

Together towards a sustainable Bahrain

Sustainability Report 2024



بنك البحرين للتنمية
BAHRAIN DEVELOPMENT BANK B.S.C (C)



Together towards a sustainable Bahrain

Sustainability Report 2024



Late Amir
His Highness
Shaikh Isa bin Salman
Al Khalifa



His Majesty
King Hamad bin Isa
Al Khalifa
The King of the Kingdom
of Bahrain



His Royal Highness
Prince Salman bin Hamad
Al Khalifa
Crown Prince and Prime Minister
of the Kingdom of Bahrain

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Message from the Chairman

Sustainability drives Bahrain's future

Ghassan Ghaleb Abdulaal
Chairman



“ This report marks a pivotal milestone in our institutional journey and reflects our unwavering commitment to supporting national development and contributing to a resilient, sustainable future for the Kingdom of Bahrain.”

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Message from the Chairman continued

On behalf of the Board of Directors, I am honored to present Bahrain Development Bank's inaugural Environmental, Social, and Governance (ESG) Report for the fiscal year 2024. This report marks a pivotal milestone in our institutional journey and reflects our unwavering commitment to supporting national development and contributing to a resilient, sustainable future for the Kingdom of Bahrain.

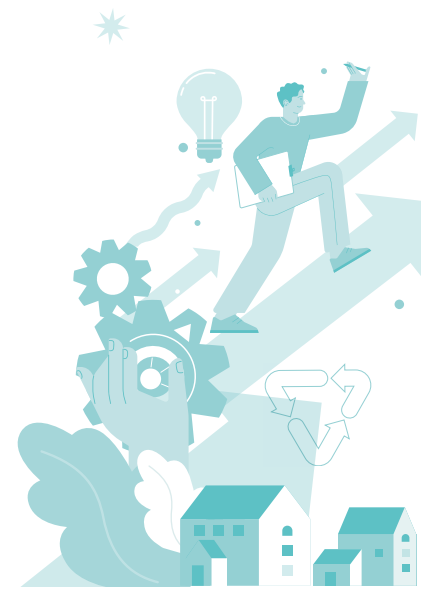
Since its establishment in 1992, BDB has played a central role in advancing Bahrain's economic diversification agenda. As a development-focused financial institution, we have consistently empowered small and medium-sized enterprises (SMEs), fostered entrepreneurship, and cultivated innovation across priority sectors integral to the Kingdom's long-term prosperity.

Bahrain's climate action has accelerated significantly in recent years, evolving into a core national priority. The Kingdom's historic 2021 pledge to achieve Net Zero emissions by 2060 firmly positioned sustainability as a pillar of its Economic Vision 2030. This commitment is reinforced by ambitious interim targets for 2035, including a 30% reduction in greenhouse gas emissions and substantial expansion of renewable energy capacity.

These national efforts align closely with the global imperative to combat climate change. Bahrain recognizes that addressing the climate challenge is a shared responsibility, and its actions reflect a purposeful alignment with international goals for a secure, sustainable future. Initiatives such as the Coastal Resilience Strategy, large-scale solar energy projects, and the issuance of the Central Bank of Bahrain's ESG Requirements Module exemplify a unified, transparent approach—mobilising government, industry, and the financial sector toward a low-carbon, climate-resilient future.

At BDB, we strongly support Bahrain's national sustainability agenda. Our alignment with Economic Vision 2030 and the CBB's ESG framework continues to inform our strategies to drive inclusive growth, stimulate job creation, support national climate commitments, and deliver long-term value for the Kingdom. ESG remains a cornerstone of our transformation strategy. We have developed a comprehensive ESG Strategy to guide our actions and ensure that our impact is meaningful, measurable, and aligned with national priorities and stakeholder expectations.

Through robust governance, proactive stakeholder engagement, and a materiality-driven approach, we are strengthening our institutional readiness and reinforcing our contribution to sustainable development. The publication of this ESG Report affirms our commitment to transparency and accountability in our sustainability journey.



As we look to the future, BDB remains steadfast in its mission to serve as a catalyst for socio-economic progress. We will continue to innovate, collaborate, and lead with purpose—ensuring that our success is measured not only by financial performance but also by the enduring positive impact we create for the people and communities we serve.

I would like to express my deepest gratitude to His Majesty King Hamad bin Isa Al Khalifa, His Royal Highness Prince Salman bin Hamad Al Khalifa, the Government of Bahrain, and our regulatory partners, including the Central Bank of Bahrain and the Ministry of Industry and Commerce, for their steadfast support and guidance. I also extend my sincere appreciation to our shareholders, Board members, executive management, employees, and strategic partners for their unwavering dedication.

Together, we are building a future where sustainability and economic prosperity advance hand in hand.

Ghassan Ghaleb Abdulaal
Chairman

“Our alignment with Economic Vision 2030 and the CBB's ESG framework continues to inform our strategies to drive inclusive growth, stimulate job creation, support national climate commitments, and deliver long-term value for the Kingdom. ESG remains a cornerstone of our transformation strategy.”

Message from the Chief Executive Officer

Building a resilient Bahrain together

Dalal Al Qais
Group Chief Executive Officer



“As a national development institution, BDB continues to play a pivotal role in strengthening Bahrain’s SME ecosystem, which represents more than 93% of all commercial establishments in the Kingdom.”

[Read more
www.bdb-bh.com](https://www.bdb-bh.com)

Message for the Chief Executive Office continued

I am pleased to present Bahrain Development Bank's Environmental, Social, and Governance (ESG) Report for FY2024—an important milestone that reflects our strategic commitment to sustainability, resilience, and inclusive economic growth.

Our mission has always been to enable businesses to thrive through access to finance and markets. Over the course of our 2022–2025 transformation strategy, this mission has evolved to position ESG as a core enabler of our long-term vision. Today, ESG principles are embedded across our operations, governance structures, and stakeholder engagements, ensuring that we deliver sustained value in a manner that is responsible, transparent, and aligned with national priorities.

As a national development institution, BDB continues to play a pivotal role in strengthening Bahrain's SME ecosystem, which represents more than 93% of all commercial establishments in the Kingdom. In FY2024, we disbursed BD 27.485 million in financing, contributing to the creation of more than 1,779 jobs and empowering SMEs, start-ups, and women-led enterprises across key economic sectors.



“Today, ESG principles are embedded across our operations, governance structures, and stakeholder engagements, ensuring that we deliver sustained value in a manner that is responsible, transparent, and aligned with national priorities.”

During the year, we developed and activated a forward-looking ESG Strategy structured around five strategic pillars: Enabling Economic and Social Growth, Empowering Our People and Communities, Driving Customer Excellence, Contributing to Environmental Sustainability, and Conducting Business Responsibly. Our ESG approach and disclosure practices are fully aligned with Bahrain's Economic Vision 2030 and the Central Bank of Bahrain's ESG Requirements Module—reinforcing our commitment to regulatory compliance, national impact, and global sustainability standards.

To institutionalize ESG integration, we established a robust governance model that includes Board-level oversight, a cross-functional ESG Steering Committee, and an ESG Working Group responsible for operational execution. Key initiatives—such as the planned launch of the BD 70 million National SME Fund, the expansion of digital banking services through Tijara, the integration of ESG considerations into risk management frameworks, enhanced employee engagement and well-being programs, and the formalization of an ESG Policy—demonstrate our commitment to aligning innovation with measurable and meaningful impact.

Looking ahead, ESG will continue to guide our strategic decisions and operational priorities. We remain committed to further operationalization of our ESG roadmap, advancing transparent reporting practices, and driving continuous improvement in support of shared prosperity for all stakeholders.

I extend my sincere appreciation to His Majesty King Hamad bin Isa Al Khalifa, His Royal Highness Prince Salman bin Hamad Al Khalifa, and the Government of Bahrain—including the Central Bank of Bahrain, the Ministry of Industry and Commerce, and our strategic partners such as Tamkeen and the Supreme Council for Women—for their unwavering support and guidance. I also express my gratitude to our Chairman, Board of Directors, executive management team, employees, and partners for their dedication and contribution to the Bank's ongoing progress.

Dalal Al Qais
Group Chief Executive Officer

Key ESG Highlights

Financial Inclusion and Job Creation



BD27,485
(Thousands)
in financing



1,779

Estimated jobs creation supported due to financing



Diversity and Gender Balance



56%
Male employees



44%

Female employees



50%
Female Directors on the Board

Our Environmental Footprint



5,704 GJ
Total energy consumption
39 GJ per employee



1,062 m³

Water consumption
7.3 m³ per employee



1,096 MT

Total CO₂ emissions
7.5 tCO₂e per employee

Employee Engagement and Development



Over 75th
Percentile employee engagement score



34

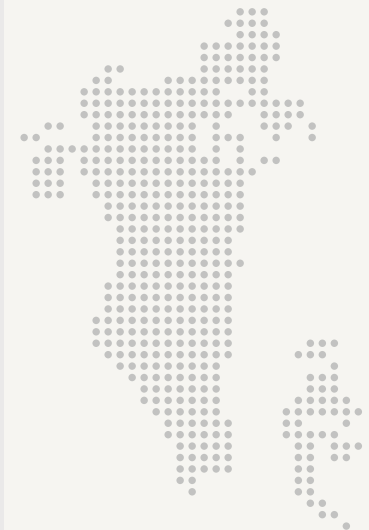
Average training hours per employee



Nationalization



93%
Bahrainization



About this Report



Purpose

This inaugural Environmental, Social, and Governance (ESG) Report marks an important milestone in Bahrain Development Bank's journey toward embedding sustainability across its operations and strategic direction. Developed in alignment with the Central Bank of Bahrain's ESG Requirements Module for financial institutions, the report provides a comprehensive overview of BDB's performance across key environmental, social, and governance dimensions.

It reflects our commitment to supporting Bahrain's Economic Vision 2030 and contributing to a sustainable, resilient national economy, while remaining true to our mandate of enabling SMEs and entrepreneurs to grow through improved access to finance and markets. This publication serves as a foundational reference for BDB's evolving ESG framework, demonstrating transparency, accountability, and progress in our sustainability integration efforts.



Reporting Scope

This report covers

BDB's ESG-related activities, initiatives, and performance for the fiscal year 1 January to 31 December 2024.

The scope of the report is limited to Bahrain Development Bank's banking operations within the Kingdom of Bahrain and does not include the activities or performance of its subsidiaries. Unless otherwise stated, all data presented pertains solely to BDB's standalone operations.



Guidelines and Standards

This ESG Report has been prepared in accordance with the following national frameworks and guidance:

- Central Bank of Bahrain (CBB) ESG Requirements Module
- Bahrain Bourse ESG Reporting Guidelines
- Bahrain's Economic Vision 2030

In drafting this report, BDB also referenced internationally recognized sustainability reporting principles to strengthen thematic consistency and enhance disclosure transparency.



Contact Details

We welcome feedback from our stakeholders as we continue to advance our ESG strategy and strengthen our impact.

For inquiries or suggestions, please contact us at: ESG@bdb-bh.com

Website: www.bdb-bh.com

About BDB

Corporate Overview

Bahrain Development Bank (BDB), established in 1992, is a financial institution wholly owned by the Government of Bahrain, and licensed by the Central Bank of Bahrain as a conventional retail bank.

BDB plays a pivotal role in fostering the growth and development of small and medium-sized enterprises (SMEs) and supporting entrepreneurship across the Kingdom of Bahrain. Aligned with Bahrain's Economic Vision 2030, the Bank advances economic diversification by promoting innovation and sustainable business practices. To fulfill its role as a catalyst for economic transformation, BDB offers a comprehensive suite of SME-focused solutions tailored to meet the unique needs of businesses throughout their lifecycle. Given that the SME sector is a vital driver for job creation, BDB strategically focuses on priority sectors, including healthcare, manufacturing, logistics, technology, and food security.

The Bank's membership in the SMEs Development Board further highlights its crucial role in fostering small and medium-sized enterprises. By actively participating on the Board, BDB directly influences national strategies and policies designed to drive growth, innovation, and financing for the entire SMEs sector in the Kingdom. BDB fulfills this key mandate by continually empowering entrepreneurs, creating jobs, and ensuring the sustainable economic growth of the Kingdom of Bahrain.

BDB plays a pivotal role in fostering the growth and development of small and medium-sized enterprises (SMEs) and supporting entrepreneurship across the Kingdom of Bahrain.



Vision and Mission



Vision

To be the regional leader in Digital Solutions and Financial Services for SMEs.

Mission

To enable businesses to grow locally and internationally through access to finance and markets.

Product Portfolio

Bahrain Development Bank (BDB) provides a comprehensive suite of financial products and services designed to accelerate the growth and long-term development of small and medium-sized enterprises (SMEs) across the Kingdom of Bahrain. Our offerings span a wide range of financing solutions, investment mechanisms, and digital banking platforms—each tailored to meet the evolving needs of businesses at every stage of their lifecycle. Through these targeted and accessible solutions, BDB reinforces its commitment to empowering entrepreneurs, fostering innovation, and supporting sustainable economic diversification.

FINANCIAL SERVICES

BDB provides a range of credit facilities and financing solutions, including:

- **BDB Finance:** Islamic financing (Sharia compliant) and conventional financing is offered to finance specific assets, such as plant or machinery, or working capital loans for sectors like manufacturing, Information and Communication Technology (ICT), Agribusiness, Private Education, Healthcare, Tourism, Trading and Transportation.
- **BDB & Tamkeen Finance:** In collaboration with Tamkeen, BDB provides soft financing initiatives programs to Micro, Small & Medium Enterprises.



- **Working Capital Loans:** Short-term financing to support day-to-day operational expenses.
- **Letters of Guarantee and Letters of Credit:** Instruments to facilitate trade and secure transactions.
- **Overdraft Facility:** Flexible credit lines to manage cash flow fluctuations.
- **Women Business Finance Scheme ("Riyadat"):** Specialized financing to empower women entrepreneurs.
- **Agricultural and Fisheries Loans:** Targeted financing options for individuals in the agriculture and fisheries sectors.
- **Education Loans:** Loans offered to Bahraini students to cover their university tuition expenses.

DIGITAL BANKING

BDB delivers a fully modernized and accessible digital banking experience through its dedicated platform, Tijara, designed specifically to support the needs of small and medium-sized enterprises. Tijara provides smart, efficient, and convenient digital solutions, enabling both existing and new clients to open call accounts online and apply for financing facilities of up to BD 15,000 with ease and speed.

In 2024, BDB became one of the first financial institutions in the region to introduce end-to-end digital Invoice Discounting, enabling buyers and sellers to execute supply chain financing transactions entirely online. This innovative service enhances liquidity management for businesses and contributes to a more agile and efficient commercial ecosystem.

The Bank also offers Parametrized Lending, an advanced rule-based credit framework that applies predefined criteria—such as risk rating, financing amount, financial standing, and collateral requirements—to standardize loan assessments. This approach streamlines credit processing, improves turnaround times, and ensures transparent, consistent, and well-governed lending decisions aligned with BDB's credit policy.



Financial Highlights



TOTAL ASSETS

217,193

(BD Thousands)

NET ISLAMIC FINANCE AND INTEREST INCOME

7,712

(BD Thousands)

NET FEE & COMMISSION AND OTHER INCOME

1,942

(BD Thousands)

NET INTEREST MARGIN

4.1%

OPERATING INCOME

9,654

(BD Thousands)

CAPITAL ADEQUACY RATIO

70.3%

12.5% minimum level set by Central Bank of Bahrain

Awards and Recognition

As a testament to our commitment to delivering value to our stakeholders through talent, innovation, and relationships, we have received several awards and accolades from regional and international bodies. This recognition reflects our dedication to excellence and our positive impact on the industry.



