facing employees to facilitate an impeccable customer experience. All our customer-facing employees undergo annual training programmes on multiple topics, including:

Service standards	Dealing with customers with disabilities
Product knowledge	Emotional intelligence (EQ)
Systems and tools usage	Leadership

Moreover, we guarantee that our employees will embrace our customer-centric approach from the onset of their careers at Bank al Etihad through a thorough employee onboarding and development journey centred around enhancing customer experience.

### Orientation

Introduces new employees to Bank al Etihad's customer codes and culture, ensuring alignment with the Bank's values and fostering a customer-centric mindset from the outset.

### Customer Experience Training

Equips new joiners with the necessary knowledge of the customer experience framework, KPIs, and best practices, empowering them to understand and meet customer expectations effectively.

### Customer Journey Mapping

Enables internal stakeholders to visualise and comprehend the bank's customer journey across various touch points, allowing them to pinpoint pain points, optimise processes, and ultimately elevate the overall customer experience.

### Service Standards Workshops

Provides frontline employees with comprehensive training on the four key pillars of service standards, ensuring consistency and excellence.

### Design Thinking

Delivers on-site training to all our employees by the learning and development HR team, fostering a culture of innovation and creativity, which drives a mindset shift towards solving customers' issues.

## Listening to our customers

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

### Customer Code

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

Ensuring convenient access for our customers allows us to effectively address their needs and meet their expectations. We ensure our teams diligently follow up with customers to resolve any issues promptly. Our complaint resolution adheres to the Central Bank of Jordan's regulations, taking between 10 to 30 working days from receipt, while our internal service level agreement is set at 2 working days. All our efforts resulted in improved customer experiences as measured by the CX

### Service Standard Guidelines

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

Index which this year improved to 78.5% from 75.6% in 2022.

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

- Informing our customers about our Customer Complaints Guide and ensuring it is easily accessible through our website.

### Code of Ethics and Culture Code

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

- Displaying a complaint box in each branch.
- Training branch and contact centre employees to provide the best guidance when customers request information.
- Asking customers to take part in Voice of Customers surveys.
- Receiving complaints via [info@bankaletihad.com](mailto:info@bankaletihad.com)

Customer Complaints	2021	2022	2023
Number of customer complaints received	524	588	561
Number of customer complaints resolved	100%	100%	100%
Number of customer complaints escalated to top management	9	6	37

The overall number of complaints has been stable since 2021. Issues attracting multiple complaints above a threshold are escalated to top management to ensure no repetition of the complaint occurs. Such complaints are shared with the Compliance Committee. Depending on the nature of the complaint, remedial actions are taken by the relevant department(s). Bank al Etihad does not publicly disclose details of customer complaints unless related to customer privacy and data breaches.

## Customer Experience Metrics

The Customer Experience Index measures the quality of our customer experience through the various channels we use and products we offer. This index includes multiple measurements, such as the Net Promoter Score (NPS), Customer Satisfaction (CSAT), First Contact Resolution (FCR), Customer Effort (CES), and Service Standards Adherence (Mystery Shopping Score), to generate a high-level index – the Customer Experience Index. This aggregated index allows us to examine our customers’ experiences from different perspectives and gain a more holistic understanding of them.

For all the customer feedback we receive, we make sure to address issues through both immediate and systematic follow-ups. In the “small loop,” the Bank promptly follows up (within 24 hours) with dissatisfied customers to



resolve their issues. In the “big loop,” we analyse feedback collectively using AI analytical tools to identify root causes and implement broader solutions for our customers.

Metric	2021	2022	2023
Customer Experience Index	72.5%	75.6%	78.5%
Net Promoter Score (from – 100 to 100)	53%	55%	52%

## 6.3 Digitalisation and Innovation



This year, we have made significant strides in our journey towards digital transformation. Across various fronts, we witnessed significant progress and achieved notable milestones, setting ourselves apart from other banks in the region. Our efforts were recognised locally and regionally with industry experts commending our innovative approach and dedication to excellence.

In 2023, we were recognised as a leader in digital banking by prominent financial institutions. Notably, our commitment to innovation and customer-centric solutions earned us acclaim in the banking sector. These acknowledgments from respected industry bodies serve as a testament to our relentless pursuit of excellence and our unwavering focus on delivering cutting-edge solutions that redefine the banking experience.

### Process Automation

One of our key areas of focus was automation, and our efforts in this domain surpassed expectations. Through strategic initiatives and innovative solutions, we were able to streamline processes, reduce manual intervention, and enhance operational efficiency across the board. We managed to automate the services with the highest demand to ensure customer satisfaction and convenience, such as the instant issuance of loans over the mobile application, and debit cards, authenticated statements, and much more.

Moreover, our commitment to expanding our digital footprint yielded promising results. We observed a significant uptick in the adoption of our digital services, reflecting a growing preference among customers for digital channels. Our commitment to enhancing our digital services has led to significant upgrades across our systems. We've embraced digital



transformation wholeheartedly, simplifying and streamlining our workflows from beginning to end. These advancements allow us to provide more personalised online experiences, reduce running costs, and better support our customers. As a result, the proportion of our automated processes rose from 45% in 2022 to 68% in 2023.

**Our automated processes increased from 45% in 2022 to 68% in 2023.**

Behind the scenes, significant improvements were made to the backend infrastructure, enhancing its performance, scalability, and reliability. Upgrades and optimisations were implemented early in the year, paving the way for smoother operations and better user experiences.

## Wallet Services

A highlight of our achievements was the successful rollout of Apple Pay and issuer wallet services. Despite facing technical and logistical challenges, our teams exhibited tenacity and proactivity, culminating in the seamless integration of these services into our ecosystem. The positive response from customers further validates the significance of these enhancements in enriching our service offerings.

In addition to the mentioned achievements, we introduced several new features and enhancements to our digital platforms. From stock trading to kiosk services and user interface revamps, these additions aimed to enrich the user experience and provide greater value to our customers.

Towards the end of the year, we intensified our focus on business banking, recognising its potential as a growth driver. Through targeted initiatives and strategic partnerships, we laid the groundwork for future expansion and market penetration in this segment.

## Operational Efficiency

Operational efficiency received a boost through process optimisations and technological interventions. From inward transfers to streamlined digital lending processes, these improvements translated into tangible benefits for our customers and our organisation. Customer migration from traditional banking channels to digital platforms progressed steadily, underscoring the effectiveness of our digital onboarding processes and the attractiveness of our digital offerings.

Our journey towards digital transformation at Bank al Etihad has been marked by several achievements and continuous innovation. As we reflect on the milestones we've reached and the challenges we've overcome, we remain steadfast in our commitment to driving digital innovation and redefining the future of banking.

## Innovations for People with Disabilities

We implemented various initiatives to accommodate the needs of people with disabilities.

One significant initiative we have undertaken is the installation of accessible ATMs. These machines are equipped with features such as tactile keypads, audio instructions, and suitable heights to facilitate ease of use for individuals with visual or mobility impairments. Furthermore, our mobile application incorporates accessibility features designed to assist individuals with visual impairments. These features include screen reader compatibility, voice navigation, and high contrast modes. These features also extend to our website.

## Innovations for Low-Income People

The digitalisation initiatives for low-income people are designed to ensure inclusivity and accessibility for all individuals, regardless of their financial circumstances. We focus on providing inclusive products and services that address the unique needs of every demographic. Central to our efforts is our digital onboarding process, which is tailored to accommodate individuals with limited or unstable incomes. Through this streamlined process, anyone can easily open an account, without facing barriers such as annual fees, minimum balance requirements, or account opening fees.

Recognising the financial constraints faced by many individuals, we have eliminated additional fees that could pose burdens for those with low incomes.

## 6.4 Empowering SMEs and Entrepreneurs



As part of our SME strategy, we aim to increase our SME market share. Our vision is to become recognised as a leader in supporting SME development while delivering innovation, digital solutions, and impact which remain key to increasing our business value. We aspire to redefine standards by delivering exceptional products and services that exceed customer expectations. We consider fostering community engagement and fortifying Jordan's economy to be a duty we proudly undertake.

We believe SMEs are drivers of economic growth and key architects in creating a resilient and flourishing economy. Our commitment to SMEs extends beyond financing. In 2023, we combined SME and retail banking into one department enabling us to serve more customers and provide them with financial advisory services. This improved our operational efficiency and fostered stronger relationships and loyalty with our clients through 62 branches. We introduced a behavioural scorecard for non-borrowing SME clients, facilitating the identification and assessment of potential leads. This strategic move led to an expansion of our SME loan portfolio, aligning with our goal to support small businesses on their growth journey. Furthermore, we added a point-of-sale (POS) service for our SME and corporate clients, offering competitive merchant discount rates (MDR) and tailored facilities. This service encouraged more card payments while enhancing the customer payment experience.

We have leveraged partnerships with international and local financial institutions to support our SME clients by providing them with better access to funding, loans, and non-financial services. These partnerships allow us to adapt our support to accommodate SMEs with varying levels of financial understanding and technical capacities across economic sectors.

Our dedication to innovation and improving customer experience has yielded significant results, particularly through our Etihad for Business platform.



Given the interest hike in 2023, Bank al Etihad prioritised enhancing support for SMEs through subsidised interest in partnership with the Central Bank of Jordan. We are committed to empowering SMEs and offering assistance, resources, and guidance to increase their growth and success.

## Strengthen Access to Finance



A key component of our strategy includes aligning our financing activities with the principles and goals of the Paris Agreement. We have partnered with the European Investment Bank (EIB) to roll out a EUR 90 million financing facility to provide local SMEs with vital financial resources.