Bahrain Development Bank Named Among Al Bilad's

Top 50 Bahraini Companies for 2024



Most Outstanding Digital Transformation

International Business Magazine



Leading SME Bank

International Business Magazine



Best Employee Engagement Program

The Asian Banker



The Middle East's 100 Most Powerful Businesswomen 2024

Forbes



Excellence in Environmental Sustainable Development

GCC International CSR Awards



Most Innovative Digital Transformation Bank

International Finance Magazine



Best Emerging Woman Banking CEO

International Finance Magazine



Best Online Services for Micro and SME Bahrain 2024

Global Banking & Finance Magazine



Best SME Bank Bahrain 2024

Global Banking & Finance Magazine



Best Mobile App for Micro and SME Bahrain 2024

Global Banking & Finance Magazine



Our Approach to ESG

Sustainability is a central pillar of Bahrain Development Bank’s four-year transformation strategy and a critical driver of long-term value creation, institutional resilience, and national economic progress. ESG considerations are woven into the fabric of our strategic priorities—People & Culture, Revenue Generation, Cost Optimisation, Process Reengineering, and Rebranding & Marketing—ensuring that our operational objectives are fully aligned with the material sustainability topics identified through our comprehensive materiality assessment.

Our evolving ESG journey is anchored in a clear vision:

To support Bahrain’s economic transformation by embedding ESG into SME financing, fostering job creation, promoting sectoral development, and advancing economic diversification for a resilient and equitable national future.

To realize this vision, BDB has developed a structured ESG Strategy informed by a rigorous materiality assessment. This assessment identifies the ESG topics that are most relevant to our business and stakeholders, enabling us to prioritize our efforts where they generate the greatest impact.

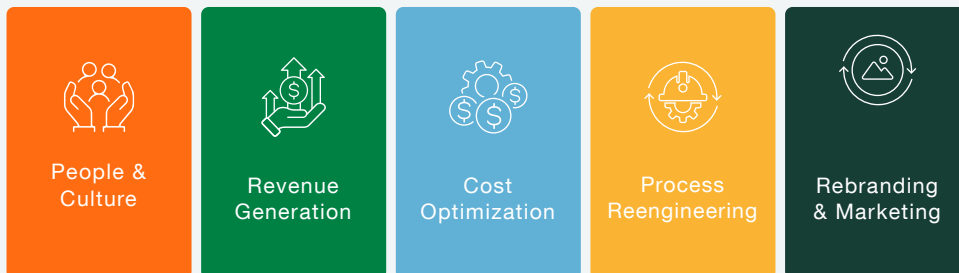
The process is centered on meaningful stakeholder engagement, incorporating insights from a broad group of internal and external stakeholders to ensure that our ESG focus areas reflect real expectations, emerging risks, and national priorities.

The resulting material topics form the foundation of our ESG Strategy and are detailed in the subsequent sections of this report.

Stakeholder Engagement

BDB maintains an active and transparent dialogue with a diverse range of stakeholders, including customers, employees, regulators, government entities, suppliers, industry associations, academic institutions, community groups, and not-for-profit organizations. We engage these stakeholders through both formal and informal channels, enabling us to continuously understand their expectations and respond effectively through our products, services, and initiatives.






BDB’s Strategic Priorities



Our Approach to ESG

continued

The table below provides an overview of the key interests and communication channels for our key stakeholder groups.

Stakeholders	Relationship	Key interests	Communication channels
 <p>Government and regulators</p>	BDB is a government-owned bank and its mandate and strategy is aligned with national economic priorities and regulatory requirements.	<ul style="list-style-type: none"> Regulatory compliance Economic growth Alignment with national ambitions and growth plans Nationalization ESG topics (Environmental stewardship, Climate risk mitigation, Community investment, Human rights, Diversity and equal opportunity, Business ethics, Data privacy) 	<ul style="list-style-type: none"> Shareholder meetings Regulatory reporting Consultations Working groups
 <p>Customers</p>	Entrepreneurs and SMEs rely on BDB for the financial services and guidance essential for business growth. The bank fosters trusted, long-term relationships by providing accessible and tailored solutions for their clients' economic success.	<ul style="list-style-type: none"> Customer service and experience Customer satisfaction Data protection and privacy 	<ul style="list-style-type: none"> Branch visits Online and mobile banking Customer contact centers Social media Newsletters / Emails / Messages Customer surveys
 <p>Employees</p>	Employees are instrumental in helping the Bank achieve its mission. The Bank is committed to investing in its workforce through continuous professional development and by fostering a supportive work environment.	<ul style="list-style-type: none"> Employee Wellbeing Equal and Fair Opportunity Health & Safety Training & Development Business Ethics Nationalization 	<ul style="list-style-type: none"> Annual employee engagement surveys Training sessions and workshops Internal communication channels like intranet, employee newsletters, town halls etc. Focus group discussions Employee volunteering programs
 <p>Suppliers</p>	Suppliers are essential for providing high quality goods and services required to support the Bank's operations.	<ul style="list-style-type: none"> Sustainable procurement Supplier engagement Data privacy Compliance with fair and ethical business practices 	<ul style="list-style-type: none"> Supplier negotiations and agreements Supplier Code of Conduct
 <p>Community</p>	BDB is committed to investing in various economic and social segments to build a more inclusive society.	<ul style="list-style-type: none"> Job creation Social welfare Access to finance 	<ul style="list-style-type: none"> Community welfare events and sponsorships Employee volunteering

Our Approach to ESG

continued

Materiality Assessment

In 2025, the Bank completed its first materiality assessment through engagement with key internal and external stakeholders. This comprehensive exercise helped us identify and prioritize the most significant ESG issues for both BDB and our stakeholders, thereby forming the foundation of the Bank's ESG strategy. By focusing on these key areas, the Bank ensures its sustainability initiatives deliver the greatest impact and align with its national and global commitments.

Our Approach

Identify: An extensive list of potential material ESG topics were identified and compiled through secondary research. This included reviewing issues identified by industry peers and topics specified by regulatory requirements such as the Central Bank of Bahrain (CBB) ESG Requirements Module, Bahrain Bourse ESG Reporting Requirements, and leading reporting standards, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Assess: Internal and external stakeholders were engaged through online surveys to gather their inputs and identify topics that are most relevant to the Bank and its stakeholders. The stakeholders engaged in the materiality survey included the CBB, BDB senior management & employees, and customers. Secondary research was conducted to understand the priorities and needs of community beneficiaries.

Analyze: Survey responses and research findings were quantitatively analyzed to determine the relative significance of each ESG topic. Using a systematic scoring methodology, the topics were prioritized across environmental, social, and governance dimensions and plotted on a materiality matrix. This visual representation enabled clear assessment of the intersection between stakeholder interest and business impact.

Validate: The materiality matrix was validated and finalized in consultation with the senior management team to ensure alignment with BDB's overall business priorities.

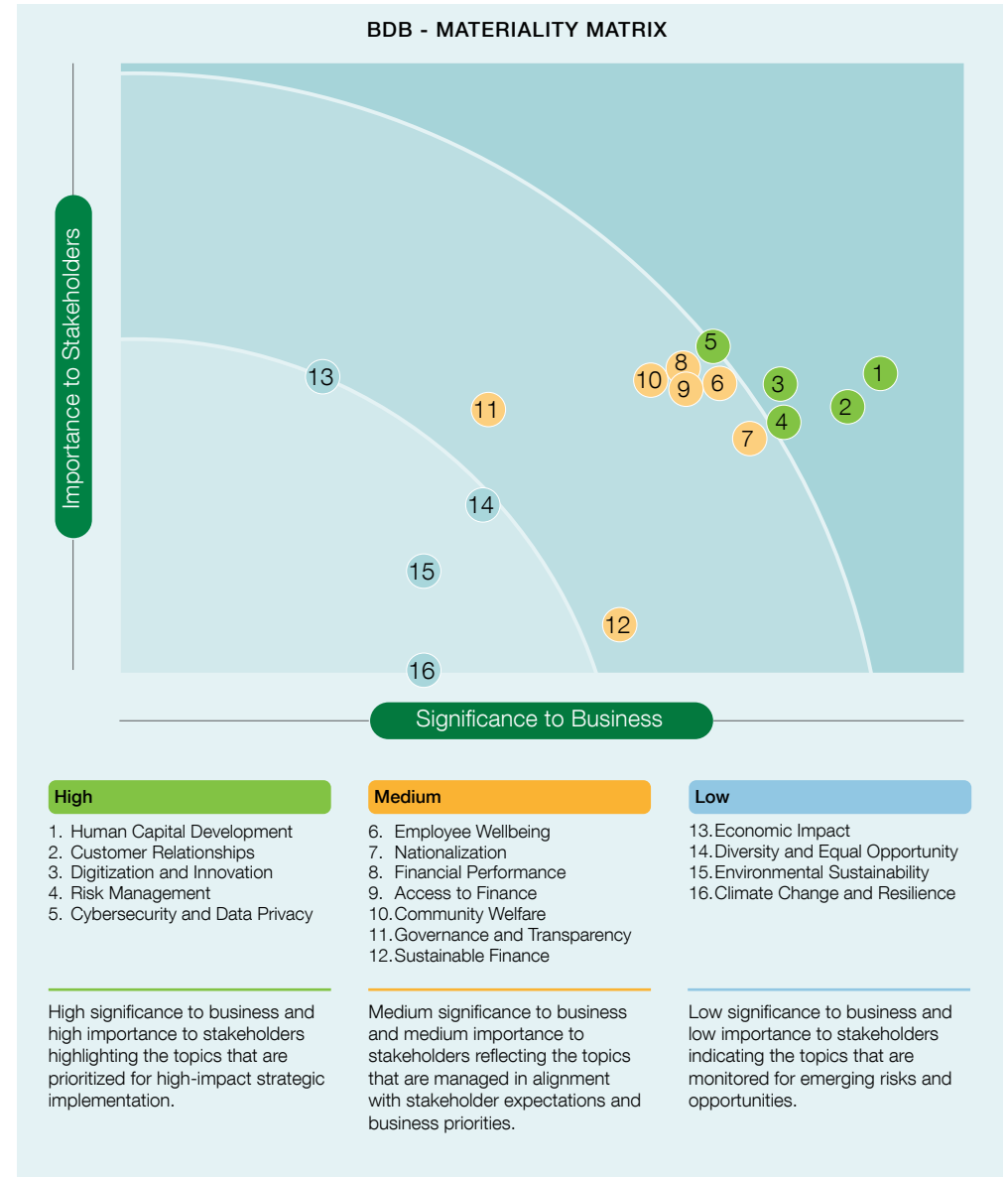
BDB's ESG Strategy

BDB's ESG Strategy is built upon the priority topics identified through a comprehensive, stakeholder-informed materiality assessment. Developed in consultation with both internal and external stakeholders, the strategy ensures that the Bank's sustainability efforts are targeted, relevant, and aligned with national and global expectations.

The strategy is structured around five strategic pillars, with each pillar anchored by the material ESG topics most critical to BDB's long-term impact and performance. This framework enables the Bank to integrate sustainability across its operations, strengthen governance, and drive measurable progress in support of Bahrain's economic and social development goals.

Our Material Topics

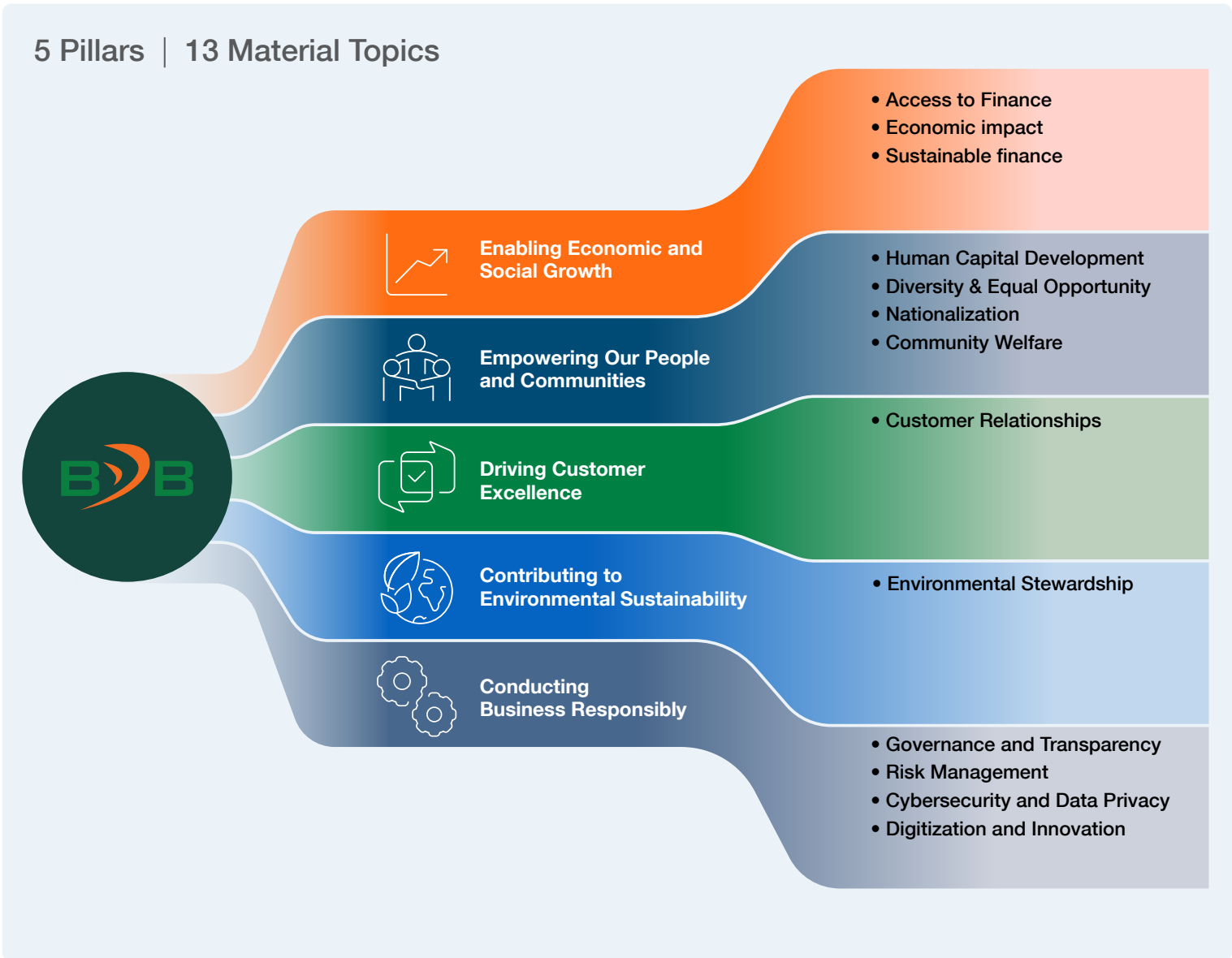
BDB identified 16 material topics that were a priority for the business and its stakeholders. The topics were subsequently ranked by relative importance (categorized as low, medium, or high) and plotted on a materiality matrix.



Our Approach to ESG
continued

BDB's ESG Material Topics

The Bank's ESG strategy is built upon the material topics identified through a comprehensive materiality assessment conducted in close consultation with both internal and external stakeholders. The strategy is organized around five strategic pillars, with each pillar aligned to the material topics most relevant to the Bank's operations, stakeholder expectations, and long-term national priorities.



Our Approach to ESG continued

ESG Strategic Pillars

Enabling Economic and Social Growth



This pillar focuses on advancing inclusive and sustainable economic prosperity across Bahrain. BDB supports this mandate by expanding access to finance, empowering SMEs, stimulating entrepreneurship, and enabling innovation. These efforts strengthen national development and contribute to job creation, income growth, and sector competitiveness.

Strategic priorities under this pillar include:

- **Access to Finance:** Enhancing SME growth, supporting entrepreneurship, and strengthening the capabilities of SMEs and start-ups through targeted financial solutions.
- **Economic Impact:** Capturing BDB's direct and indirect contributions to the national economy, including employment generation, income uplift, GDP contribution, and local business development.
- **Sustainable Finance:** Expanding products and services aligned with ESG objectives, including green, social, and sustainability-linked financing instruments.

Empowering Our People and Communities



This pillar centers on building a high-performing workforce and supporting vibrant communities. BDB invests in continuous learning, gender equality, diversity, and employee well-being, while advancing community development through targeted social initiatives aligned with national priorities.

Strategic priorities under this pillar include:

- **Human Capital Development:** Implementing practices that enhance employee skills, leadership capabilities, and organizational effectiveness.
- **Diversity & Equal Opportunity:** Promoting fair and inclusive practices that ensure equal access to opportunities regardless of race, gender, age, disability, religion, or background.
- **Nationalization:** Expanding opportunities for Bahraini talent and increasing the proportion of nationals across the workforce.
- **Community Welfare:** Supporting community investment initiatives and promoting employee volunteering to enhance social well-being and inclusion.

Driving Customer Excellence



This pillar reflects BDB's commitment to delivering superior, customer-centric banking experiences tailored to the evolving needs of SMEs and entrepreneurs. The focus is on enhancing satisfaction, responsiveness, and digital innovation across all customer touchpoints.

Strategic priority under this pillar includes:

- **Customer Relationships:** Strengthening customer satisfaction through transparent communication, digital self-service solutions, and efficient resolution of customer concerns.

Contributing to Environmental Sustainability



Through this pillar, BDB seeks to minimize its environmental footprint and contribute meaningfully to national sustainability priorities. The Bank supports environmentally responsible practices across its operations and financing activities, while promoting data-driven environmental performance management.

Strategic priority under this pillar includes:

- **Environmental Stewardship:** Advancing environmental management practices through structured systems, enhanced monitoring, and focused efforts on energy and greenhouse gas (GHG) emissions reduction.

Conducting Business Responsibly



This pillar reinforces BDB's commitment to maintaining strong governance, delivering ethical and responsible financial services, ensuring full regulatory compliance, and upholding transparency across all operations. It also reflects the Bank's focus on integrating sound risk management practices in alignment with Bahraini regulations and international best practices. These foundations enable BDB to operate with integrity while safeguarding stakeholders' interests.

Strategic priorities under this pillar include:

- **Governance and Transparency:** Ensuring strong governance through comprehensive ethical frameworks and clear accountability mechanisms. This includes enhancing Board-level ESG competencies, implementing a multi-layered ESG governance structure, maintaining rigorous ethics and anti-corruption policies, and extending ESG expectations to the Bank's suppliers and partners.
- **Risk Management:** Embedding ESG considerations within the Bank's enterprise-wide risk management framework, including the Internal Capital Adequacy Assessment Process (ICAAP), credit assessments, and climate-related risk evaluations.
- **Cybersecurity and Data Privacy:** Strengthening data protection and privacy through advanced cybersecurity capabilities, robust controls, ongoing risk assessments, and continuous oversight of critical vendors and partners.
- **Digitization and Innovation:** Leveraging digital technologies and platforms to enhance operational efficiency, improve service delivery, and provide customers with secure, seamless, and innovative banking solutions.

Our Approach to ESG

continued

ESG Governance Framework



To effectively operationalize its ESG strategy, BDB has developed a detailed ESG roadmap for each of the five strategic pillars and their associated focus areas. This roadmap outlines clear initiatives, measurable targets, and defined Key Performance Indicators (KPIs) to track progress and performance.

Key strategic KPIs are included in the annexure of this report. In addition, a dedicated ESG governance structure has been established to ensure strong oversight, while clearly articulated roles and responsibilities support effective execution across the Bank.

To strengthen transparency and ensure data-driven reporting, BDB has implemented an online ESG data collection and monitoring platform. This system enables robust, real-time tracking of ESG performance and ensures alignment with national priorities and regulatory requirements.

BDB has established a comprehensive, three-layered governance structure to ensure effective oversight of ESG and climate-related matters across the organization.

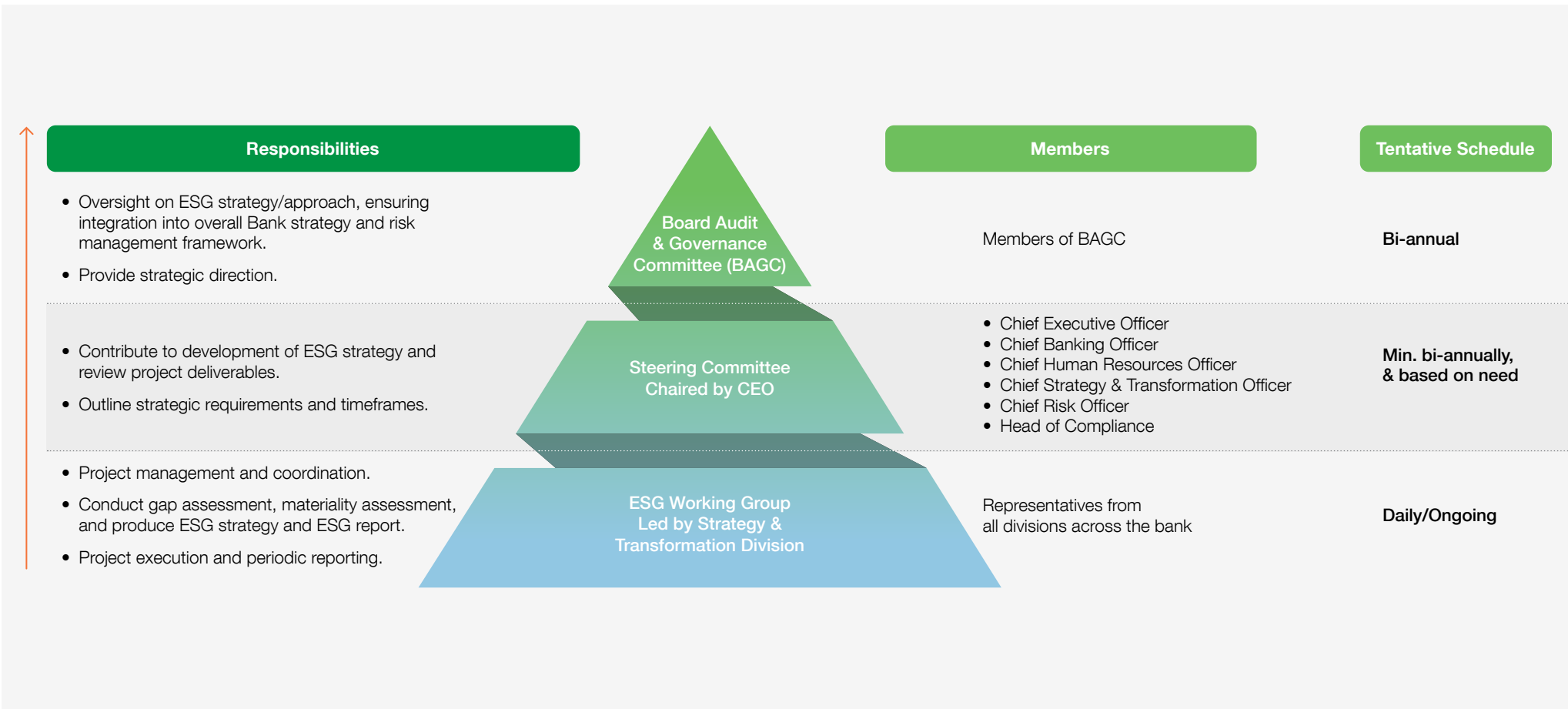
At the Board level, ESG responsibilities are embedded within the mandate of the Board Audit and Governance Committee (BAGC). The Committee is entrusted with integrating ESG considerations into BDB's overarching business strategy to ensure alignment with the Bank's vision, mission, and values. It provides strategic guidance on the development of the ESG roadmap, approves goals and targets, oversees progress, and monitors ESG-related risks and opportunities. The BAGC convenes in accordance with its charter, and ESG progress and climate-related risk updates are formally reviewed as part of its regular meetings.

At the Management level, a cross-functional ESG Steering Committee has been established to steer the Bank's ESG agenda. The Committee is responsible for shaping ESG strategies, overseeing implementation of the ESG roadmap, and monitoring performance against defined objectives. It provides periodic updates to the BAGC, ensuring continuous Board visibility on ESG matters. The Steering Committee also oversees the preparation of BDB's annual ESG and sustainability disclosures, including the ESG section of the Annual Report.

At the Implementation level, the Strategy & Transformation (S&T) division—acting as BDB's ESG champion—leads all operational aspects of the ESG agenda, including reporting and cross-functional coordination. A dedicated ESG Working Group, comprising representatives from key departments and coordinated by the S&T division, is responsible for translating the ESG strategy into actionable initiatives. The Working Group provides regular data and progress updates, identifies challenges or gaps, and recommends enhancements to improve execution and alignment with the Bank's ESG targets.

ESG Governance Structure

**BDB is fulfilling ESG governance requirements through 3 levels of oversight:
BAGC, Steering Committee, and ESG Working Group
The Strategy & Transformation Division is the ESG Champion and project manager**





Enabling Economic and Social Growth



Enabling Economic and Social Growth

Access to Finance and Economic Impact

BDB continues to play a pivotal role in strengthening access to finance for underserved segments of the economy—most notably small and medium-sized enterprises (SMEs). In alignment with Bahrain’s Economic Vision 2030, our initiatives prioritize inclusive financial empowerment, product innovation, and support for national development priorities.

The Bank offers a comprehensive suite of Islamic (Sharia-compliant) and conventional financing solutions tailored to the diverse needs of SMEs across key sectors. Among these, the agriculture and fisheries sector remains a national priority given its central role in enhancing Bahrain’s food security.

To support this sector, BDB provides specialized, interest-free financing to individual customers engaged in agriculture and fisheries. These facilities may be used for a wide range of purposes, including developing agricultural production, purchasing new or used boats and engines, acquiring fishing equipment or spare parts, and maintaining existing assets.

In partnership with Tamkeen, we also extend soft financing programs to Micro, Small, and Medium Enterprises (MSMEs), aligned with Islamic Sharia principles. Tamkeen subsidizes a portion of the profit rate, enabling eligible enterprises to benefit from more affordable financing. Key programs include:

In addition to these programs, BDB provides various trade and working capital solutions—including Letters of Credit, Letters of Guarantee, Overdraft Facilities, and Invoice Discounting. In 2024, BDB became the first institution in Bahrain to introduce a fully digital invoice discounting supply chain solution for SMEs. The Bank also supports individuals seeking higher education through dedicated education loan offerings.

As part of our commitment to innovation and financial inclusion, BDB launched Tijara, a dedicated digital banking platform designed to deliver efficient, intuitive, and user-centric financial services. Tijara provides SMEs and start-ups with seamless digital onboarding, instant access

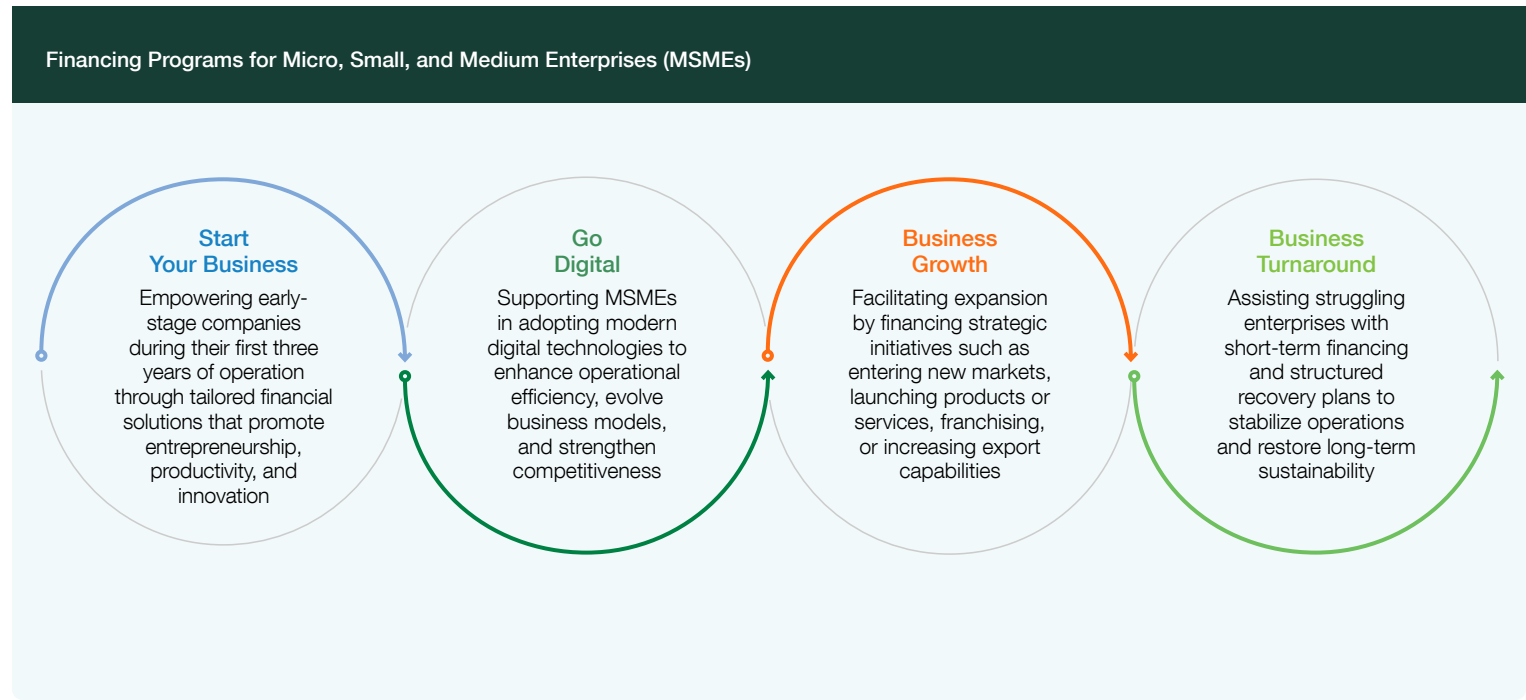
to express digital loans, and a full suite of online banking capabilities. Through simplified processes and accelerated financing options, the platform enables businesses to access capital quickly, enhance operational agility, and strengthen long-term resilience in a rapidly evolving digital economy.

BDB is strongly committed to supporting and empowering women-led start-ups and entrepreneurs across the Kingdom. The Riyadat Scheme is a flagship program dedicated to enabling Bahraini women-owned start-ups and SMEs to grow, scale, and reach their full potential. Delivered in partnership with Tamkeen, the Supreme Council for Women (SCW), and BDB, the program provides Sharia-compliant financing tailored specifically to the needs of women entrepreneurs.

Through its Riyadat Mall property, BDB also supports the Innovate for Bahrain Centre (I4B)—an initiative established by the SCW, BENEFIT Company (a national leader in fintech and electronic financial services), and Bahrain FinTech Bay. Operated by Bahrain FinTech Bay and supported by Tamkeen, I4B equips women with the tools, resources, training, and networks required to excel in the digital economy. This partnership reinforces BDB’s broader commitment to fostering entrepreneurship and accelerating women’s economic participation.

Beyond financing, BDB offers a comprehensive platform of services for entrepreneurs, including dedicated credit facilities.

BDB also serves as the investment manager for the USD 100 million Al Waha Venture Capital Fund of Funds, a government-led initiative aimed at stimulating the region’s emerging venture capital ecosystem. The Fund invests in VC firms with a strategic focus on Bahrain and the wider MENA region across seed, early-stage, and growth-stage investments—thereby catalyzing innovation, job creation, and new business formation.