We have launched the Green Future Loan based on a USD 10 million facility extended by the European Bank for Reconstruction and Development (EBRD), the Green Climate Fund (GCF), and the European Union (EU). This loan provides financing options for SMEs to obtain energy, water, and resource-saving technologies for their businesses, promoting climate mitigation and adaptation measures that will help them save on operating expenses. Some of the key features of the loan include a comprehensive technical assistance package and a rebate equivalent to 10-15% of the loan amount paid to SMEs on successful completion of their green investments. Technical assistance is provided to SMEs to advise on their investment plan to ensure optimal sizing and accounting for growth potential. Through this facility, we aim to foster an environmentally sustainable, low-carbon, and climate-resilient economy.

Additionally, for other loans falling within the Green Guide developed by the Bank, SMEs benefit from lower interest rates than the prime lending rate, higher financing percentages of project cost to be implemented, and longer tenors and grace periods.

Irrespective of the source of our partner financing, we have taken steps to ensure that specific sectors with elevated social impact risks (e.g. gambling) or environmental risks (e.g. waste incineration) are excluded from financing in line with IFI norms on such projects.

## Supporting Resilient Entrepreneurs

Structuring a loan can be complex and the availability of financing is only one consideration governing a loan transaction. We have identified loan guarantees as a key enabling mechanism and continue to offer guarantee programs by the Dutch Entrepreneurial Development Bank (FMO) and the Jordan Loan Guarantee Corporation (JLGC). The FMO guarantee consists of EUR 30 million under the NASIRA loan portfolio guarantee, which backs entrepreneurs with a keen focus on youth and women-led businesses. Likewise, through JLGC and the “Inhad” National Self-Employment Programme, we initiated lending opportunities aimed at supporting startups and small enterprises led by young entrepreneurs. Additionally, we are furthering our collaboration with JLGC to extend guarantees under their IJADA and Mashroui programmes while targeting women-owned SMEs. In 2023, we added a new EUR 50 million guarantee from EIB using similar environmental and social restrictions as described for the loans.

Our partnerships have led to an impressive increase in the SME sector, underlining our dedication to stimulating the national economy through innovative projects and collaborations.



## Non-financial Services for SMEs

Since its inception, Bank al Etihad has been committed to enhancing customer experience by offering a comprehensive suite of solutions that meet both traditional and modern needs. Our focus on non-financial services (NFS) is integral to providing holistic financial services to individuals and companies. By offering such services, we can unlock the potential of individuals, startups, and SMEs in their growth journey. This will result in enhancing the customer experience of existing customers, leading to better customer retention and the acquisition of new ones. This strategic approach will solidify our position as the preferred bank for SMEs, Women in Business (WiB), and startups.

Our non-financial services include:

Services	Description
Digital Content and Information	Delivering information relevant to SMEs via digital channels (website).
Group Trainings, Workshops, and Seminars	By building capacity and knowledge within SMEs via interactive group sessions (financial management, cash flow projections, reading financial statements, digital marketing, and financial literacy).
One-to-One Advisory	Providing tailored technical assistance to SMEs on a one-to-one basis on legal, financial, and tax issues through professional third parties.
Visibility and Recognition	<p>Enhanced SME market visibility by delivering 12 workshops and trainings. A total of 315 companies participated, with women making up 65% of the attendees.</p> <p>The trainings covered critical topics like digital marketing, financial management, and cash flow projections. Additionally, we engaged with another 500 companies by conducting 9 seminars and webinars. 52% of these were led by women.</p>



The topics discussed under our non-financial services included utilising industrial funds in collaboration with the Ministry of Industry, invoicing law and tax reporting for startups and how to manage business cash flow and set financial goals. We also covered the importance of registration for startups in accessing finance and achieving growth and sustainability, among many other subjects, in partnership with various stakeholders. Moreover, we have provided advisory services to 69 individuals for a total of 96 hours, focusing on legal (outsourced) and financial management.

To achieve these outcomes and to extend our reach, Bank al Etihad collaborates with and sponsors the following:

Collaborations & Sponsorships	Description
Amam Ventures	The first Gender Lens investment Fund that utilised a blended financing model (debt and equity) and adopts the 2X definition (owned by women, led by women, employs women, or products and services for women). The Bank aspires to reach as many women-owned/led businesses as possible to increase their chances to accessing finance.
Flat 6 Labs	Is the regional accelerator fund that supports tech startups.
BPWA (Business and Professional Women's Association)	One of the largest networks of professional women in Jordan, which provides the Bank's female clients with access to networks.
Partners with DFIs and NGOs	We have won the first place in the Financial Alliance for Women All Stars Academy pitching competition by presenting the best "Successful Women Centered Strategy". This achievement was made possible through our collaboration with UN Women, EBRD and EIB.

## Bank al Etihad SME Awards

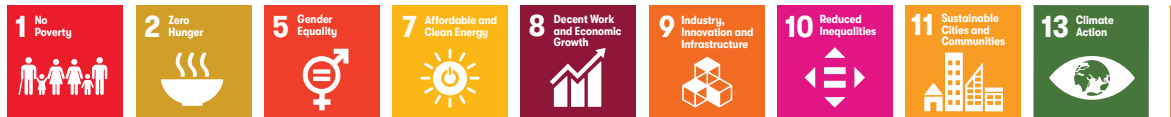
Launched in 2014 with the aim of expanding SME support and partnership networks, our annual award initially consisted of the following categories: The Best Startup, The Best SME, and The Best Businesswoman of the Year Award.

In 2023, we launched the 8th edition of Bank al Etihad's SME Awards, themed "Green Future," to reward local SMEs for their green business practices. We received over 80 applications, demonstrating businesses' growing awareness of the importance of sustainability. After a rigorous process with an internal and external jury, the winner of this year's award was Jordan Company for Carton Industry (JCCI), valued at JOD 50,000. The JCCI's dedication to the circular economy is demonstrated through its waste-free operations, exhaustive paper and cardboard recycling, and the incorporation of green technologies in its processes. This sets a benchmark for excellence and resonated deeply with our awards criteria.

Furthermore, this edition of the awards served to raise awareness on the importance of green transition practices among SMEs. Through promotional materials, speeches and discussions, the event highlighted the benefits of integrating ESG principles and green transition practices into business operations.



# 6.5 Responsible Banking



## Our Sustainable Finance Strategy

In line with our Bank’s sustainability strategy and our sustainability commitments, we developed and approved our Sustainable Finance Strategy in 2023. We believe this is imperative to creating a sustainable loan portfolio and impactful financing that effectively tackles the most pressing issues, mitigates risks, and leverages opportunities.

Our strategy is built upon two core pillars: environmental and social impact, with a particular emphasis on reducing greenhouse gas emissions, promoting sustainable solutions, and responsible lending practices.



## Green Guide Technical Screening Criteria

A pivotal achievement in 2023 was the development of our Green Guide, which incorporates the EU taxonomy technical criteria and provides clear guidelines on sustainable financing. We have conducted a historical overview of our financial portfolio against this guide, and proudly report an outstanding balance of 100 million JOD in green loans screened through the EU taxonomy embedded in the Green Guide.

## Responsible Products and Services

To further our commitment, we are enhancing our green products and services to meet the evolving needs of sustainability and market trends. Our approach includes diversifying our range of green financing products to support decarbonisation and sustainability projects across various sectors, such as agriculture, manufacturing, and buildings, to facilitate their transition towards more sustainable practices.

This table provides an overview of our suite of green financing products designed to support small and medium-sized enterprises (SMEs) in adopting sustainable practices. Each product is tailored to assist businesses in areas such as energy efficiency, waste reduction, and green transportation initiatives, aiming to promote environmental sustainability and operational efficiency.

Green Financing	Purpose	Targets/Benefits
<b>GEFF Loans for SMEs</b>	Support SMEs in implementing sustainable practices like renewable energy solutions, energy, water and resource efficiency, circular economy, green buildings and e-mobility.	Term loans with competitive interest rates and cashback incentives of 10% or 15%.
<b>Sector-Specific Financing with Central Bank Scheme</b>	Focus on energy efficiency, renewable energy, and green buildings.	Term loans up to 4 million JOD with reduced interest rates (maximum of 4.5%) and a payback period of up to 10 years.
<b>Other Internal Financing</b>	Enhance projects that improve circular economy, energy efficiency, and green product production.	Enhanced financing terms via term loans or revolving limits.
<b>Energy Efficiency in Transport</b>	Transition business fleets to greener alternatives.	Includes electric and lower emission vehicles like cars, vans, trucks, and buses.
<b>Electric Car Loans for Retail Clients</b>	Finance the purchase of electric vehicles for retail clients.	Flexible financing with competitive terms.
<b>Electric Car Loans for Bank al Etihad Employees</b>	Encourage bank employees to adopt electric vehicles.	Higher financing percentages, minimal interest rates, extended tenors.
<b>Renewable Energy for Retail Clients</b>	Enable the installation of renewable energy systems for retail clients.	0% interest on credit card payments for up to 24 months for renewable energy installations.
<b>Trade and Competitiveness Programme</b>	Support Jordan's food security by promoting responsible agricultural practices.	Financial and non-financial services to support decarbonisation in selected agri-business value chain from farm to retail.

Furthermore, we have partnered with the European Investment Bank (EIB) to support the agri-business value chain to transition to more sustainable practices. Through the EIB's Trade and Competitiveness package, EIBs consultants analyse value chains with high potential for export to the EU or import substitution, assessing their environmental and climate impacts. Our clients receive expert advice on accessing finance, export development, sustainable sourcing, production, storage, transport, and processing practices, including strategies to minimise emissions and water usage and enhance supply chain traceability. This comprehensive support not only enhances Jordan's economic development and agricultural productivity but also improves the quality of life for Jordanians, aligning with Jordan's commitments under the Paris Agreement.

## Empowering Women Through Our Products and Services

Our financial solutions tailored for women include the Shorouq Savings Account and startup loans that accommodate maternity breaks. We also maintain financial and non-financial partnerships that advocate for better ecosystem support for women.