Enabling Economic and Social Growth continued

SMEs account for more than 93% of Bahrain's commercial establishments, underscoring their essential contribution to job creation, export expansion, and economic diversification. As a key member of the SMEs Development Board—established in 2017 and chaired by the Minister of Industry and Commerce—BDB plays an integral role in shaping national SME policies and advancing the entrepreneurship landscape. The Board includes representatives from the Ministry of Industry and Commerce, the Economic Development Board, Tamkeen, Bahrain Development Bank, and the Tender Board.

The Board's vision is to position Bahrain as a leading regional hub for start-ups and emerging enterprises by developing strategies that boost SME contributions to national GDP¹, accelerate export growth, and generate high-quality jobs. This mandate aligns closely with Bahrain's Economic Recovery Plan, which includes 43 targeted initiatives to strengthen the SME sector.

In direct support of national efforts, BDB has committed to increasing the share of SME financing to 20% of total business loans by 2025—a target the Bank has already exceeded. During the reporting period, SME financing accounted for 67% of BDB's total business loan portfolio², far surpassing the national banking industry average of 11%. This achievement underscores BDB's dedication to expanding economic opportunity and supporting SME competitiveness.

In partnership with Export Bahrain, BDB is also enabling local SMEs to expand internationally by bridging export financing gaps. This initiative aligns with the SME Development Board's 2022–2026 Strategy, which aims to nurture a thriving, globally competitive SME ecosystem. In addition, BDB's collaboration with the Bahrain Tender Board is improving SME access to government tenders, enabling more businesses to participate in and benefit from public-sector contracting.

BDB actively supports the Farmers' Market at Hoorat A'ali, a vibrant, community-centered marketplace that highlights locally grown produce and handmade goods. This initiative plays a direct role in strengthening Bahrain's food security by reinforcing the local agricultural supply chain, reducing reliance on imports, and providing farmers with a sustainable platform to market their products—ultimately encouraging long-term domestic food production.

To further amplify its impact, BDB promotes the market across its communication platforms and collaborates with vendors to enhance visibility, accessibility, and commercial opportunities. Throughout the year, the Bank hosted several themed events at the Farmers' Market, which helped increase footfall and attract new visitors. These events celebrated Bahraini agricultural crops and showcased high-quality products from Bahraini productive families, benefiting all participating tenants.

Through its properties—including Riyadat Mall, Sitra Mall, and the Farmers' Market—BDB has supported more than 250 Bahraini farmers, productive families, and women-owned businesses, providing them with commercial space, increased exposure, and enhanced access to markets.

NATIONAL SME FUND | صندوق المؤسسات الصغيرة والمتوسطة

In November 2024, BDB, in partnership with a consortium of leading local and regional banks, announced the launch of the Kingdom's first BD 70 million Private Credit National SME Fund. The fund aims to accelerate economic development by providing critical financial support to SMEs.

It will be managed by BDB with support provided by Tamkeen and will be developed in collaboration with the Ministry of Industry and Commerce (MOIC), National Bank of Bahrain (NBB), Al Salam Bank, and Bank of Bahrain and Kuwait (BBK). The fund will focus on high-value sectors with significant export potential and job creation opportunities.

It has a 5-year investment period & 4-year harvest period. Contributing to Bahrain's sustainability goals, up to 10% of the fund will be allocated to support green economy initiatives.

In partnership between



Supported by



¹ [SME contribution to Bahrain economy](#)

² In terms of outstanding principal amount

Enabling Economic and Social Growth continued

CASE STUDY:

Supporting Local Farmers and Contributing to Food Security

BDB's Farmers' Market plays an active role in strengthening food security in the Kingdom of Bahrain by supporting local producers, promoting domestic agricultural and aquaculture activities, and facilitating direct market access for homegrown businesses. Through the market, BDB provides a platform for farmers and food producers to scale their operations, reach consumers, and contribute to a more resilient local food ecosystem.

The initiative aligns with Bahrain's national food security objectives and broader sustainability priorities by fostering local production, encouraging responsible consumption, and supporting SME-led economic diversification.

Supporting Sustainable Agriculture and Aquaculture SMEs

The following key businesses operate their own farms and sell locally produced food directly to consumers at the Farmers' Market:

Peninsula Farms W.L.L. is a locally owned agricultural enterprise specializing in natural and organic products. Its offerings include fresh organic vegetables, goat milk, and value-added products such as goat milk soap designed for different skin types. The company follows small-scale, sustainable farming practices that emphasize product quality, animal welfare, and reduced chemical inputs.

Operating at BDB's Farmers' Market since 2018, Peninsula Farms has used the platform to build brand recognition, test new products, and expand its customer base. Beyond direct-to-consumer sales at the Market, the company supplies its products to supermarkets across Bahrain, thereby extending the reach of locally produced food into the wider retail market. This contributes to improved availability of domestic agricultural products, reduces dependence on imported alternatives, and supports year-round income stability for local farmers. Additionally, BDB has been a key partner in Peninsula Farms W.L.L.'s growth journey since 2014, providing financing facilities that have supported the sustainability and expansion of its agricultural operations.



Enabling Economic and Social Growth continued

Case Study continued



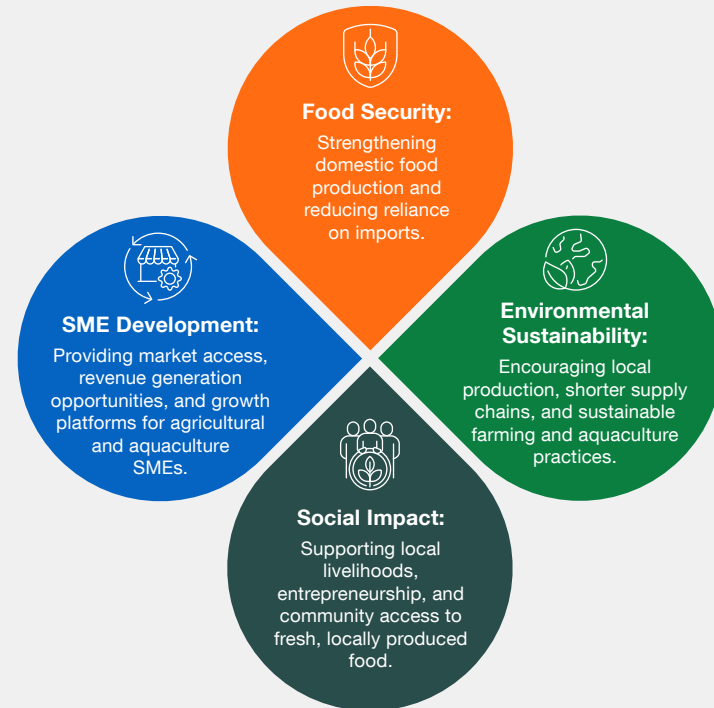
Dar Aqua & Agriculture W.L.L., operating under Al Dar Restaurant, is an integrated aquaculture and agriculture business focused on producing fresh, locally sourced fish alongside organic vegetables. The company adopts a farm-to-table model, offering freshly harvested fish for on-site dining at the Farmers' Market, while also selling produce directly to consumers.

Active at the Market since 2019, Dar Aqua & Agriculture contributes to diversifying Bahrain's local food supply, particularly in the aquaculture segment, which is critical for national food security. By shortening supply chains and connecting consumers directly with producers, the business promotes transparency, freshness, and responsible consumption, while supporting sustainable aquaculture practices and local employment.



ESG Impact and Broader Outcomes

Through the Farmers' Market and its support of businesses such as Peninsula Farms and Dar Aqua & Agriculture, BDB advances several environmental, social, and economic objectives:



Through such initiatives, BDB reinforces its role as a key enabler of SMEs and a contributor to Bahrain's sustainable development agenda, supporting long-term economic resilience while delivering measurable social and environmental value.

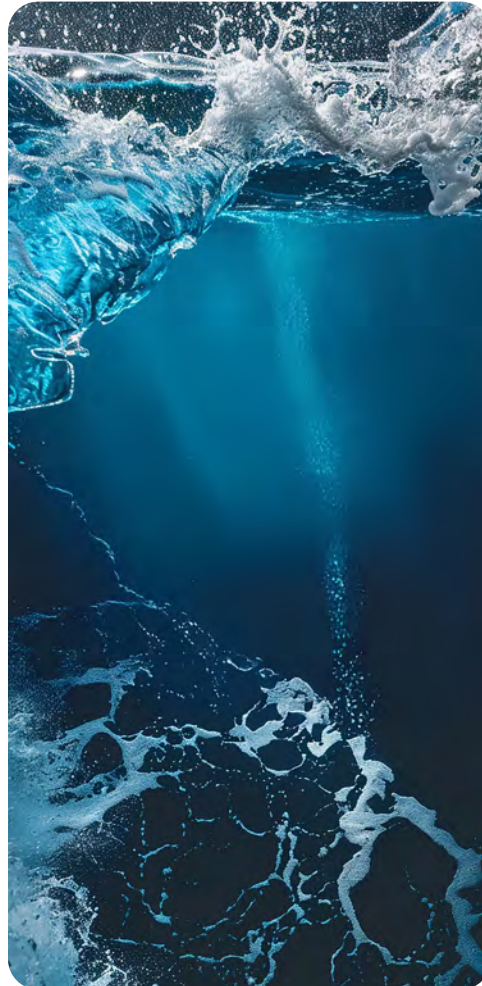
Enabling Economic and Social Growth continued

Client Testimonials

Aqua Technology Transfer W.L.L.

Our experience with Bahrain Development Bank has been positive overall, with reliable support extended toward our financing requirements. As a business focused on sustainable practices and strong governance, the financing we received enabled us to advance initiatives aligned with ESG objectives, maintain operations, and complete key projects throughout 2024.

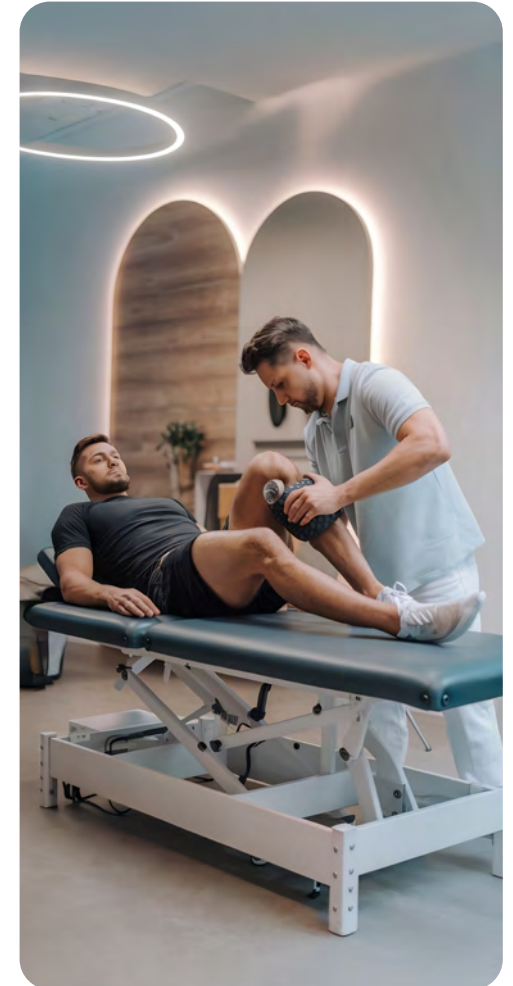
The application process was clear and manageable, supported by a responsive team and relationship managers. We recognize the Bank as a dependable partner and would consider recommending its services to other SMEs seeking financial stability and growth.



Back on the Move Rehab Centre WLL

As a healthcare service provider committed to environmentally responsible operations such as reducing paper consumption, ensuring proper medical waste handling, and promoting inclusive community wellbeing our partnership with Bahrain Development Bank has been a valuable enabler of our ESG progress.

The loan allowed us to secure a strategic location that enhanced our accessibility, increased community footfall, and contributed to stronger operational sustainability. We appreciate BDB's encouragement and support, which helped us lay the foundation for continued growth, and we would recommend BDB to other SMEs seeking a committed and supportive financing partner



Enabling Economic and Social Growth
continued

Direct and Indirect Economic Impact of BDB
(in numbers)

Disbursed total
BD 27.485m

in financing in 2024, expected to support the creation of approximately

1,779 jobs

464 MSMEs
received

BD 17.446m

in funding

SME financing
exceeds

93%

of BDB's total business loans

based on number of loans

94 projects

in agriculture & fisheries sectors benefited from

BD 1.346m

in financing

21 Startups

received a total funding of

BD 963,000

Since establishment of the Riyadat scheme in 2016,

328 women entrepreneurs

benefitted from

BD 8.490m

in financing, as of December 2024

Support to over

115

Bahraini Farmers, Bahraini Productive Families and businesses

through the Farmer's Market since initiation of the project

18 tenants

supported at Sitra Mall in 2024

Since its inception in 2013,

130 tenants

were supported through the Riyadat Mall property









Enabling Economic and Social Growth continued

Sustainable Finance

At BDB, the majority of our products, services, and initiatives are intentionally designed to generate meaningful social and environmental benefits. Through these solutions, we contribute to inclusive economic growth, community development, and long-term national resilience.

In 2024, we continued to expand financing offerings that inherently advance sustainability—whether by empowering underserved populations, promoting gender equality, supporting agricultural and fisheries livelihoods, or enabling digital transformation across SMEs. These efforts reflect our commitment to aligning BDB's financing portfolio with Bahrain's national priorities and global sustainable development frameworks, particularly the United Nations Sustainable Development Goals (UN SDGs).

Alignment of BDB's key products and services with UN SDGs

KEY PRODUCTS / SERVICES	PRIMARY PURPOSE	MAPPING WITH UN SDGs
SME Loans	Support for small and medium enterprises across sectors	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure 
Agriculture & Fisheries Loans	Promote food security, livelihoods, and sustainable farming	<ul style="list-style-type: none"> SDG 2: Zero Hunger SDG 9: Industry, Innovation and Infrastructure SDG 14: Life Below Water SDG 15: Life on Land 
Riyadat Loans	Sharia-compliant financing for women entrepreneurs	<ul style="list-style-type: none"> SDG 5: Gender Equality SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG 10: Reduced Inequalities 
Education Loans	Financing for higher education and skill development	<ul style="list-style-type: none"> SDG 4: Quality Education 
Digital Banking (Tijara)	Enhance financial inclusion and access to digital financial services	<ul style="list-style-type: none"> SDG 9: Industry, Innovation and Infrastructure 
National SME Fund	Accelerate economic development by providing critical financial support to SMEs.	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation and Infrastructure SDG 12: Responsible Consumption and Production SDG 13: Climate Action 



Empowering Our People and Communities



Empowering Our People and Communities

Human Capital Development

People & Culture are central to our 2022–2025 transformation strategy. We are committed to fostering a workplace where learning, innovation, and agility are embedded in our daily operations and long-term vision. Through robust leadership development programs, modern HR practices, and award-winning engagement initiatives, we aim to empower our employees to grow and excel.

Our commitment to employee well-being extends beyond professional development. We strive to create an environment that balances ambition with support—ensuring that employees feel heard, valued, and recognized for their contributions. Our holistic People & Culture initiatives are designed to address specific employee needs.


Learning & Development

We offer a wide range of learning and career development opportunities designed to equip our employees with the skills, knowledge, and capabilities needed to realize their professional aspirations while contributing meaningfully to the Bank’s long-term success. This commitment to continuous growth not only empowers our people but also reinforces BDB’s position as an employer of choice—enhancing our ability to attract, retain, and inspire top talent in a competitive market.