Looking ahead, we plan to expand our financial products to include segments such as women in wealth management, female retail clients, and women-owned SMEs, by leveraging our partnerships with international and local financial institutions to tailor our offerings. More information related to non-financial support can be found in Chapter 8.2, 'Women Economic Empowerment.'



## Dedicated to Youth Engagement and Empowerment

In its inaugural year, the academy has already benefited 246 individuals. The National Self Employment Programme “Inhad”, in collaboration with the Jordan Loan Guarantee Corporation and the Central Bank of Jordan, provides low-interest loans to young entrepreneurs aged 18-45, significantly growing our youth entrepreneurship portfolio.

In addition to the partnership with the Dutch Entrepreneurial Development Bank (FMO) under the NASIRA loan guarantee scheme, we extend financial support to youth and women-led SMEs, offering loans up to 175,000 JOD without requiring collateral and with flexible repayment options to foster business growth and development.

Recognising the importance of nurturing future generations, we have placed a high priority on youth financial empowerment through targeted educational and financial initiatives. In 2023, we launched Rise Academy, a free, 2-day boot camp aimed at enhancing financial literacy among young adults and professionals. Additional information can be found in Chapter 8.1, ‘Financial Inclusion and Economic Empowerment.’

## Investments in ESG-aligned Projects

Our commitment to sustainable investments is demonstrated through our focus on integrating ESG criteria into our investment analysis. A key element of our strategy includes investing in green bonds issued by reputable institutions dedicated to environmental sustainability. Currently, these green bonds constitute 1.9% of our total bond portfolio, with an average yield to maturity of 5.23%. We are committed to expanding our investments in green bonds by the end of 2024 to align more closely with our sustainable finance and investment strategy. This initiative not only supports projects with significant environmental benefits but also enhances the financial returns of our investment portfolio.

In addition to our investments in green bonds, we have actively incorporated ESG considerations into our broader investment strategy. This approach involves evaluating potential investments based on financial performance and their potential environmental and social impacts. By doing so, we ensure that our investments contribute positively to sustainable development goals while still achieving competitive returns.



07

**Our people**

# 7.1 Our Approach

Our purpose is to empower individuals to lead fulfilling lives, a purpose that drives all our efforts for employees, customers, and communities alike. Rooted in family values, we cultivate humility and interconnectedness among our employees. We are dedicated to promoting female empowerment, fostering inclusivity, and creating work opportunities within our communities. Our talent acquisition and retention strategies ensure access to the industry’s top talent, upholding our commitment to first-rate quality in banking.

Bank al Etihad was named the “**Best Place to Work in Jordan**” by the Best Places to Work certification program in 2023.



## Our Code of Conduct

In the complex and highly regulated environment of banking, adherence to high ethical standards is imperative. Bank al Etihad’s code of conduct stands as a cornerstone of integrity and ethical behaviour in our Bank as it sets the guidelines, expectations, and standards to govern the behaviour of the Bank’s employees and promote ethical and professional conduct within the workplace, and it emphasises the following:

### Establishing values between employees



We instil in our employees the values of trust, integrity, transparency, teamwork, social responsibility, customer experience, rewarding employees, equality, competition, respect, and asset protection.

### Maintaining confidentiality



Employees are required to maintain the confidentiality of proprietary information, trade secrets, and sensitive data.

### Avoiding conflicts of interest

Employees are required to disclose any actual or potential relationships that may result in conflicts of interest and refrain from exploiting their roles to achieve personal gains. The code prevents employees from accepting or requesting gifts, privileges, and other benefits and outlines how employees should behave when faced with these situations.





### Protecting the bank's resources



Employees are expected to use company resources (time, equipment, and facilities) responsibly and for legitimate business purposes. The code of conduct sets guidelines for the appropriate use of the internet and email to ensure productivity and prevent misuse. The Bank has an anti-fraud policy, which further supplements the guidelines outlined in the code of conduct. It clarifies the Bank's policy to prevent and deter fraud and the mechanism to report actual or possible fraud cases.

### Raising awareness



The Compliance Department owns and is responsible for applying the code of conduct. The department circulates different items from the code of conduct every month to all employees to ensure that they stay informed and aligned with Bank expectations.

Employees are required to review and acknowledge the code of conduct during their onboarding process and demonstrate their commitment to upholding the Bank's values and standards.

### Channels for reporting



Employees are encouraged to report any behaviour that conflicts with the Bank's values, policies, or procedures to their superiors. Bank al Etihad also has a whistleblowing policy that facilitates anonymous reporting to the chief of compliance.

### Complying with laws and regulations

Employees are expected to comply with all applicable laws and regulations in their work.



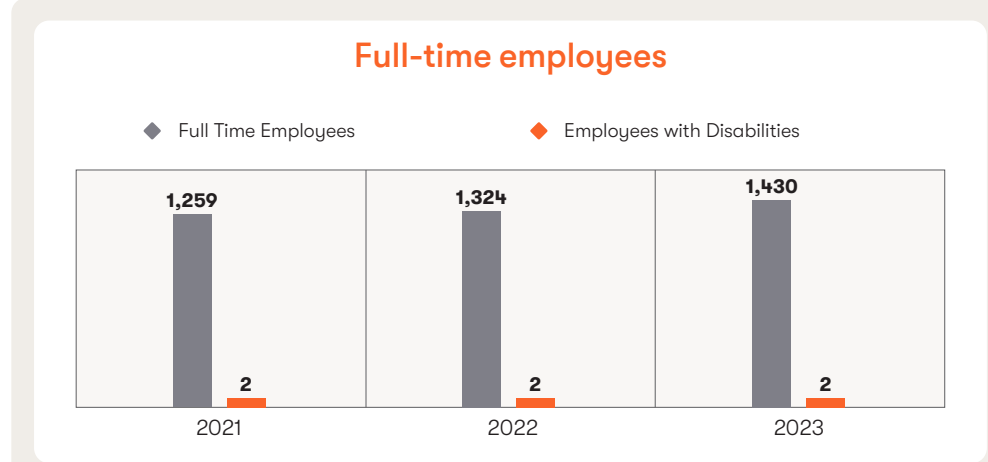
By fostering a culture of accountability, trust, and respect, the code of conduct empowers employees to make sound decisions, uphold the highest standards of professionalism, and contribute to the Bank's long-term success and sustainability.

# 7.2 Diversity, Inclusion and Female Empowerment



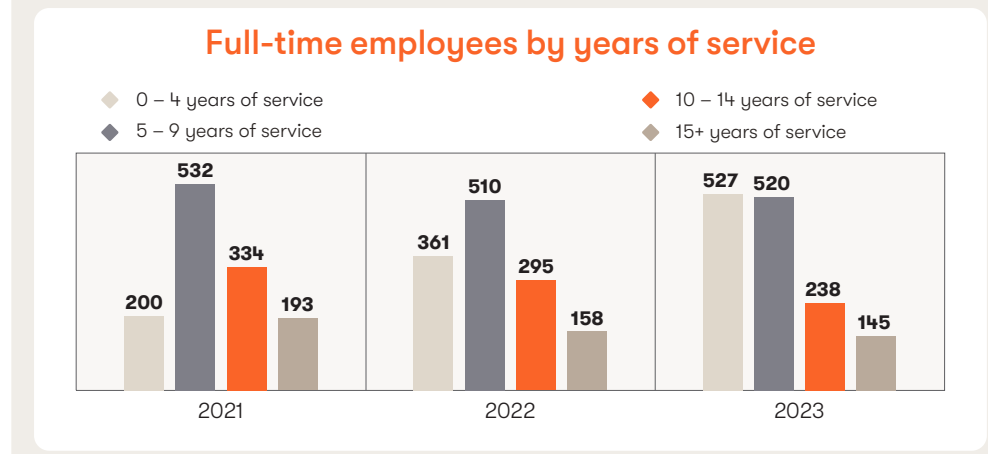
We consider diversity and inclusion key to building resiliency and creativity in our business. Creating an inclusive work environment helps to drive innovation, increase job satisfaction, and improve customer experience. We make conscious efforts to build a workforce that is fair and respectful to every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

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



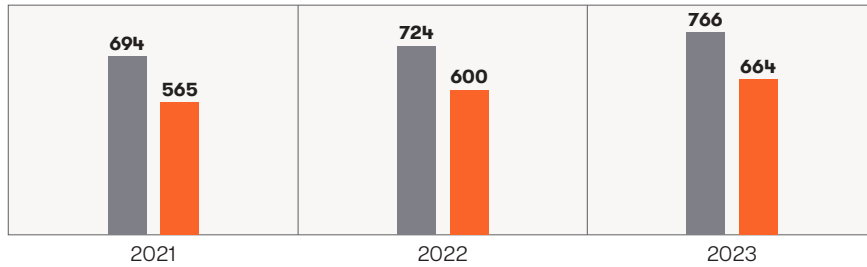
Bank al Etihad has one of the **highest inclusion rates in Jordan's banking sector, which stands at 46%.**

Furthermore, through our internal equal opportunity and anti-harassment policy, we strive to create an environment that promotes dignity and fairness for all. Equality extends beyond internal practices within the Bank to include an external hiring policy that encourages applications from diverse candidates, ensuring a selection process that upholds our high standards of dignity and fairness.