In 2024, we delivered multiple impactful learning programs that strengthened our culture of continuous improvement. Training was offered

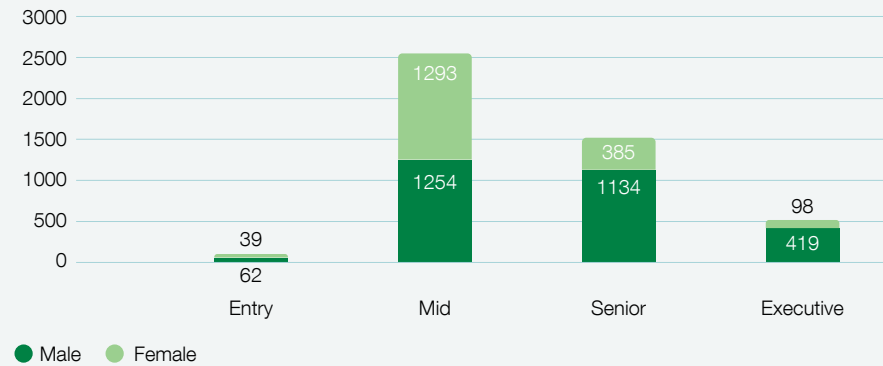
through instructor-led sessions, e-learning modules, and specialized workshops, providing flexible, accessible, and high-value development pathways for employees at all levels. In addition, our partnerships with leading learning institutions enabled employees to access world-class online courses and globally recognized certifications, further expanding opportunities for personal and professional advancement.



	 Culture Transformation	 Staff Development	 Lean Organization
KEY ACHIEVEMENTS	<ul style="list-style-type: none"> Assessed & enhanced engagement levels Strengthened Internal Communication Rolled out various social activities Launched Employee Recognition Scheme Established a Youth Committee 	<ul style="list-style-type: none"> Comprehensive Training & Development Plan Leadership development program Onboarded online learning platform, Lumofy Strengthened performance management Strengthened team with high-caliber talent 	<ul style="list-style-type: none"> Organizational restructure Clear roles & responsibilities and revamped job descriptions (JDs) New pay scale and grading structure Updated policies/procedures for people & culture
EMPLOYEE NEEDS ADDRESSED	Increased engagement, better communication, recognition of efforts and opportunities for youth participation	Continuous learning, professional growth, clarity on goals, effective performance feedback and access to expert talent	Clarity in roles, compensation, structured career paths, best practice structure and governance

Empowering our People and Communities continued

Training Hours by gender and employee category - FY 2024



As we advance our ESG journey, we plan to integrate dedicated ESG awareness modules into our training programs. This initiative will familiarize employees with BDB’s ESG priorities and equip them with the knowledge and skills needed to effectively contribute to the successful delivery of our ESG strategy.

KEY TRAINING PROGRAMS

- Sharia Training Program
- Annual Cyber and information Security Awareness
- Anti-Money Laundering and Terrorist Financing Overview
- Fraud Prevention Mastery: Understanding, Detecting, and Counteracting Deceptive Practices
- KYC and CDD Overview
- Introduction to Source of Wealth and Source of Funds
- Introduction to Global Sanctions
- FAP (1,2, & 3)
- Minimum of 15 hours training per year for approved persons
- Operational Risk Training

Delivering an Exceptional Employee Experience

At BDB, we are deeply committed to creating an exceptional employee experience and fostering sustained engagement across the organization. This commitment begins with open, transparent communication and meaningful recognition of employee contributions, complemented by dedicated platforms that encourage youth participation and innovation.

We support professional growth by promoting continuous learning, setting clear goals, providing constructive feedback, and ensuring employees have access to experienced leaders and subject-matter experts. To reinforce a strong organizational foundation, we maintain well-defined roles, equitable compensation structures, and structured career pathways—each supported by robust governance frameworks. Together, these efforts enable us to meet the diverse needs of our people and cultivate a dynamic, inclusive, and high-performing work environment where talent can thrive.

We have institutionalized a range of formal and informal engagement platforms that enable employees to connect with BDB in meaningful and productive ways.

BDB’s Youth Committee (Rowad) serves as a dedicated forum for empowering the voices and ideas of our young employees (under 35 years). Its mission is to foster a culture of empowerment, innovation, and enthusiasm by transforming employee aspirations into actionable initiatives that positively contribute to BDB’s culture and organizational growth. Rowad’s core areas of focus include mentorship programs, wellness support, corporate social responsibility (CSR) activities, and employee recognition initiatives.

To encourage open dialogue, the Human Resources (HR) team facilitates informal, unbiased discussions through various focus groups held two to three times per year. These sessions gather candid feedback from key employee segments—including youth, new joiners, trainees, long-tenured staff, and other defined groups. The insights gained help identify areas where employee expectations are being met or exceeded, as well as areas that require attention or improvement across the organization.

We also conduct an annual employee engagement survey to assess engagement levels and evaluate key dimensions such as leadership effectiveness, teamwork, empowerment, resources, recognition, job clarity, training, career development, compensation, and organizational pride. In 2024, our focused efforts on strengthening the employee experience resulted in a significant improvement, with BDB achieving an engagement score of 4.43, placing us above the 75th percentile in the market.

Our commitment to employee engagement was further recognized when BDB received the “Best Employee Engagement Program” award from The Asian Banker, underscoring the impact of our initiatives and the strength of our People & Culture practices.

To reinforce a high-performance culture, we maintain structured recognition programs that celebrate contributions across all levels. Our comprehensive Rewards and Recognition Program formally acknowledges excellence in various domains, including performance, innovation, customer centricity, teamwork, problem-solving, dedication, loyalty, and external achievements. These programs affirm our commitment to valuing every team member and ensuring their contributions are visible and appreciated.

Empowering Our People and Communities continued



Succession Planning

A robust succession planning framework is essential to BDB's long-term sustainability, ensuring continuity in leadership and preparedness for both planned and unforeseen transitions. Our approach focuses on proactively identifying, developing, and equipping high-potential employees for future critical roles across the Bank.

We apply a strategic, two-tiered methodology that supports both immediate continuity and long-term leadership development:

- **Short-Term Continuity (0–3 years):** Ensures uninterrupted operations in the event of temporary or unexpected absences. Identified successors serve in deputizing roles, gaining practical exposure and experience that help inform future leadership decisions.
- **Long-Term Development (3–5 years):** Focuses on building a strong leadership pipeline. Successors receive personalized development plans, targeted training, and opportunities to bridge skill and experience gaps—ensuring that they are fully prepared to assume their designated roles when needed.

Health and Safety

At BDB, the health, safety, and well-being of our employees and stakeholders are of utmost importance. We have implemented comprehensive safety and security procedures, including regular fire drills and emergency preparedness measures. In 2024, there were no fatalities or recordable injuries, reflecting the effectiveness of our safety practices and our commitment to maintaining a secure work environment.

Human Rights

BDB is committed to upholding human rights across all operations and expects the same high standards from its clients, suppliers, and business partners. Our approach is guided by the laws of the Kingdom of Bahrain and aligned with the Bahrain National Human Rights Plan (2022–2026), as well as international conventions and standards.

Through the Human Rights Statement in our ESG Policy, we commit to:

- Eliminating all forms of forced or compulsory labor
- Preventing child labor in any form
- Ensuring non-discrimination in employment and occupation
- Maintaining a safe and healthy working environment

These commitments form a fundamental part of BDB's ethical mandate and are reinforced through our policies, practices, and day-to-day operations.

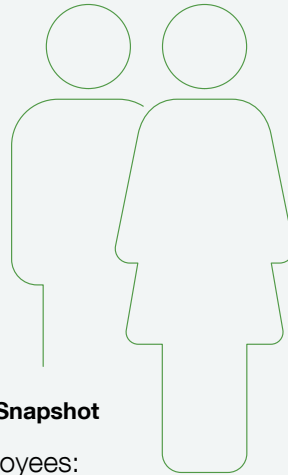
Empowering Our People and Communities continued

Diversity and Equal Opportunity

We believe that a diverse and inclusive workplace is fundamental to our organizational strength.

By promoting human rights, dignity, and equality for every employee irrespective of race, religion, gender, age, or language—we foster an environment that attracts talent and drives innovation. Our commitment extends to ensuring fair compensation and supporting professional growth, while strictly upholding the principle of equal pay for equal work as mandated by Bahrain's labor legislation.

Our Workforce at a Glance



Workforce Snapshot

Total Employees:

146

During the reporting period, our workforce totaled 146 employees. 94% of these were full-time employees, with the remaining 6% classified as 'others' (including trainees and interns).

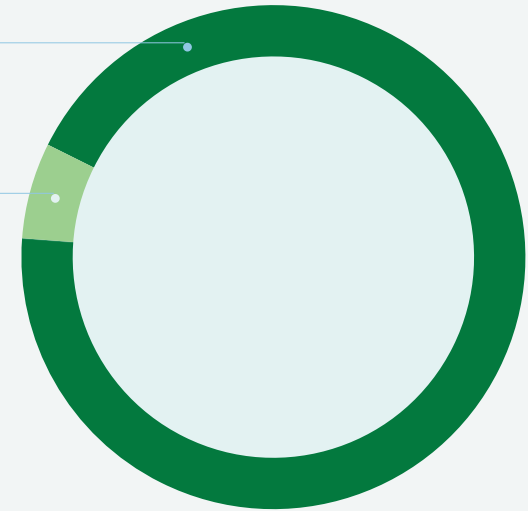
Workforce Breakdown by Employment Type (%)

Full Time

94%

Others

6%



Diversity Metrics

Our workforce is diverse, composed of 56% men and 44% women.

Employee Profile by Gender (%)

Female

44%

Male

56%



Empowering Our People and Communities continued

Age and Employee Category Distribution

Our workforce is predominantly concentrated within the 39–50 age group, which accounts for 82% of employees. Those under 30 represent 11%, while employees over 50 make up the remaining 7%.

Across organizational levels, 53% of employees are positioned at the Mid-level, followed by 34% at the Senior level. Executive roles comprise 9%, and Entry-level account for 4%.

While we have achieved gender parity at the Mid-level and maintain strong representation in entry-level roles, our priority moving forward is to reduce the gender gap at the Senior and Executive levels through targeted development initiatives.

Employee Turnover

During the reporting period, voluntary turnover remained very low across all employee groups. Turnover was slightly higher within the 30–50 age group, where rates for both men and women stood at 0.04%. Among employees under 30, turnover was 0.02% for men and 0.01% for women.

Total Workforce By Age-Group (%)

Under 30 years old

11%

Over 50 years old

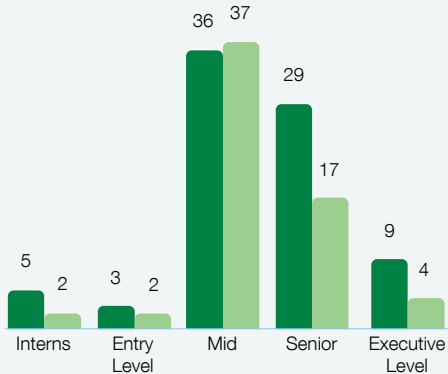
7%

30 - 50 years old

82%

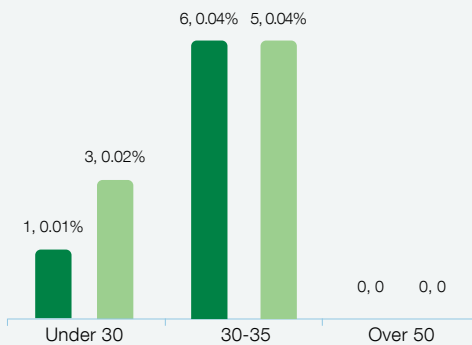


Distribution of Employees (Male and Female) across Organizational Levels



● Number of male ● Number of female

Voluntary Turnover by Gender and Age Group



● Male ● Female

Employees in Entry Level, Mid Level, Senior Level and Executive Level (%)

Entry Level

4%

Mid Level

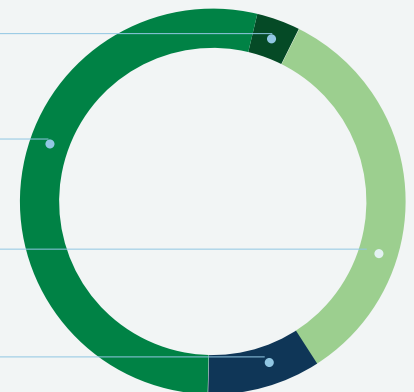
53%

Senior Level

34%

Executive Level

9%



Empowering our People and Communities continued

Nationalization

We are committed to Bahrainization and focus on developing local talent while providing meaningful employment opportunities for Bahraini nationals. BDB has achieved a 93% Bahrainization rate, with women representing 43% of national employees—reflecting their substantial contribution to the country's development.

Community Welfare

BDB is dedicated to advancing Bahrain's social and economic progress through a range of community-focused initiatives. During the reporting period, the Bank invested 3.23% of its revenue—amounting to BD 21,000—into programs that support societal well-being and long-term development.

Our efforts include promoting environmental sustainability through activities such as tree planting and the expansion of green spaces, contributing to Bahrain's goals for reduced carbon emissions and a more sustainable future. We also extend support during emergencies, demonstrating our commitment to resilience and community responsiveness.

Our CSR approach emphasizes social inclusion, local empowerment, and sustainable development, ensuring that communities are engaged as active partners in progress rather than passive recipients of aid.



127
Bahraini Employees



3.23%
Of Revenues Spent on
Community Initiatives



Driving Customer Excellence



Driving Customer Excellence

At BDB, customer excellence is a fundamental principle that informs every aspect of our operations. Our customer agenda is driven by a steadfast commitment to delivering exceptional value and fostering long-term client relationships. We continue to strengthen the customer experience through a multi-pronged approach centered on relationship-building, digital transformation, and responsive grievance resolution.

Customer Relationships and Engagement

BDB's commitment and dedication to empowering SMEs and entrepreneurs is reflected in our customer-centric strategy, which prioritizes tailored financial solutions, sector-specific support, and inclusive engagement. Our offerings are designed to meet the diverse financial needs of our clients, ensuring that each solution is aligned with their business profile and growth objectives.

Customer engagement is continuous and supported through multiple touchpoints across the relationship lifecycle. We ensure clear and transparent communication regarding product features, client obligations, and the Bank's responsibilities. To measure and enhance satisfaction, we track our Net Promoter Score (NPS) and capture feedback through various channels—including branch visits, our website, call center, and social media platforms.



Digital Banking Initiatives

Our vision is to be the regional leader in digital solutions and financial services for SMEs. BDB's digital transformation journey is driven by our aspiration to offer customers simple, efficient, and accessible banking experiences. Tijara, BDB's digital banking platform, was developed around three guiding principles: service convenience, efficient processing, and fast, timely delivery. Key features of the Tijara platform include:

<p>1 Express Digital Loans</p> <p>Quick access to financing through products such as Tijara Express.</p> 	<p>3 Digital Onboarding</p> <p>Online call account opening and seamless onboarding for new-to-bank clients.</p> 	<p>6 Advanced Security</p> <p>Multiple layers of security embedded within the platform to ensure safe transactions.</p> 
<p>2 Invoice Discounting Facility</p> <p>A digital solution that eases payment cycles and enhances cash flow.</p> 	<p>4 Seamless Online Transactions</p> <p>End-to-end digital management of business transactions, payments, and salary transfers.</p> 	<p>7 Integrated Services</p> <p>Access to account details, downloadable statements, local and international transfers, beneficiary management, and report generation.</p> 
<p>5 Multiple User Roles</p> <p>Support for both single and multiple user registrations, with roles including Poster, Approver, Checker, and Inquirer for better control and governance.</p> 		

Driving Customer Excellence continued



Digital Banking Initiatives (continued)

The 'call account' feature on the Tijara platform allows customers to open accounts and access banking services entirely online, eliminating the need for branch visits. Businesses can manage beneficiaries, generate detailed reports, and receive monthly e-statements and SMS alerts. Additional enhancements introduced in 2024 now support bulk and salary transfers. During the same year, the Bank launched a supply chain financing solution, offering invoice discounting for suppliers of key customers.