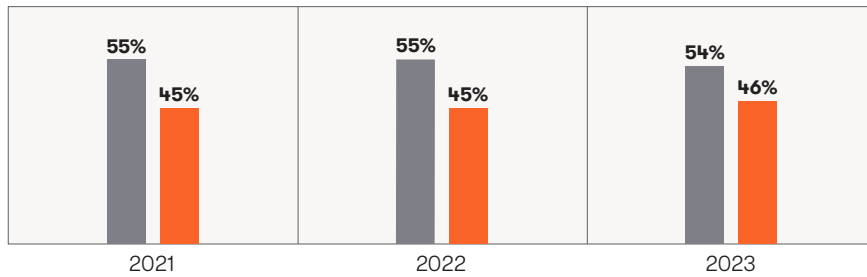


### Gender breakdown – full-time employees

◆ Number of male employees      ◆ Number of female employees

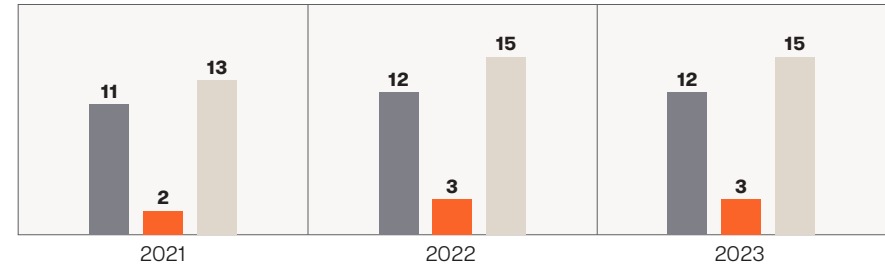


◆ % of male employees out of the total workforce      ◆ % of female employees out of the total workforce

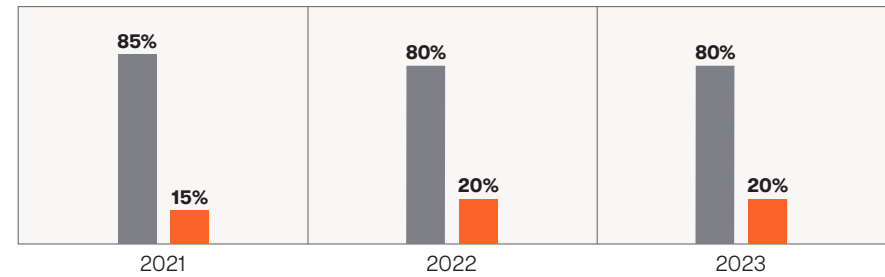


### Gender breakdown – top management employees

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

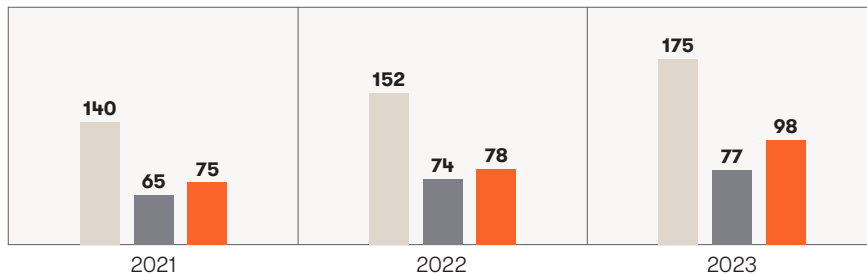


◆ % of male employees in top management      ◆ % of female employees in top management



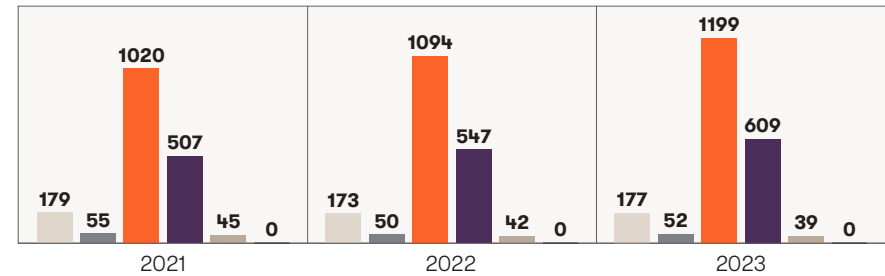
### Gender breakdown – newly hired employees

◆ Total number of all newly hired employees      ◆ Number of newly hired male employees  
◆ Number of newly hired female employees



### Employees categories - by gender

◆ Middle management employees      ◆ Middle management female employees      ◆ Support employees  
◆ Non-management employees      ◆ Non-management female employees      ◆ Support female employees



## Accessibility Training

In line with our commitment to be a fully inclusive Bank, we developed and introduced a training series named “Accessibility Training” to help our employees be more conscious in their interactions with people with disabilities. Through this training, we have been conducting an awareness session for all new joiners since 2020 and front liners working in branches. In 2021, we trained 131 employees. In 2022, we trained 223 employees. In 2023, we trained 1,276 employees. The topics covered include how to interact with people with disabilities, raise awareness and provide valuable tips for effective communication.

## Female Empowerment

At Bank al Etihad, we are committed to promoting gender equality in the workplace through external and internal recruitment policies and providing equal learning opportunities. With an emphasis on empowering female leadership, we have successfully elevated female representation on our Board from 9% in 2022 to 28% in 2023, serving as a testament to our dedication and efforts. Furthermore, we believe in financial freedom and security for all, which is why we have curated a suite of tools and programs to empower women to achieve their career ambitions by ensuring equal pay, training, and equal opportunities.

### Pay ratio

◆ 2021   ◆ 2022   ◆ 2023

1:1

1:1

1:1

Our Bank has a **ZERO** record of reported discrimination incidents.



## 7.3 People Development



Guided by our core values of “Always learning” and “We’re here to empower,” our approach to learning and development extends beyond mere performance enhancement. We develop and introduce programmes that address the professional and career development needs of our employees, ensuring their growth and empowerment.

In a dynamic and constantly changing industry with increased volatility due to the evolving external context, talent and capacity are crucial for business success and resiliency.

Our career development model, established in 2022, outlines the career development journey of each employee based on 3 pillars: Knowledge, Delivery, and Culture. This model serves as the blueprint for our employees’ competency development and career growth. As a result of strategising our approach to employee career development, we invested a total of JOD 456,155 in employee Learning and Development (L&D) in 2023. Furthermore, we achieved an average of 39 training hours per employee in our Bank.

### Bank al Etihad’s Career Development Model

#### Knowledge

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

#### Delivery

This pillar aims to assess the performance and delivery of each employee against their set goals, which vary from department to department.

#### Culture

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

### E-learning

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

	Number of courses and trainings completed by employees	Number of courses employees completed voluntary e-learning assets	Number of training programmes overall attended by all employees
2021	8,287	7,406	8,287
2022	11,604	7,406	11,604
2023	14,437	10,184	14,437

## Our Talent Development Programmes

### Aspire programme

This programme aims to provide our employees with skills that enable them to grow and develop into indispensable team members. Aspire is designed for our young, energetic employees and contains many important social and life skills for their careers. In addition to social responsibility activities, this is one of the most important parts of this programme.

#### Participants

2021

2022

2023

Was suspended due to the pandemic

208

235

### Managing at Etihad programme

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

#### Participants

2021

2022

2023

30

129

0

### Family matters

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

#### Participants

2021

2022

2023

Was suspended due to the pandemic

78

36

### Leadership programme for branch managers

This programme enhances the leadership skills of our branch managers. Under this programme, we work on managers' public speaking skills. Through this programme, managers are also expected to work with their teams to develop innovative projects that improve their day-to-day work.

#### Participants

2021

2022

2023

NA

60

39

### Culture programme

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

#### Participants

2021

2022

2023

NA

1,200

397

### Train the trainer programme

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

#### Participants

2021

2022

2023

76

177

0

## ESG training

At our bank, we have allocated resources towards capacity-building for our employees to equip them with the needed tools and knowledge to integrate their assigned ESG targets. This approach is critical in achieving our overall ESG goals as a bank. We have successfully launched comprehensive ESG training programmes, reaching over 89% of our employees. Our Management Capacity Building program has significantly increased awareness of green financing and sharpened cost-benefit analysis skills among our leaders. The Green Economy Basics and Circularity training has seen active participation

from our employees, demonstrating our collective dedication to sustainable awareness and practices.

Furthermore, our employees have benefited from the Green Finance Academy, developed in collaboration with the EBRD, which fully equips our team with the latest knowledge in green finance. Our drive towards sustainability extends to all employees, as shown by incorporating sustainability topics into our onboarding process and awarding sustainability certifications to our Green Champions. These initiatives highlight our dedication to embedding sustainability into the core of the Bank's organisational culture.

Programme	Description
<b>Learning for the Green Transition E-Learning</b>	Equips bank employees with essential knowledge and skills for green financing and the transition to a sustainable economy. With topics aimed at helping employees understand the green economy, master green selling, and promote gender-responsive finance, the programme enables participants to drive investments in energy efficiency, climate resilience, green housing, and renewable energy projects, fostering a sustainable and resilient future.
<b>Green Economy Basics</b>	A targeted training programme for bank relationship managers, empowering them to promote green finance and circular economy principles to their clients. Through immersive sessions on green finance, energy, and resource efficiency, participants gain the knowledge and confidence to integrate circular economy concepts into their client interactions, driving the transition to a more sustainable future.
<b>Sustainability and Climate Change Basics</b>	This online course designed internally provides all employees with a foundational understanding of sustainability in action, climate change, and the crucial role of the Bank in addressing this global challenge. The course highlights the Bank's commitment to sustainability and outlines its role in supporting initiatives that mitigate climate change and promote resilience. By equipping all employees with essential knowledge about climate change, the course fosters a culture of environmental responsibility and empowers individuals to contribute to the bank's efforts in combating climate change.

### Advanced Sustainability Certifications

As part of our commitment to sustainability and ongoing learning, our Bank is dedicated to pursuing advanced certifications from reputable organisations. These certifications signify a deepened understanding and proficiency in sustainability practices, allowing us to further advance our ESG initiatives. By investing in these certifications, our employees gain specialised knowledge and skills that enable them to drive positive change within our organisation and the communities we serve. With a focus on continuous improvement, these certifications reinforce our position as a leader in sustainable banking and underscore our commitment to creating a better future for all.

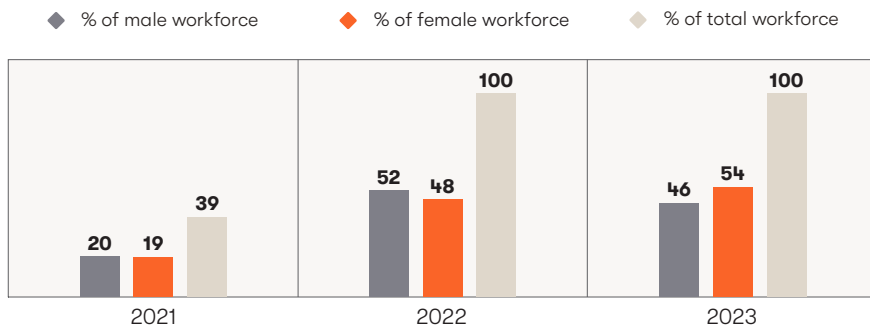
### ESG TOT

Our ESG Train-the-Trainer (TOT) program is designed to empower selected employees from all departments to become champions of sustainability within our organisation. Through comprehensive training sessions, participants gain in-depth knowledge of ESG frameworks, best practices, and implementation strategies. Upon completion, participants receive TOT certifications, equipping them with the expertise to educate and inspire their colleagues in integrating sustainability considerations into their respective roles and departments. By fostering a network of sustainability champions across the organisation, we reinforce our commitment to sustainability and ensure that sustainable practices are embedded in our culture.

### Number of trainees and sponsored students



### Employees receiving training



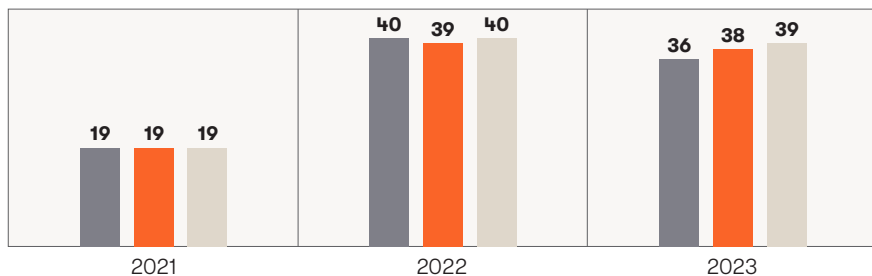
### Average training hours by job category





### Average training hours by job category

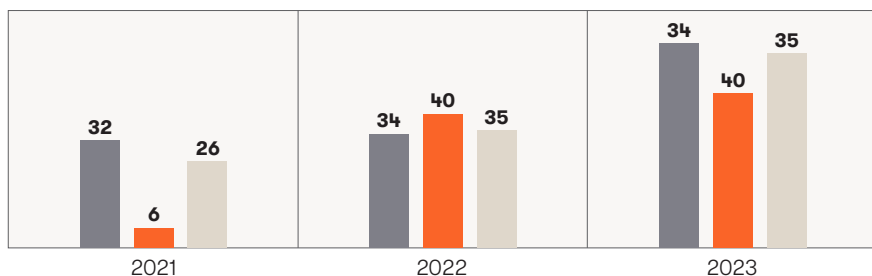
- ◆ Average training hours for male employees
- ◆ Average training hours for female employees
- ◇ Average training hours for all employees



\* The table includes training programmes data only

### Average training hours by top management

- ◆ Average training hours for male employees in top management
- ◆ Average training hours for female employees in top management
- ◇ Average training hours for all employees in top management

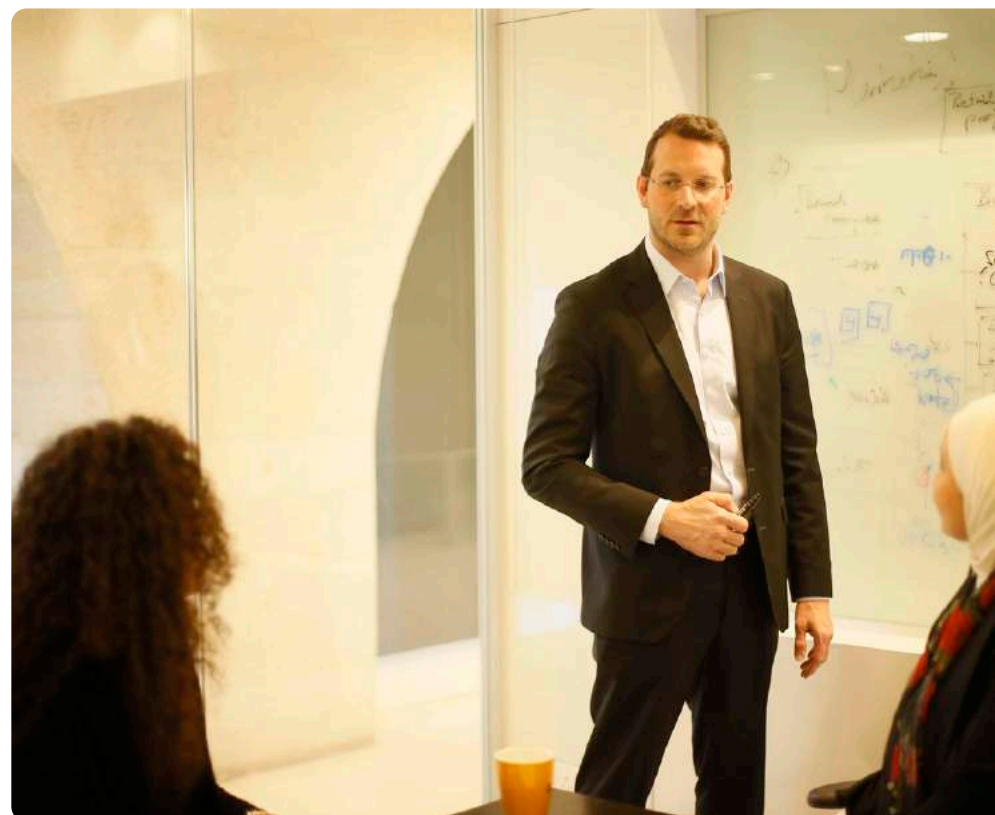
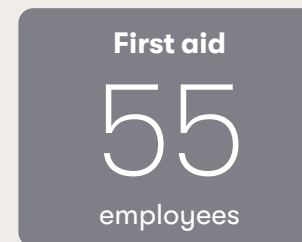
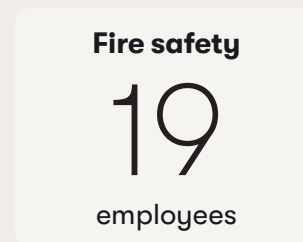


### Investment in training

- ◆ 2021
- ◆ 2022
- ◆ 2023



Health and safety training is important to our Bank to protect our employees and assets. In line with safety regulations, in 2023, we delivered the following health and safety training sessions:



## 7.4 Retention and Well-being



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

### Our Employee Well-being Initiatives

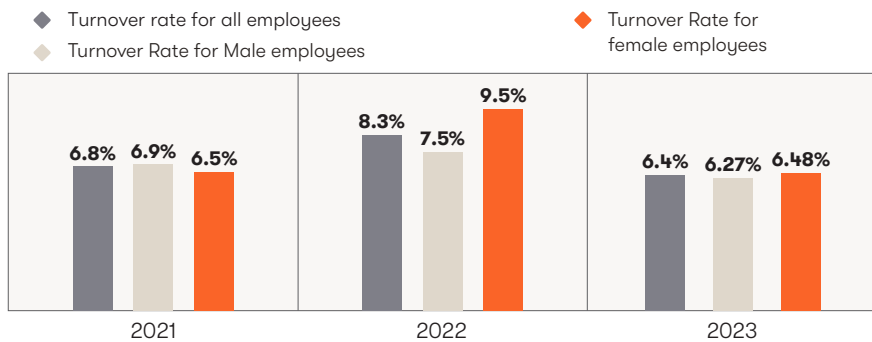
Initiative	Initiative description	Number of employees benefitted		
		2021	2022	2023
Family Matters programme	This programme addresses aspects of health and well-being for both employees and their families.	The programme was suspended due to the pandemic.	78	36
Work from Home (WFH)	We integrated WFH into our people management model and increased our parental support initiatives to facilitate a better work-life balance for our employees.	All employees are entitled to WFH except frontliners and customer-facing employees.		
Edutainment Calendar and Employee Activities	<p>We continuously engage with our employees throughout the year through different activities and initiatives, such as:</p> <ul style="list-style-type: none"> <li>• Health week</li> <li>• Free doctor consultation day</li> <li>• Yoga and sound healing session</li> <li>• Laughter therapy</li> <li>• Breast and prostate cancer awareness campaigns</li> <li>• Blood donation campaigns</li> <li>• World no tobacco day campaign</li> </ul>	All employees are engaged in these initiatives.		

## Employee Retention & Satisfaction

Retaining skilled and experienced employees is a priority for Bank al Etihad as it not only ensures continuity in delivering high-quality services but also fosters a stable and cohesive work environment. In the competitive and dynamic landscape of banking, long-tenured employees build strong relationships with customers, enhancing loyalty and satisfaction. Moreover, retaining talent reduces recruitment and training costs while preserving institutional knowledge, expertise, and, most importantly, culture. We believe that by prioritising employee retention, we can cultivate a committed workforce, drive innovation, and maintain a competitive edge in the market, ultimately contributing to long-term growth and profitability.