In line with our commitment to regulatory compliance and digital innovation, we successfully launched the Open Banking solution for BDB customers. This initiative enables customers to securely share their financial data with trusted third-party providers (TPPs), fostering innovation in personalized financial services, payments, and account aggregation. By implementing Open Banking, BDB has enhanced transparency, security, and accessibility, while giving customers greater choice and control over their financial information. This capability facilitates seamless integration with third-party applications, creating a more convenient and connected digital experience. Open Banking also enables BDB to collaborate with fintech partners, driving the development of innovative banking solutions.

Customer Rights & Grievance Resolution

Our Client Charter serves as a formal declaration of our commitment to transparency, fairness, and accountability, ensuring that every customer interaction meets the highest standards of service. Anchored in principles of respect, inclusivity, and responsible governance, the Charter reinforces BDB's customer-centric strategy.

The Charter guarantees customers' rights to fair treatment, accurate information, and the protection of their privacy in accordance with Central Bank of Bahrain (CBB) regulations. It also outlines clear and accessible mechanisms for submitting complaints or suggestions through multiple channels, ensuring timely and impartial resolution at no cost to the customer. Complaints are acknowledged within five working days, with resolutions or status updates provided within four weeks. Regular feedback analysis and quarterly reporting to the CBB further strengthen transparency and accountability. Our complaint-resolution process is also publicly available on our website, and customers may escalate matters directly to the CBB if they are not satisfied with the Bank's response.

Our commitment extends beyond regulatory compliance. We strive to deliver accessible and responsive services across branches, digital platforms, and customer care channels, continually enhancing our processes based on customer feedback. Through strong governance, ongoing staff training, and adherence to rigorous quality standards, BDB ensures that customer insights actively shape our products and services. This approach strengthens trust and fuels innovation, enabling us to deliver a seamless, efficient, and customer-centric banking experience.



Contributing to Environmental Sustainability



Contributing to Environmental Sustainability

Environmental Stewardship

BDB remains committed to minimizing its environmental footprint and aligning its operations with national and international sustainability standards. As part of this commitment, we have developed an Environmental Management Position Statement—embedded within our overarching ESG Policy—which outlines our approach to identifying, managing, and mitigating environmental impacts.

Environmental Sustainability is a key pillar of our ESG strategy. The direct environmental impacts of our operations primarily relate to the use of materials, energy, and water, as well as the generation of waste. In line with our strategy, we have established environmental targets and key performance indicators (KPIs), which are regularly monitored to ensure progress and continuous improvement. Performance against these KPIs is reviewed at multiple levels, including oversight by the Board through our ESG governance structure.

BDB's banking operations are primarily conducted from the Main Branch and two additional branches. Indirect energy, supplied by the Electricity & Water Authority (EWA), is used to meet the electricity needs of these buildings. Water consumption is also sourced from EWA. Direct energy use is limited to petrol consumed by the Bank's owned and leased vehicles. As both direct and indirect energy sources rely predominantly on non-renewable energy, total energy consumption is measured and reported in gigajoules (GJ).

We have established the GHG emissions baseline for Scope 1 and Scope 2 emissions for the year 2024. Scope 1 emissions relate to fuel (petrol) consumption from the Bank's owned and leased vehicles, while Scope 2 emissions arise from electricity usage across our operations. As the Bank relies entirely on grid-supplied electricity, our ability to influence the energy mix remains limited. However, we continue to implement initiatives aimed at optimizing electricity demand.

Data centers typically require significant energy to operate. To reduce our environmental footprint, BDB has strategically migrated more than 90% of its banking applications—including the core banking platform—to cloud infrastructure. This shift allows us to benefit from the greater energy efficiency of modern cloud infrastructure, thereby reducing carbon emissions associated with operating traditional on-premise data centers.

In 2024, we consumed 1,602 m³ of water supplied by EWA for operations at the BDB Main Branch. All effluents generated from the building are managed and disposed of in accordance with government regulations.

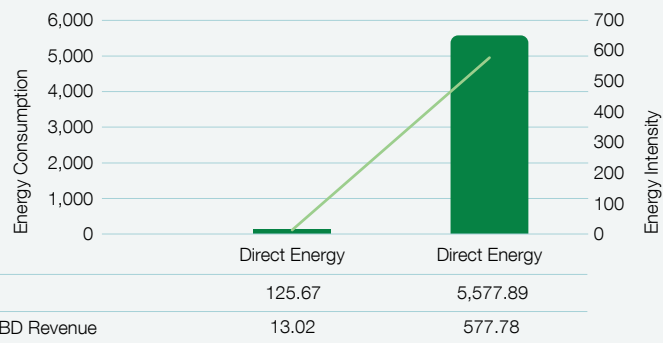
The primary categories of waste associated with our operations are IT and electronic waste, as well as paper waste. Our IT and electronic assets include desktop computers, laptops, servers, printers, scanners, display screens, and related accessories.

The Bank did not dispose of any IT or electronic waste during the reporting period.

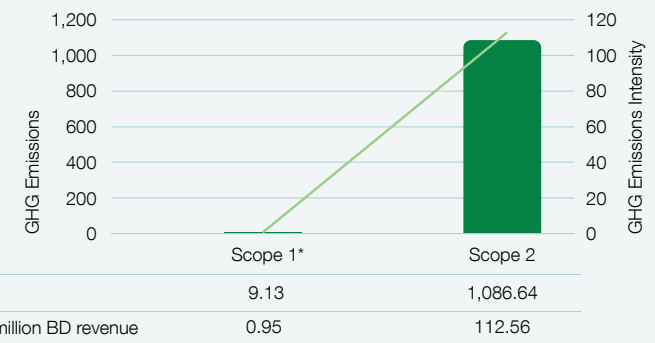
Paper remains a key resource used for documentation purposes. All documents are securely archived in line with the Bank's records management procedures, and no documentation paper waste was disposed of during the year. Additional commercial waste—such as office paper and general refuse—is collected and disposed of through municipal recycling bins.

We are in the process of institutionalizing a system to monitor the volume of commercial waste disposed and plan to report this data in subsequent disclosures.

Energy Consumption & Intensity 2024



GHG Emissions & Intensity 2024



*Scope 1 emissions are reported in tonnes CO₂e



Conducting Business Responsibly



Conducting Business Responsibly

The Conducting Business Responsibly pillar of our ESG strategy reflects our unwavering commitment to strong governance, transparency, and ethical conduct across all areas of our operations. This pillar focuses on four strategic themes: (i) Governance and Transparency, (ii) Risk Management, (iii) Cybersecurity and Data Privacy, and (iv) Digitization and Innovation. Together, these focus areas ensure that responsible business practices are not merely compliance obligations but core values that guide our strategy, culture, and stakeholder relationships.

Governance and Transparency

Guided by the Central Bank of Bahrain's (CBB) regulatory requirements and leading global governance standards, BDB maintains a robust corporate governance framework. Our Corporate Governance Policy—complemented by the Bank's incorporation documents and related governance policies—defines our governance structure and emphasizes the shared responsibility of the Board, Senior Management, and shareholders in ensuring the Bank's long-term, sustainable success.

The framework plays a critical role in setting and achieving the Bank's strategic objectives, effectively managing risk, and optimizing performance. A clear separation of duties reinforces accountability: the Board provides strategic oversight and is ultimately accountable to shareholders, while Senior Management is responsible for executing the Bank's strategy within the policies and mandates approved by the Board.

The Board of Directors consists of eight members, including the Chairperson, each bringing extensive professional experience and diverse expertise. The Board maintains 50% female representation, underscoring BDB's commitment to gender diversity in leadership. All Directors are appointed pursuant to a Royal Decree and in alignment with CBB guidelines, and it is noteworthy that all current Directors serve as independent directors*.

*The qualifying criteria for 'Independent Directors' are as per the Corporate Governance guidelines of the CBB.



Conducting Business Responsibly continued

Board of Directors



Ghassan Ghaleb Abdulaal
Chairman

Date of appointment: March 2016
Experience: 24 years



Marwa Al Saad
Director

Date of appointment: November 2019
Experience: 16 years



Hani Redha
Director

Date of appointment: December 2022
Experience: 26 years



Sandeep Bose
Director

Date of appointment: December 2022
Experience: 34 years



Manal Shawqi Al Bayat
Director

Date of appointment: December 2022
Experience: 26 years



Yousif Mohamed Al Nefaiei
Director

Date of appointment: December 2022
Experience: 23 years



Aysha Abdulmalek
Director

Date of appointment: December 2022
Experience: 17 years



Amna Ali Alarayedh
Director

Date of appointment: December 2022
Experience: 10 years

Conducting Business Responsibly

continued

The Board of Directors is supported by four committees, each operating under formally approved charters that define their respective oversight responsibilities. These charters are periodically reviewed and updated in line with market best practices and applicable regulations.

- Board Audit and Governance Committee (BAGC):** Oversees the integrity of financial reporting, internal controls, Sharia compliance, audit processes, legal and regulatory compliance, and adherence to corporate governance standards.
- Board Nomination and Remuneration Committee (BNRC):** Advises on director and senior officer appointments and oversees their remuneration.
- Board Executive Committee (ExCom):** Reviews and approves investment and credit proposals within its delegated authority and monitors the execution of business and investment strategies.
- Board Risk Committee (BRC):** Supervises the enterprise risk management framework, monitors risk exposures, and advises the Board on risk appetite, strategy, and capital adequacy.

The Bank maintains a mandatory Code of Ethics and Business Conduct applicable to all Directors and employees, outlining the highest standards of integrity and ethical behavior. All personnel must review and formally acknowledge the Code upon commencing service. In accordance with Bahrain Labor Law No. 36 of 2012, violations may result in disciplinary action, including termination. Employees are strictly prohibited from engaging in or concealing unlawful activities, and the Bank reserves the right to pursue remedies for any resulting losses, cooperating fully with legal authorities.

To reinforce responsible conduct across our operations, the Bank has implemented a Supplier Code of Conduct that sets clear ethical and professional expectations for all suppliers and service providers.

The Board delegates day-to-day management authority to the Chief Executive Officer (CEO), who is responsible for delivering the Bank’s strategic goals within the approved risk appetite. The CEO oversees operations through the following management committees:

- Assets and Liabilities Committee (ALCO):** Manages the Bank’s assets and liabilities.
- Risk Executive Committee (REC):** Ensures robust and effective risk management processes.
- Investment & Credit Committee (ICC):** Oversees investment and credit portfolio management.
- Cyber Security Committee (CSC):** Monitors and strengthens cybersecurity controls.

The Bank maintains a zero-tolerance stance toward bribery and corruption. We are committed to conducting all business dealings with professionalism, fairness, and integrity. An Anti-Corruption & Bribery Policy outlines our commitments, the responsibilities of relevant stakeholders, internal controls, and procedures for reporting and enforcement.

Employees are encouraged to report misconduct or any potential violation of Bank policies through their managers or Senior Management. Our Whistleblowing Policy provides a safe and confidential avenue to report concerns without fear of retaliation, especially when traditional channels may be inappropriate. The policy applies to all employees—permanent or temporary—as well as Directors and service providers.

 Further details on the Board, its committees, Senior Management, and their respective committees are available in the ‘Corporate Governance’ section of our [Annual Report](#).

Conducting Business Responsibly

continued

The Conflict-of-Interest Management Policy establishes clear expectations for Directors and Senior Management to avoid any actual or perceived conflicts of interest and to disclose such matters as required. A “personal interest” includes any involvement by the individual, immediate family members, or controlled entities in a transaction with the Bank. All potential conflicts must be promptly disclosed to the Board. Disclosures related to conflicts of interest and related-party transactions are reported in our Annual Report in accordance with CBB regulations.

Risk Management

The Bank has established a comprehensive risk management architecture aligned with Central Bank of Bahrain (CBB) regulations and international best practices. As BDB is exposed to various types of risks, we adopt a structured and integrated approach to identifying, assessing, mitigating, and monitoring risks across all business activities.

Risk governance at BDB is anchored by the Board of Directors, which executes its oversight responsibilities through the Board and its committees, including the Board Risk Committee. Through established policies and frameworks, the Board approves the Bank’s risk appetite and oversees the overall risk management program. The Board Risk Committee ensures that management maintains policies, procedures, and controls sufficient to keep risks within the Bank’s defined framework and tolerance levels. The Chief Risk Officer (CRO) operates independently of management or any revenue-generating function, ensuring objectivity in risk oversight. Other Board and management committees also carry embedded risk responsibilities.

BDB’s risk management philosophy and practices are guided by the Bank’s Enterprise Risk Management (ERM) Framework, which serves as the overarching document for all risk-related activities. Risk-specific frameworks outline mechanisms for identifying, measuring, monitoring, and reporting each type of risk, along with policies and defined roles and responsibilities for relevant departments and personnel. Depending on the nature and magnitude of each risk, additional risk-specific policies are developed.

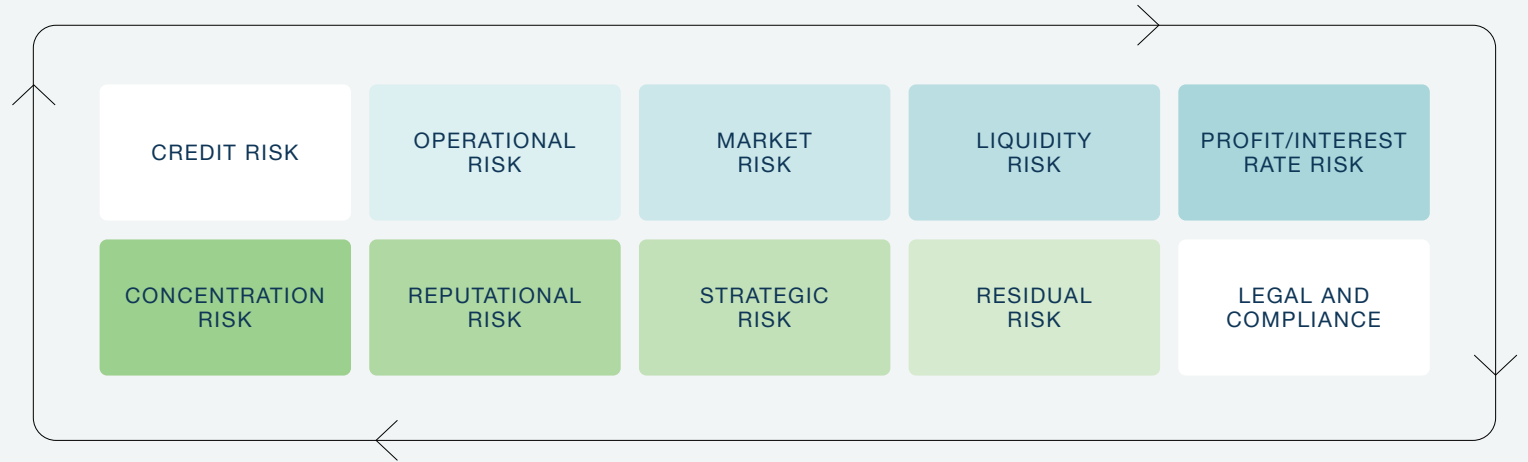
In accordance with CBB guidelines and global best practices, the Bank has also developed dedicated risk strategies for all key risk categories.

The risk management philosophy and actions at BDB follow the principles laid out in the Bank’s Enterprise Risk Management (ERM) framework.



Conducting Business Responsibly continued

The Bank, following the CBB guidelines and adopting the international best practices of risk management, has developed individual risk strategies for key risk areas.