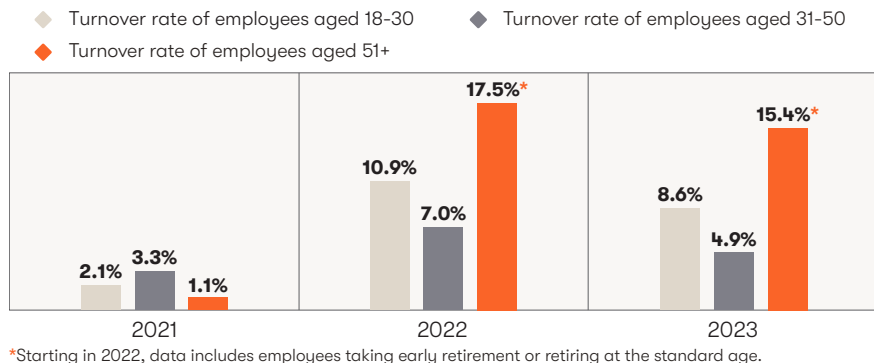
Achieving employee retention is not solely the responsibility of one team. Rather, it hinges on consistent and collaborative efforts from our Human Resources department, leadership, and all employees. At Bank al Etihad, we maintain high retention rates by consistently engaging with our employees, offering competitive compensation packages and benefits, and fostering a positive and supportive work culture that promotes productivity and a healthy work-life balance.

### Turnover rate by gender



\*Turnover rate for all employees

### Turnover rate by age group

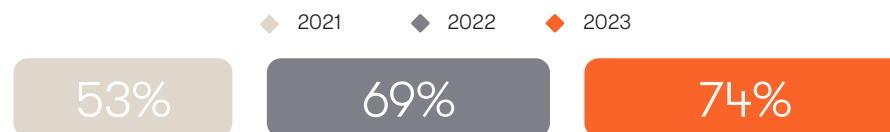


\*Starting in 2022, data includes employees taking early retirement or retiring at the standard age.

## Employee Satisfaction Score

We measure our employee satisfaction through our employee engagement survey. To assess the satisfaction score, we ask employees how likely they are to recommend working at Bank al Etihad to a friend or a family member.

### Employee NPS



## Employee Benefits

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

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

Parental Leave – We encourage a good work/life balance, which is particularly important when employees are about to welcome a new member to their family. Expectant mothers receive 70 days of paid leave, while fathers receive 3 days. Our 100% retention rate of new parents indicates how we approach new parenthood and facilitate a good balance with work. Additionally, to provide extra convenience for parents, we have identified nurseries located close to our headquarters and branches to help our employees house their kids in an environment that involves learning, creativity, and music at subsidised rates.

Reward and Recognition - In 2022, we launched a Long-Term Incentive programme targeting executives and N-1 (strategic positions) employees. The programme aims to build wealth and share it with our stakeholders. This performance management system is linked to our North Star 5-year vision.

Parental leave by gender – all employees	2021	2022	2023
Number of female employees who were entitled to parental leave	313	311	315
Number of female employees who took parental leave	48	56	56
Number of female employees who returned to work after completion of parental leave	48	56	56
Number of female employees who returned to work after parental leave ended and were still employed 12 months after their return to work	48	56	56
Retention rate for female employees who went on parental leave	100%	100%	100%
Number of male employees who were entitled to parental leave	434	425	444
Number of male employees who took parental leave	35	51	55
Number of male employees who returned to work after completion of parental leave	35	51	55
Number of male employees who returned to work after parental leave ended and were still employed 12 months after their return to work	35	51	55
Retention rate for male employees who went on parental leave	100%	100%	100%

### Number of employees recorded injuries

◆ 2021    ◆ 2022    ◆ 2023

2

2

4



08

Our  
communities

Since the beginning of our sustainability journey, Bank al Etihad has placed an unwavering and longstanding commitment to the communities in which we operate. Our aspiration extends beyond providing direct financial services; we seek to actively contribute to community development. This commitment to community engagement has always been a core focus for Bank al Etihad.

We aim to serve our community and actively contribute to strengthening the economic ecosystem in Jordan by supporting start-ups, elevating financial literacy, and investing in community development. Additionally, we are devoted to minimising any negative environmental effects caused by our operational activities. Our corporate social responsibility (CSR) framework is designed to tackle the most pressing issues in our communities and contribute to the following pillars and areas of focus:

## Our CSR Framework



Knowledge



Financial Inclusion  
& Economic  
Empowerment



Entrepreneurship,  
Innovation & FinTech



Community  
Wellbeing



Environment



Arts & Culture

Our CSR framework was developed to consider the following UN Sustainable Development Goals (SDGs):



Goal 2: Zero hunger



Goal 3: Good health and well-being



Goal 4: Quality education



Goal 5: Gender equality



Goal 7: Affordable and clean energy



Goal 8: Decent work and economic growth



Goal 9: Industry, innovation and infrastructure



Goal 10: Reduced inequalities



Goal 11: Sustainable cities and communities



Goal 12: Responsible consumption and  
production

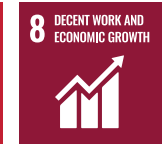


Goal 13: Climate action



Goal 17: Partnerships for the goals

# 8.1 Financial Inclusion & Economic Empowerment



Our dedication as a bank extends beyond mere transactions. We believe that equipping our customers and the communities we serve with comprehensive financial knowledge solidifies the foundation for mutual growth and prosperity. It's our belief that well-informed individuals, who practice wise financial management ultimately contribute to a healthier customer base and a more vibrant community.

In our ongoing efforts to foster financial literacy and inclusivity, which are fundamental drivers for societal enhancement, we have embarked on several key initiatives:

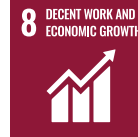
- **Money Talks Tour:** Happens annually during Global Money Week and involves visits to various schools in Amman. This initiative has been a resounding success. Though it, we reached 395 high school students and were able to provide them with crucial financial insights, preparing them for a brighter economic future.
- **Wasel for Education and Awareness Partnership:** Our collaboration with the “Shabbek Wa lbtaker” programme through Wasel for Education and Awareness has offered invaluable support to 30 unemployed youths aged 18-28. This initiative has not only sparked creativity and innovation but also led local incubators to adopt ten ideas.
- **Enabling Women for Employment:** In association with the Jordan River Foundation, we have extended our commitment to integrating women from East Amman into the workforce. This initiative has equipped 18 aspiring women with the necessary skills and technical training for employment, thereby fostering independence and economic empowerment.
- **Financial Literacy Online Resources:** In our digital leap towards spreading financial literacy, we launched a blog in 2020. In addition, in November 2022, we released “Mali wa Maluk,” our Arabic financial

literacy podcast. Both of these resources cover diverse topics aimed at enriching people’s financial knowledge.

- **Rise Academy Initiative:** Our flagship financial literacy programme, Rise Academy, has made significant strides, reaching 189 young individuals and 57 professionals through comprehensive boot camps and workshops tailored to equip them with essential financial skills.
- **Numa Initiative:** Introducing the Numa application, a financial management tool tailored for freelancers and self-employed youth, providing financial and non-financial services to make the lives of freelancers and creators easier.
- **Sustainable Tourism and Community Development:** Our sponsorship, which aimed at revitalising a touristic trail from the King Talal Dam to Rmaimeen, is a testament to our commitment to sustainable community development. This initiative has trained 13 women in food production and safety (HACCP) in 2023, enabling them to produce and market local specialities, which in turn, fosters economic independence and community well-being.



## 8.2 Women Economic Empowerment



In 2014, we embarked on a journey by launching our Shorouq proposition, aiming to enable women with both financial and non-financial services. We are driven by our belief in the importance of boosting women's economic involvement in Jordan's economy and our customer outreach. Our dedication has resulted in a tenfold increase in our female clientele since the programme's inception.

Shorouq is a comprehensive suite of services that provides access to crucial knowledge, insights, networks, and marketplaces. This includes legal advice, opportunities for networking, engaging workshops, the Career Comeback Programme, and Shorouq Connect, all designed to inspire, enable, and forge connections among enterprising women.

In 2023, we successfully conducted 429 non-financial events, including workshops and mentoring sessions, through collaboration with our partners. These efforts benefitted over 1,920 women.

We launched the 5th round of our Shorouq Comeback Programme, which supports women wishing to return to their professional life after taking a voluntary break. The programme aims to fill any gaps in their knowledge, ensuring a smooth transition back into the business environment and unlocking their full potential.

This year, from a pool of over 1,300 applicants, we welcomed 52 women into the programme. To amplify our impact, we joined forces with 18 organisations that share our vision, effectively doubling our reach. Participating companies included Crown Prince Foundation, PwC Middle East, Hikma Pharmaceuticals, Umniah, Amam Ventures, BPWA, Fine Hygienic Holding, Grand Hyatt Amman, King Hussein Cancer Center, Better Business, J. Walter Thompson, Asali Architects, LingoArt Center, EXOS, Khibraty, PARACHUTE16, Al Nashmeyah Arms for Maintenance, Attayebat, showcasing our collective commitment to women's professional advancement.





## 8.3 Community Engagement and Development



At Bank al Etihad, we are deeply rooted in family values, driving us to contribute positively to our community at every opportunity. In 2023, we initiated several key projects:

- **Happiness Bus Initiative:** During Ramadan, we unveiled the Happiness Bus initiative to bring joy to over 3,800 people across eight governorates. Each trip of the bus had a unique theme and travelled through various underprivileged areas during the holy month of Ramadan.
- **World Cancer Day Campaign:** On World Cancer Day, we initiated a donation campaign via our mobile application, which raised enough to provide university scholarships for 10 cancer patients.
- **Support for King Hussein Cancer Foundation & Center:** We maintained our ongoing support through several strategic initiatives, such as Run for Life, Go Green Campaign, and the educational programmes of the King Hussein Cancer Training Academy, reaching over 21,000 beneficiaries across these activities.