The risk management process follows a structured 4-step process of:

Enterprise Risk Management Frameworks



Conducting Business Responsibly continued

BDB conducts both systemic and idiosyncratic stress tests to assess its resilience under adverse economic and financial conditions. These exercises support capital planning and ensure the Bank maintains adequate buffers to absorb unexpected losses.

Risk management is embedded in decision-making at all levels of the organization. Employees receive regular training, and risk awareness is continuously reinforced through policies, internal communications, and strong governance oversight.

➤ Detailed disclosures on BDB's risk management framework can be found in the Risk Management section of our [Annual Report](#).

ESG has emerged as a significant and evolving risk area for the Bank. To better understand these risks, we conducted a materiality assessment to identify and prioritize key ESG topics, along with associated risks and opportunities. The outcomes of this assessment directly inform the Bank's ESG Strategy. In the coming years, BDB plans to formally integrate ESG considerations into its risk management practices as part of the Internal Capital Adequacy Assessment Process (ICAAP) through the development of a quantitative ESG risk assessment model.

We recognize that climate-related risks have far-reaching implications for the economy, and particularly for the financial sector. Accordingly, we conducted a climate risk assessment in 2025 that evaluated both physical risks (such as extreme heat and coastal flooding) and transition risks (including regulatory changes, technological shifts, market dynamics, reputational factors, and carbon pricing). This assessment utilized a quantitative risk scoring model with defined thresholds and produced physical and transition risk scores for the Bank's portfolio sectors. The results indicated that BDB's portfolio is currently not exposed to sectors classified as having "high" physical or transition risk.

Cybersecurity and Data Privacy

Safeguarding digital assets and personal data is central to our commitment to responsible business practices. We continue to invest in robust cybersecurity frameworks and privacy protocols to protect stakeholder information, ensure regulatory compliance, and maintain trust. Our proactive approach incorporates process controls, regular risk assessments, employee training, and advanced technologies to mitigate threats and preserve data integrity across all operations.

Our cybersecurity framework is built on comprehensive policies and procedures. Guided by our mission to protect the confidentiality, integrity, and availability of information assets, we have implemented a Cybersecurity Policy aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and international standards such as ISO/IEC 27001. This reflects BDB's commitment to safeguarding information, ensuring compliance, and fostering a secure digital ecosystem.

Cybersecurity governance is overseen by the Cyber Security Committee and the Board Risk Committee, ensuring strategic alignment and accountability. Our structured risk management framework identifies, evaluates, and mitigates cyber risks through annual risk assessments, a maintained risk register, and continuous monitoring. We apply a risk-based model to prioritize controls and integrate cybersecurity into business continuity planning. Key protection domains include asset and access management, network and infrastructure security, data protection and encryption, endpoint and mobile security, and application and software security.

BDB maintains a comprehensive incident management plan to ensure rapid detection, response, and recovery from cyber incidents. Independent experts conduct regular vulnerability assessments and penetration tests, while

established backup and restoration protocols help preserve data availability during disruptions. Cybersecurity requirements are embedded within the Bank's Business Continuity and Disaster Recovery Plans, which are tested and updated regularly.

Given the interconnected nature of modern banking, BDB enforces strict security requirements for third-party vendors and cloud service providers. Contracts require full adherence to BDB's cybersecurity standards, regulatory obligations, and Bahrain's Personal Data Protection Law (PDPL). Employees receive ongoing cybersecurity and privacy training, and customers are educated on safe digital practices.

In compliance with Bahrain's PDPL, BDB's Data Privacy Policy and Procedure outlines a robust framework for the responsible handling of personal and sensitive data. We have clearly defined the rights of the Data Subject over their data, including the right to be informed about data collection and usage; the right to access, rectify, erase, or block personal data; the right to object to processing in specific circumstances; and the right to submit complaints to the regulatory authority. These rights are supported by documented procedures and defined response timelines.

Strict protocols govern all stages of the data lifecycle. Data collection is based on informed consent or legal necessity; usage is purpose-driven, proportionate, and subject to opt-out options for direct marketing. Data is classified as confidential, restricted, or public, with safeguards applied accordingly. Retention and disposal follow defined schedules, using secure destruction methods such as secure formatting, shredding, degaussing, and/or randomization.



Conducting Business Responsibly continued

Our multilayered data security architecture includes:



- Privacy by Design**
Embedded into systems to ensure proactive protection throughout the data lifecycle.
- Physical Security**
Controlled facility access, encrypted storage, and secure transfer procedures.
- Electronic Security**
Firewalls, intrusion detection and prevention systems, antivirus tools, network access controls, MXDR solutions, proxies, and regular VAPT exercises.
- Technical Controls**
Encryption, blacklisting, anonymization, and multi-factor authentication.
- Organizational Controls**
Role-based access, privileged access management, and annual training for all employees.

We ensure that third-party processors and international data transfers adhere to Bahrain's data privacy regulation and standards. Contracts include explicit obligations for data handling, breach notification, and security practices.

In the event of a data breach, the response team takes immediate action to investigate and assess the event to determine an incident, initiating recovery procedures and notifying both the affected Data Subjects and the Authority within prescribed regulatory timelines. The Data Privacy function is responsible for ensuring immediate action in the event of a personal or sensitive personal data breach and will lead the response team, which may include other key personnel.

Digitization and Innovation

2024 marked a major milestone in our four-year transformation strategy, with a strong focus on becoming an end-to-end digital SME bank. Innovative financial solutions and digitization remain key enablers in achieving our strategic objectives, and throughout the year, the Bank advanced several initiatives that strengthened its digital and technological capabilities.

We continued to introduce innovative financial solutions to the Bahraini market, with a particular emphasis on expanding access to finance for SMEs. Significant progress was made in our digital banking journey, detailed in the Digital

Banking Initiatives section under Driving Customer Excellence. In collaboration with leading local and regional banks, we also announced the landmark National SME Fund—a BD 70 million initiative set to launch in 2025 as Bahrain's first credit fund dedicated to SME support. Additional information on this fund is provided in the Economic Impact section under Enabling Economic & Social Growth. To further enhance efficiency and consistency in credit decisions, we introduced Parametrized Lending, which standardizes loan approval processes in alignment with policy requirements.

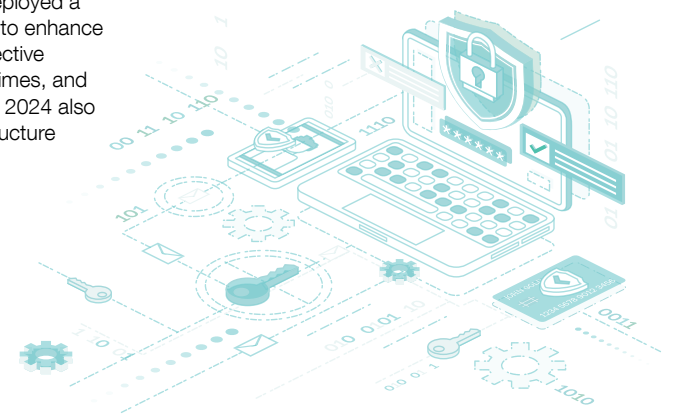
Our emphasis on digitization translated into tangible operational improvements. By shifting to cloud-based systems, we enhanced agility, security, and cost efficiency, while digitizing core banking infrastructure enabled faster product rollouts and improved customer experiences. Automation of payment processes reduced manual intervention and increased accuracy. We also automated key functions such as issuing confirmation letters via the SWIFT portal for Islamic Treasury Deals, printing letters for returned PDCs, and digitizing BDB's authorized signatory booklet through the "Signature Net" platform.

To strengthen BDB's competitive edge in customer acquisition, we developed predictive analytics and lead-generation dashboards. We also deployed a new IT Service Management (ITSM) tool to enhance internal IT operations, enabling more effective incident management, faster resolution times, and improved service transparency. The year 2024 also saw the completion of two major infrastructure projects:

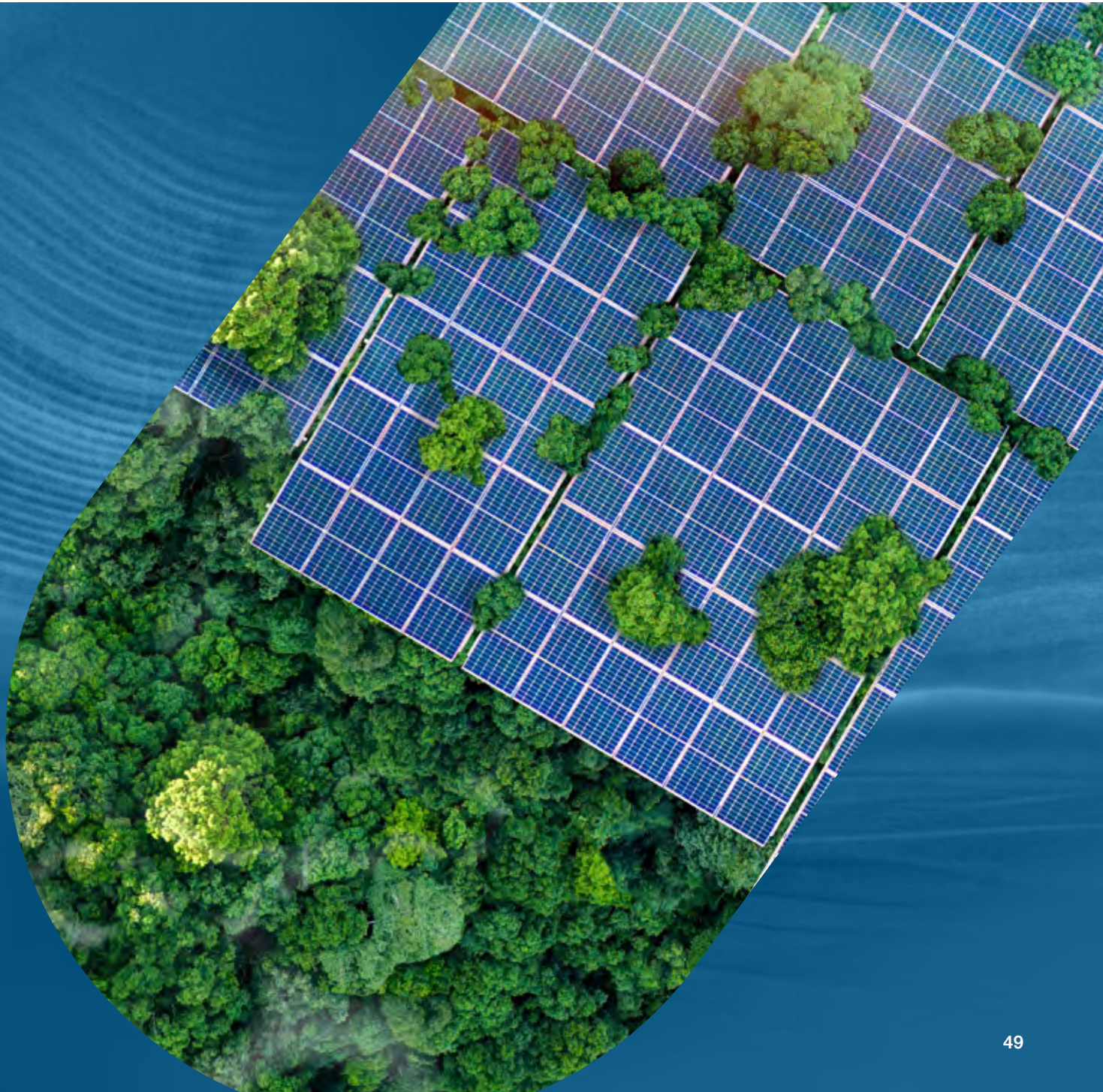
- **Enhanced AWS Cloud:** Modernized IT infrastructure using a scalable cloud-based solution that ensured continuous core banking operations.
- **Network Revamp:** Expanded bandwidth, improved performance, and increased operational efficiency across all departments.

Both complex projects were executed seamlessly with zero downtime, ensuring uninterrupted service for customers and employees. Additionally, BDB's website achieved an impressive 90% score in content, quality, and governance as part of the UN Evaluation introduced by the Information and eGovernment Authority.

In support of fair and inclusive procurement, BDB adopted Procural, a cloud-based digital procurement platform. This enables the Bank to publish requirements online and engage a wider pool of suppliers—including small and international vendors—promoting transparency, equal opportunity, and broader participation in procurement activities.



Progress & Outlook



Progress and Outlook

BDB's ESG strategy remains the compass guiding our transition from a strong foundation to measurable, long-term impact. With our material topics, governance structure, and enabling frameworks firmly established, our priority now is full operationalization and delivery. We remain committed to ensuring that our ESG journey, performance, and disclosures align with the Kingdom of Bahrain's sustainable development and climate agendas, while supporting global commitments such as the United Nations Sustainable Development Goals (SDGs). Through this alignment, we contribute meaningfully to both national progress and broader global sustainability efforts.

Looking ahead, we maintain a positive outlook—confident that our ESG ambition will continue to reinforce our core vision and mission. Our framework is comprehensive, supported by clearly defined initiatives, targets, and KPIs, while our multi-tiered governance structure ensures strong strategic direction and effective execution across the organization.

Our ESG strategy is anchored in specific KPIs designed to guide progress and ensure accountability in achieving our objectives. The table below presents select KPIs that demonstrate our impact to date. Performance data for certain KPIs is included within this report, while additional KPIs will be reported beginning FY 2025 as we continue to operationalize and mature our ESG strategy.

ESG Strategy Pillar	Material Topic	KPI	Progress Update
Enabling Economic and Social Growth	Access to Finance	SME fund launched	Progress to be reported starting FY 2025
	Economic Impact	Overall contribution (direct and indirect) of BDB to Bahrain's economic growth	Refer to 'Enabling Economic and Social Growth' section
	Sustainable Finance	Sustainable Finance Framework guidelines developed	Progress to be reported starting FY 2025
% of portfolio outstanding for Green / Social / Sustainability-Linked Loans		Progress to be reported starting FY 2025	
Empowering our People and Communities	Human Capital Development	% of employees completing mandatory training requirements	Progress to be reported starting FY 2025
		Average number of training hours per employee by gender and employee category	Refer to 'Empowering our People and Communities' section
		Total number of training hours	4,684 hours
		Percentage of employees undergoing ESG awareness sessions	Progress to be reported starting FY 2025
		Percentile employee engagement score	Over 75 th percentile
	Nationalization	% of national employees as part of total workforce	93%
Community Welfare	No. of employee volunteering hours	Progress to be reported starting FY 2025	
Driving Customer Excellence	Customer Relationships	Net Promoter Score (NPS) score	95.6%
		No. of customer complaints received quarterly	Progress to be reported starting FY 2025

Progress and Outlook

continued

ESG Strategy Pillar	Material Topic	KPI	Progress Update
Contributing to Environmental Sustainability	Environmental Stewardship	Energy consumed – indirect (Kwh or GJ)	5577.89 GJ
		Energy consumed – direct (Kwh or GJ)	15.67 GJ
		Total energy consumed per BD of operating income (Kwh or GJ / BD)	0.00059 GJ / BD
		% non-renewable energy used	100%
		% renewable energy used as a total of energy consumption	0%
		Scope 1 emissions (tonne CO ₂ e)	9.13 tonnes CO ₂ e
		Scope 2 emissions (tonne CO ₂ e)	1086.64 tonnes CO ₂ e
		Total emissions (Scope 1 +2) per BD of operating income (kg CO ₂ e / BD)	0.11 kg CO ₂ e / BD
	GHG Inventory for Scope 1&2 emissions	Refer to 'Contributing Environmental Sustainability' section	
Conducting Business Responsibly	Governance and Transparency	Number of awareness sessions conducted for Board members on ESG related topics	Progress to be reported starting FY 2025
	Risk Management	ESG risk model and scorecard for ICAAP developed	Developed
		Run ESG risk model and integrate into ICAAP assessment	Progress to be reported starting FY 2025
		ESG Guidelines for Credit Application developed	Developed
Digitization and Innovation	No. of customer services offered digitally	The services offered include: Tijara Digital Banking , Apply for Tijara Express Financing, Online Tijara Account Opening and Invoice Discounting Platform.	