- **Solidarity with the Palestinian People:** Through our mobile application, we launched a campaign, raising 1 million JOD to procure medical supplies in collaboration with the Jordanian Hashemite Charity Organization (JHCO). Additionally, we initiated another campaign to fund medical care for cancer patients and their families from Gaza, in association with the King Hussein Cancer Foundation, donating approximately 25,000 JOD and aiding 30 patients and their families.
- **Nursery Renovation:** Our community development efforts led us to completely refurbish a nursery in Rmaimeen, which resulted in a 50% increase in enrolment.
- **Medical Support:** Partnering with the Gift of Life organisation, we funded open-heart surgery for a child in need in Jordan.



## 8.4 Environment



In 2023, we achieved significant progress towards our environmental objectives:

- **LCOY Sponsorship:** For the second consecutive year, we joined forces with UNICEF Jordan to sponsor the Local Conference of Youth (LCOY), championing young advocates for climate action. This collaboration enabled 36 emerging climate leaders to enhance their understanding of climate change impacts and to develop skills for leading youth-driven climate initiatives, negotiation, and advocacy efforts. Impressively, 7 of these young ambassadors were chosen to attend COP28, presenting the concerns and aspirations of Jordan's youth within the national government's official delegation.
- **Plastiqua Upcycling Initiative:** We broadened the scope of our Plastiqua project, upcycling over 80,000 expired banking cards in 2023 into artistic creations and jewellery pieces and providing economic empowerment to 10 disadvantaged women from Jabal al Nathif.
- **Support for Bedouin Women:** Continued support was extended to 6 Bedouin women from Wadi Rum, assisting them in generating income through the creation of recycled products.
- **Activating Green Spaces in Jordan:** The inauguration of the Jabal Amman Community Park was a significant milestone, achieved in collaboration with the Greater Amman Municipality. The park's founding team, composed of volunteer urban planners/designers, social activists, community mobilisers, and educators, unified under the vision to connect, conserve, and activate the space. The initiative aims to:
  - **CONNECT** with community members and organisations, fostering a shared responsibility for the park.
  - **CONSERVE** the urban legacy of the region, enhancing community and stakeholder values.

- **ACTIVATE** the space with scheduled programmes and activities while also accommodating spontaneous gatherings.
- **Sustainability in Design:** We proudly sponsored the 10th edition of the i-sustain environmental design award, which engaged 250 university students from Jordan. This award highlighted the students' most innovative, forward-thinking, and sustainable solutions to address the challenges facing Jordan's built environment.



## 8.5 Youth Education

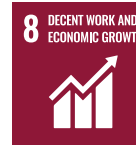


Our commitment to shaping a better future for the next generation is unwavering, particularly in education and knowledge accessibility. In 2023, our initiatives focused on levelling the educational playing field for young individuals, as detailed below:

- **Scholarship Programmes in Jordan and Palestine:** We awarded 31 scholarships to distinguished students from Jordan and Palestine, facilitating their access to higher education and empowering them to pursue their career goals.
- **Support for Audible Learning:** We continued backing “Raneen for Audible Storytelling,” an innovative project that promotes reading and an appreciation for audiobooks through unconventional educational techniques.
- **Strategic Collaboration with the Queen Rania Foundation:** Our partnership flourished through two impactful educational projects:
- **Madrasati Initiative:** Our support for the “Masahati” after-school programme has touched the lives of over 670 students and 45 teachers at the Salhoub Secondary School for Girls. This multifaceted approach, including Safe and Creative Spaces, Educator Capacity Building, and the establishment of Masahati Student Clubs, focuses on integrating life skills and extracurricular activities into the mainstream curriculum, enriching the educational experience for public school students.
- **Al Aman Fund for Orphans’ Futures:** We sponsored 9 exceptional young individuals, facilitating their pursuit of university degrees. Five beneficiaries received a monthly allowance, while 6 partook in capacity-building training. Our support has been crucial in nurturing these youths into independent, skill-equipped adults ready to carve their paths successfully.



## 8.6 Arts and Culture



In the year 2023, our commitment to fostering strong community bonds and unity through the arts took centre stage. We proudly supported a diverse array of musical endeavours, connecting with over 50,000 devotees of music and the arts. The initiatives include:

- We backed the innovative “Pss Pss” performance, featuring two contemporary clowns in an act reminiscent of Charlie Chaplin and silent film luminaries, captivating audiences with their unique artistry.
- We provided support for the El Funoun Palestinian Popular Dance Troupe. Their performances beautifully melded traditional Palestinian songs and dances with state-of-the-art digital visuals, offering a modern twist on folklore.
- The enchanting sounds of the Mediterranean were brought to life by Egyptian opera sensation Farah el Dibany. Our sponsorship made an evening filled with Opera highlights and a tribute to Mediterranean Divas possible.
- In collaboration with the Modern Montessori School, we supported Stardust Academy’s “School of Rock of Ages,” a harmonious blend of music, education, and theatrical storytelling.
- Our backing of the Jerash Festival of Culture and Arts brought it back in its 37th season, adding to Jordan’s rich tapestry of cultural celebrations.
- The “Talaqi” musical gathering, a result of the partnership between Layth Sidiq, Hazem Shaheen, and graduates from the Action for Hope Music School, showcased a fusion of classical Arabic melodies from across the region, from Jordan to Egypt.
- A concert featuring Turkish cellist Cag Ercag alongside Jordanian pianist Zina Asfour was also among our sponsored events. The evening’s repertoire included works by Arab contemporary composers Iyad Mohammad and

Dia Succari, juxtaposing tradition with innovation.

- The 11th “Image Festival Amman,” under the banner of “Roots” and organised by Darat al Tasweer, received our support, exploring the theme through visual storytelling.
- The legendary Maestro Riccardo Muti and the Cherubini Orchestra’s performance was another highlight, sponsored in partnership with the Jordan Italian Forum for Cooperation, further cementing our dedication to international cultural exchange.
- Lastly, we sponsored a concert to celebrate the unique voice and style of Lena Chamamy, the Syrian-Armenian singer-songwriter known for her enchanting soprano and distinctive musical blend.



## 8.7 Volunteerism



Fostering a culture of volunteerism is at the heart of our commitment to positively impact the community. We believe in nurturing a deep connection between our employees and their workplace and the communities we serve. In 2023, our dedicated team of 256 employees devoted 887 hours to volunteer work, touching the lives of approximately 7,365 individuals across 37 different initiatives. More information on the volunteering programmes can be found throughout Chapter 8, 'Our Communities.' Below are some of the volunteering programmes we undertook in 2023:

### World Cancer Day Volunteering

In collaboration with the Nahno platform, we organised a volunteering activity on World Cancer Day, where we painted a large mural featuring a cancer awareness message in Irbid.

Painted one big mural in Irbid

### APN Volunteering

We conducted a voluntary activity aimed at planting 1,000 trees on World Planting Day across four locations: Amman, Karak, Irbid, and Aqaba, successfully planting 900 trees.

Planted 900 trees



### Madrasati Volunteering

As part of our strategic partnership with the Queen Rania Foundation (Madrasati programme), we organised a “Career Day” volunteering activity, welcoming 140 students from grades 9-12 from Abed Al Rahman Halholi School in Irbid. Our purpose was to discuss various bank careers and roles with the students.

140 beneficiaries

### Global Money Week

During Global Money Week (21-27 March), as part of our financial inclusion and literacy initiative, we implemented our global “Money Talks” tour in five private schools in Amman, targeting high school students.

600 beneficiaries

### Happiness Bus (Ramadan)

As part of our corporate social responsibility vision, we engaged the community during the holy month of Ramadan by spreading happiness across Jordan. We visited eight locations in four different governorates.

2,471 beneficiaries

### Children’s Museum Ramadan Iftar

We organised several Ramadan Iftars benefiting orphans and underprivileged children in collaboration with various associations.

150 beneficiaries

### KHCF (Run for Life at IAA School)

In support of the KHCF “Save a Life” programme, we participated in a telematch event at the International Academy Amman (IAA). Our volunteers assisted in managing the run.

2,500 beneficiaries

### Back to School Volunteering

We sponsored the Back-to-School campaign launched by the Crown Prince Foundation in collaboration with the Ministry of Education, aiming to provide backpacks and stationery to underprivileged students in public schools. Our employees participated in distributing these school packages.

700 beneficiaries

### World Clean-Up Day Volunteering

On International Cleaning Day, we organised a volunteering activity to clean the Barqash forest in the south of Irbid - Al-Kura District, collecting bags of rubbish to help restore its natural beauty.

20 bags

### Go Green Volunteering

As part of our partnership with KHCC through the “Go Green X Cancer” campaign, we participated in a tree-planting activity managed by KHCC in collaboration with The Arab Group for the Protection of Nature. Our volunteers helped plant 200 trees in Al Jeeza.

Planted 200 trees

### Injaz Volunteering - My Entrepreneurial Project & Career Guidance Campaign

Every year, we ensure our employees have the opportunity to volunteer with the Injaz programme, conducting various sessions on topics provided by Injaz to public schools.

184 beneficiaries

### Alwan Festival Volunteering CSR Day

As part of our sponsorship of Alwan, we dedicated a community day for underprivileged children to enjoy the festival experience.

1,000 beneficiaries

### Shorouq Comeback Programme Volunteering

As part of the Shorouq Comeback Programme, in collaboration with TUA, we helped pack food parcels for the “For You, Gaza” campaign. Additionally, we visited Rmaimeen Kindergarten, which was renovated by the Bank, and painted its walls.

Packed 600 parcels & painted 4 walls

### Madrasati Volunteering - AIPA's Volunteering

We organised an outreach event for the Amman Institute of Performing Arts, where we visited a public school and provided an informational lesson about musical instruments.

100 beneficiaries

## 8.8 Bank al Etihad Foundation

Demonstrating a steadfast commitment to the enrichment of arts and culture within Jordan, Bank al Etihad has established a foundation dedicated to fostering the performing arts both locally and across the Arab world. The heart of this initiative is the Amman Institute of Performing Arts (AIPA), which champions music education and training. Complementing this, the Amman Chamber Orchestra (ACO) presents a repertoire that beautifully merges Western and Middle Eastern classical music through its seasonal concerts. Beyond their main performances, the orchestra actively participates in outreach and educational initiatives, aiming to make a lasting impact on the broader Jordanian community.

- **ACO Concerts and AIPA Programmes:** The season showcased eight classical music concerts, drawing in over 2,500 attendees. It delivered upwards of 2,050 hours of music education and ventured into drama and dance with over 26 hours of workshops. Additionally, a special ninth concert was organised as a charitable event, with all proceeds donated to aid Palestine.
- **Outreach Concert and Scholarship Programme:** In a meaningful collaboration with 'Madrasati,' an outreach concert was held, seven of whom have had the honour of performing with the ACO, were transformed through music education.

Pillar	Amount (in JOD)
Access to Knowledge	265,229
Financial Inclusion & Economic Empowerment	79,305
Community Wellbeing	2,247,893
Environment	217,743
Arts and Culture	340,364
Other initiatives	167,477
<b>Total Amount (in JOD)</b>	<b>3,318,011</b>

Donations from 50K and above	
Institution Name	Amount
Al Hussein Technical University Endowment	100,000
Queen Rania Foundation	80,000
King Hussein Cancer Center	150,000
Himmetna Charitable Organisation	50,000
Waqf Thareed	100,000
Al Aqsa Initiative	550,000
Jordan Hashemite Charity Organization	1,000,000
National Aid Fund	92,966
<b>Total (in JOD)</b>	<b>2,122,966</b>



09

# Our Environment



The current state of our planet demands a collective and decisive response to combat climate change. Thus, collaboration among individuals, corporations, and governments is crucial to secure a sustainable future.

As a financial institution, we acknowledge our responsibility to protect the environment and drive positive environmental change by aligning our operational practices with sustainability goals. While we prioritise the integration of sustainability into our business strategies and investment decisions, we have also assessed our operational footprint and introduced innovative measures to minimise our environmental impact on energy, water, and other resources.



# 9.1 Resource Consumption

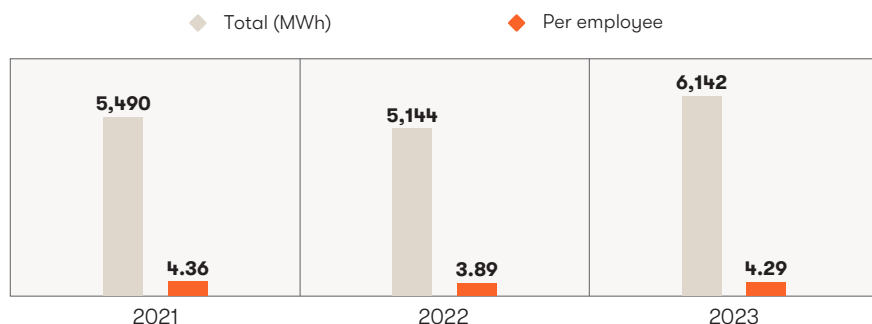


## Energy Consumption

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

We have been implementing energy conservation measures to reduce our energy consumption using LED lighting fixtures, timed operation equipment/ fixtures, replacing outdated A/C units with efficient units among others. Subsequent to our energy conservation activities, we have implemented and continue to expand the utilisation of Solar Photovoltaic (PV) panels and rooftops wherever possible to offset remaining energy demand.

### Electricity consumption



Despite an increase in the overall electricity consumption of the Bank, our average figures per employee have remained flat.

We have continued to expand our investments in solar PV to offset our electricity consumption. In 2023, two branches have inaugurated rooftop PV systems, contributing to our total installed capacity, which now exceeds 3.2 MW through both on-site and off-site generation.

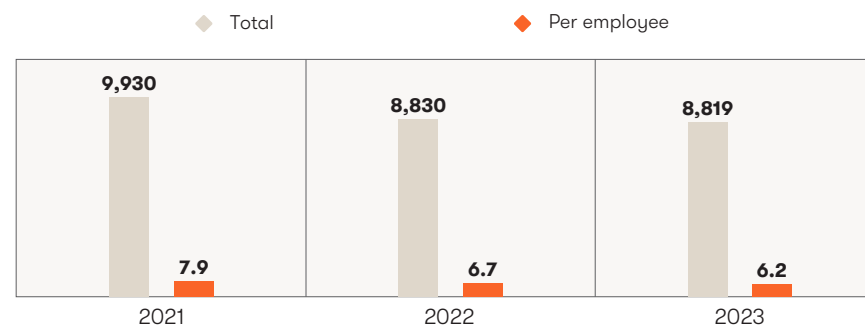
The following table captures the performance of our solar PV systems while highlighting their positive impact.

	Installed Capacity (MW)	Average Output (MWh/year)	Average CO2 Reduction (tonnes/ year)
Off-site	2.8	4,115	1,951
On-site Rooftop	0.4	600	284
Total	3.2	4,715	2,235

## Water Consumption

With fresh water becoming increasingly scarce, particularly in our region, it is imperative to conserve water resources, mitigate water pollution, and ensure fair water distribution. At Bank al Etihad, we are dedicated to preserving water resources by promptly addressing any water leak complaints submitted to our maintenance team. We prioritise quick resolution of issues such as burst pipes, malfunctioning toilets, and defective faucets to prevent water loss.

### Utility water consumption (m<sup>3</sup>)



## 9.2 Waste Management

At Bank al Etihad, we have taken steps to minimise waste throughout our operations. We recognised one significant area is paper usage. To tackle this challenge, we have implemented several initiatives promoting electronic workflows over paper-based ones. We raise awareness among our employees about their printing habits by placing reminder stickers near each floor printer, encouraging them to reconsider before printing hard copies. Additionally, we advocate for duplex printing to reduce waste. To manage our paper waste effectively, we have partnered with a recycling company that collects shredded paper waste regularly and repurposes it into other usable products.

Waste	2021	2022*	2023
Total Paper used (kg)	48,773	52,394	59,635
Paper use (kg/employee)	38.739476	39.57251	41.7028
Paper sent for recycling (kg)	16,910	46,590	23,725
Recycling (kg/employee)	13.431295	35.18882	16.59091
Recycling rate (%)	34.7%	88.9%	39.8%

\* 2022 recycling figures are higher due to a one-time effort to digitise historical archives.

Our recycling rate has increased between 2021-2023 (noting the caveat on 2022 figures) however we recognise that there is more to do with respect to reducing the overall paper use per employee which has increased as we expand branch operations. During 2024, guidelines will be set out to limit printing and further expand recycling rates across the Bank.

Within our sustainability framework, we have prioritised carbon emissions



## 9.3 Our Footprint

and footprint as key areas of focus for our bank. We are fully dedicated to monitoring, managing, and ultimately reducing our carbon footprint throughout our operations and financial activities.

As part of our strategy, we prioritise using energy from renewable sources and taking operational steps to quantify and manage emissions and generated waste.

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

The stated figures only cover emission from Bank al Etihad's operations not including subsidiaries.

	2021	2022	2023
Direct emissions - scope 1* (tco2e)	266	229	155
Indirect emissions - scope 2** (tco2e)	2,902.5	2,721.2	2,663.4

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

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

## 9.4 Procurement

We firmly believe that our commitment to sustainability transcends our internal operations. As an organisation, we are dedicated to extending these efforts across our supply chain. We conduct regular reviews with our suppliers to evaluate performance, adherence to quality, timely delivery, and Service Level Agreements (SLA).

In addition to these ongoing efforts, all new suppliers undergo detailed assessments based on technical, financial, social, and environmental criteria. We also evaluate our suppliers on environmental aspects, such as noise levels and energy consumption, amongst others. We continually emphasise the importance of complying with local labour laws to our suppliers and encourage female participation in the workforce. Moreover, through our Voice of Partner initiative, we regularly engage with our suppliers to gauge their satisfaction levels in working with us.

Expanding on our sustainability efforts, the Bank conducts regular audits of certain suppliers to ensure adherence to social responsibility standards, including fair labour practices. We are in the process of integrating environmental criteria into our supplier due diligence process. These new criteria will assess and ensure that our partners adhere to sustainable practices, evaluated based on their environmental impact, resource usage, and commitment to reducing their carbon footprint.

We are also currently developing social criteria within our supplier due diligence process to promote ethical and responsible business practices throughout our supply chain. These new standards will be implemented upon finalisation of all aspects.

### Initiative

Voice of Partner

### Description

In the latest phase of our “Voice of Partner” initiative, we continued our engagement with suppliers to assess their satisfaction levels and gather insights on our bank’s performance across various metrics. The results of this ongoing dialogue are highly encouraging.

### Outcome

- Partner Satisfaction Achievements:**  
 The initiative has consistently upheld an outstanding level of partner satisfaction with Bank al Etihad, demonstrated by outstanding Customer Satisfaction (CSAT) and Net Promoter Scores (NPS) of 89% and 73 respectively.
- Professionalism and Operational Excellence:**  
 Our partners have repeatedly praised our professionalism and the ease of conducting business with us, affirming our commitment to maintaining strong, supportive, and mutually beneficial relationships.



## Local Procurement

In the past year, we've experienced an exceptional expansion in our engagement with local suppliers. In 2023, the number of local suppliers increased by 53% from 2022, which is part of our broader procurement strategy to enhance community support. By prioritising our local suppliers, Bank al Etihad not only supports Jordan's economy but also strives to build stronger community relations and promote environmental sustainability by minimising the distance goods travel.