CBB ESG Requirements Content Index

KPI	Description	Main Reporting Component(s)	Section	Page
Environmental				
E.1: Environmental Oversight Unit: Statement / Description	The company should describe its management and board oversight on climate-related risks and opportunities.	<ol style="list-style-type: none"> 1. A statement on how the company addresses its environmental impact (e.g., explain whether senior management and/or the board address sustainability issues in meetings or have dedicated committees to do so.) 2. A statement of purpose and approach of the board/management towards sustainability matters. 3. A description of the following (where applicable): <ul style="list-style-type: none"> • Policies • Commitments • Goals and targets (e.g., a description of how management/ the board oversee progress against climate/sustainability related targets) • Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc. • Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes. 	<p>Refer to 'Our approach to ESG – BDB's ESG strategy, Governance Framework'</p> <p>As a part of its ESG policy, BDB has included an Environmental Management Position Statement that defines BDB's approach to managing the environmental impacts of its operations to ensure a consistent approach across BDB.</p>	14-18
E.2: Energy Consumption	The company should provide information on both direct and indirect energy usage. Direct energy usage refers to energy that is generated and used on property owned or operated by the company. Indirect energy usage refers to energy that is generated elsewhere, such as through utilities, but is used by the company.	<ol style="list-style-type: none"> 1. Report total energy consumed and breakdown by type: <ul style="list-style-type: none"> • Indirect energy consumed in the form of electricity, heating, cooling (i.e., total of energy purchases) • Direct energy consumed, classified by renewable and non-renewable sources. 2. State the standards, techniques, assumptions, and/or calculation tools utilised 	<p>Refer to Page 40</p> <p>Direct energy includes fuel consumed by vehicles in GJ and indirect energy includes purchased electricity from grid in GJ.</p>	40
E.3: Energy Intensity	The company should report total annual energy usage per output scaling factor (such as sales or revenue).	<ol style="list-style-type: none"> 1. Report total energy consumed during the year divided by the selected scaling factor (e.g., sales, revenue etc.). 2. State the standards, techniques, assumptions, and/or calculation tools utilised. 	<p>Refer to 'Contributing to environmental sustainability- Environmental stewardship'</p> <p>Energy intensity has been calculated using the consolidated total operating income of the Bank as the scaling factor.</p>	40
E.4: Energy Mix	The company should provide a breakdown of its energy consumption by source.	<ol style="list-style-type: none"> 1. Report the percentage of energy used by source, as part of total energy consumption. 2. Report the percentage of renewable and non-renewable energy used, as part of total energy consumption. 	BDB currently uses only non-renewable energy as part of its total energy consumption	

CBB ESG Requirements Content Index

continued

KPI	Description	Main Reporting Component(s)	Section	Page
Environmental				
E.5: Green House Gas (GHG) Emissions	The company should report its total Green House Gas Emissions	<ol style="list-style-type: none"> Report total absolute emissions by scope; <ul style="list-style-type: none"> Total amount, in CO₂ equivalents, for Scope 1 Total amount, in CO₂ equivalents, for Scope 2 Total amount, in CO₂ equivalents, for Scope 3 (if applicable). State the standards, techniques, assumptions, and/or calculation tools utilised 	<p>Refer to 'Contributing to environmental sustainability- Environmental stewardship'</p> <p>GHG emissions calculations (Scope1 and Scope 2) are based on the GHG Protocol.</p> <p>Scope. Scope 1 is calculated based on the emissions for owned and lease vehicles used by the company.</p> <p>Emission factor used has been published by UK Department for Environment, Food & Rural Affairs (DEFRA).</p> <p>Scope 2 emissions is calculated based on purchased electricity. Emission factor for Scope 2 has been derived from the International Energy Agency (IEA) for Bahrain.</p>	40
E.6: Emission Intensity	The company should report annual GHG emission scaled by a relevant scaling factor (such as size (e.g. m2 floor space), employment (e.g. headcount) and monetary units (e.g. revenue or sales)).	<ol style="list-style-type: none"> Report total annual GHG emission during the year divided by the selected scaling factor. State the standards, techniques, assumptions, and/or calculation tools utilised. 	<p>Refer to 'Contributing to environmental sustainability- Environmental stewardship'</p> <p>GHG emission intensity has been calculated using the consolidated total operating income of the Bank as the scaling factor.</p>	40
E.7: Climate Risk Mitigation	The company should describe its climate risk identification process, assessment, management processes, and report annual investment in infrastructure, resilience, and product development.	<ol style="list-style-type: none"> Describe how your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks). Report the amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation) 	<p>Refer to 'Conducting business responsibly - Risk Management'</p> <p>Currently, the bank is not specifically making any investments in climate related issues.</p>	47
E.8: Water Usage	The company should report total annual amount of water withdrawn, consumed, recycled.	<ol style="list-style-type: none"> Report the total annual amount of water consumed by the organisation. Report the total annual amount of water withdrawn by the organisation. Report the total annual amount of water recycled/reclaimed by the organisation. 	<p>Refer to 'Contributing to environmental sustainability- Environmental stewardship'</p> <p>Currently, BDB is only monitoring water consumption based on the bills shared by the Electricity and Water Authority (EWA) and effluents are discharged based on regulations. There is no water being recycled or reclaimed.</p>	40

CBB ESG Requirements Content Index
continued

KPI	Description	Main Reporting Component(s)	Section	Page
Environmental				
E.9: Waste Generation	The company should report total weight of waste generated and a description of its waste disposal method.	<ol style="list-style-type: none"> 1. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste (hazardous and non-hazardous). 2. Description of the company's waste disposal method(s). <ul style="list-style-type: none"> • Description of the company's sustainable waste management practices (such as recycling initiatives and waste reduction strategies). 3. State the standards, techniques, assumptions, and/or calculation tools utilised. 	<p>Refer to 'Contributing to environmental sustainability-Environmental stewardship'</p> <p>Currently, BDB is not monitoring the quantum of waste generated and is in the process of institutionalizing the process of waste management.</p>	40
E.10: Emission Targets	The company should provide a description of emission targets set, and steps taken to achieve them, including energy conservation measures	<ol style="list-style-type: none"> 1. A statement on how the company addresses its total emission. 2. A statement of the board/management approach towards its total emissions, including whether it is subject to any country, regional, or industry-level emissions regulations and policies. 3. A description of the following (where applicable): <ol style="list-style-type: none"> 3.1. Policies 3.2. Commitments 3.3. Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4. Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer; Board committees etc.) 3.5. Specific actions, such as processes, projects, programs, initiatives, and frequency at which the board is informed about emission targets and process. 	<p>Refer to 'Contributing to environmental sustainability-Environmental stewardship'</p> <p>BDB has currently not established emission reduction targets and target setting will be evaluated as part of the ESG roadmap 2025-2030.</p>	40

CBB ESG Requirements Content Index

continued

KPI	Reference(s)	Main Reporting Component(s)	Section	Page
Social				
S.1: Total Workforce by gender, age-group, and employment type	The company should report the composition of its total workforce by gender, employment type and age group.	1. Report total number of employees currently employed within the organization and the composition of the total workforce as per the below: <ul style="list-style-type: none"> • By gender, as percentage of the total workforce • By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old), as a percentage of the total workforce. • By employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce. 	Refer to 'Empowering our people and communities – Diversity and equal opportunity'	33-34
S.2: Child and Forced Labor	The company should provide a statement of policies it applies to prohibit child/and or forced labor within the company, and if it considers policies that prohibit that same for their suppliers and/or vendors.	1. A statement on how the organization addresses prohibition of child and or/forced labor. 2. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies. 3. A description of the following (where applicable): <ul style="list-style-type: none"> • Policies • Commitments • Goals and targets • Responsibilities • Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about any issues concerning child and or/forced labour relating to the company. 	Refer to 'Empowering our people and communities – Human capital development'	32
S.3: Employee Turnover	The company should report the total annual turnover (whether voluntary or involuntary) categorised by gender and age group.	1. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, as per the below categories: <ul style="list-style-type: none"> • By gender • By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old). 	Refer to 'Empowering our people and communities – Human capital development'	34
S.4: Gender Pay Ratio	The company should report the median total compensation for men compared to the median total compensation for women (as a ratio).	1. Report the median total compensation for women compared to the median total compensation for men (as a ratio).	The ratio of median total compensation for women compared to the median total compensation for men is 0.83.	
S.5: Health and Safety	The company should report the total number of injuries and fatalities occurred, lost days due to work injury and a description of occupational health and safety measures.	1. Report on the total number of injuries and fatalities occurred in each of the past three years including the reporting year. 2. Report lost days due to work injury in each of the past three years including the reporting year. 3. A description of occupational health and safety measures adopted, and how they are implemented and monitored.	Refer to 'Empowering our people and communities – Human capital development' There were no fatalities or recordable injuries during the reporting period as a result of which lost days due to work injury is not applicable.	32

CBB ESG Requirements Content Index

continued

KPI	Reference(s)	Main Reporting Component(s)	Section	Page
Social				
S.6: Non-discrimination	The company should provide a description of its harassment and/or non-discrimination policy.	<ol style="list-style-type: none"> 1. A statement on how the organization addresses harassment and discrimination matters. 2. A statement of the board/management approach, including whether it is subject to any country, regional, or industry-level regulations and policies. 	Refer to 'Empowering our people and communities – Human capital development'	32
S.7: Nationalization	The company should report on the number and percentage of national employees, as well as initiatives to increase nationalization.	<ol style="list-style-type: none"> 1. A statement of the board/management approach to increase nationalization, including whether it is subject to any country regulations and policies. 2. Report the number and percentage of national employees, as part of the total workforce. 	Refer to 'Empowering our people and communities – Nationalization'	35
S.8: Community Investment	The company should provide detailed information on the scope and impact of its community investment activities, as well as amount invested in community as a percentage of company revenue.	<ol style="list-style-type: none"> 1. Report the amount invested in the community as a percentage of company revenues. 2. Provide a description of the scope and impact of its community investment initiatives. 	Refer to 'Empowering our people and communities – Community welfare'	35
S.9: Human rights	The company should provide a description of its policy on human rights.	<ol style="list-style-type: none"> 1. A statement on how the organization addresses human rights. 2. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies. 3. A description of the following (where applicable): <ul style="list-style-type: none"> • Policies (and if it also covers suppliers and vendors). • Commitments • Goals and targets • Responsibilities 	Refer to 'Empowering our people and communities – Human capital development'	32
S.10: Management Composition/Diversity	The company should report the percentage of male to female metrics broken down by various organisational levels.	<ol style="list-style-type: none"> 1. Report percentage of male to female metrics, as per the below categories: <ul style="list-style-type: none"> • Entry-level • Mid-level • Senior/Executive level positions 	Refer to 'Empowering our people and communities – Diversity and equal opportunity'	34
S.11: Development and Training	The company should report average hours of training that its employees have undertaken during the reporting period.	<ol style="list-style-type: none"> 1. Report average hours of training, as per the below categories: <ul style="list-style-type: none"> • By Gender • By Employee category (Full-time, part-time, internship etc.) 	Refer to 'Empowering our people and communities – Human capital development'	31

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KPI	Reference(s)	Main Reporting Component(s)	Section	Page
Governance				
G.1: Board Composition	The company should report the composition of the Board categorised by directors, such as the chairman, executive directors, non-executive directors, and independent non-executive directors.	<ol style="list-style-type: none"> Report board size Report female board directors by number and percentage of the Board size. Report composition of the board and its committees by: <ul style="list-style-type: none"> Executive or non-executive Independence Tenure Representation (appointed or elected) Details of non-compliance with regulations, as well as a description of the corrective actions taken. 	Refer to 'Conducting business responsibly – Governance and transparency'	42
G.2: Collective Bargaining	The company should report on the total enterprise headcount covered by collective bargaining agreements (Unions) and the process in which employees' contracts with their employers to determine their terms of employment.	<ol style="list-style-type: none"> Report total enterprise headcount covered by collective bargaining agreements (Unions) (if applicable). Provide a description of the process by which employees negotiate their contracts with the organization to determine their terms of employment (e.g., compensation, benefits, hours, leave, occupational health and safety standards, initiatives to balance work and family etc.) 	Not applicable	-
G.3: Whistleblowing	The company should provide a description of the mechanisms used to discuss and report on behaviour	<ol style="list-style-type: none"> Provide a description of internal and external mechanisms for seeking advice and reporting concerns on organizational integrity. Provide a description on awareness initiatives conducted by the organisation. 	Refer to 'Conducting business responsibly – Governance and transparency'	44
G.4: Data privacy	The company should Report if it follows a Data Privacy policy and if the company has taken steps to comply with Personal Data Protection Law (PDPL) rules.	<ol style="list-style-type: none"> Provide a description of the company's Data Privacy policy. Provide a statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules. 	Refer to 'Conducting business responsibly – Cybersecurity and Data Privacy'	47-48
G.5: Disclosure Practices	The company should provide a description of its sustainability disclosure practices	<ol style="list-style-type: none"> Report if the company provides its sustainability data to sustainability supporting organisations such as the Global Reporting Initiative (GRI) Secretariat, United Nations (UN), CDP etc. Report if the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress. State whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures. 	This is BDB's inaugural ESG report and it is aligned with ESG requirements of CBB and Bahrain Bourse.	-
G.6: Conflict of interest	The company shall describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated.	<ol style="list-style-type: none"> Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: <ul style="list-style-type: none"> Cross-board membership Cross-shareholding with suppliers and other stakeholders. Existence of controlling shareholders; Related parties, their relationships, nature, transactions, and outstanding balances. 	Refer to 'Conducting business responsibly – Governance and transparency' Details are disclosed in the Annual Report	45

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KPI	Reference(s)	Main Reporting Component(s)	Section	Page
Governance				
G.7: Supplier Code of Conduct	The company should report if it has established a Supplier Code of Conduct.	<ol style="list-style-type: none"> 1. Provide a description of the company's Supplier Code of Conduct. 2. Report the percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism. 	<p>Refer to 'Conducting business responsibly – Governance and transparency'</p> <p>Currently, % of suppliers complying is not being monitored.</p>	44
G.8: Incentivised Pay	The company should describe the processes for incentivizing executives to perform sustainably.	<ol style="list-style-type: none"> 1. Report if executives are formally incentivized to perform on sustainability. 2. Report the percentage of executive compensation tied to ESG performance metrics. 3. Provide a description of other links between executive performance and sustainability performance (if any). 	ESG is part of overall balanced scorecard for the Bank. The performance of the Bank against the balance scorecard is linked to the incentive program for Executives. Currently, there is no specific ESG linked incentive program for Executives.	-
G.9: Ethics & Anticorruption	The company should describe its policy on ethical conduct and anti-corruption.	<ol style="list-style-type: none"> 1. Report if your company follows an Ethics and/or Anti-Corruption policy. <ul style="list-style-type: none"> • If yes, report the percentage of the workforce that has formally certified its compliance with the policy (provide description of certification and process). 2. Provide a statement of the company's commitment towards its ethics and/or anti-Corruption policy/position 	<p>Refer to 'Conducting business responsibly – Governance and transparency'</p> <p>100% of the workforce have formally certified compliance with the policy. As part of onboarding formalities, all new employees are required to sign off on the Code of Ethics and Business Conduct.</p>	44
G.10: Assurance	The company shall describe the processes by which its sustainability disclosures are assured or validated.	<ol style="list-style-type: none"> 1. Provide a description of the process by which sustainability disclosures are assured or validated. <ul style="list-style-type: none"> • Report if the company's sustainability disclosures are assured or validated by an independent third party. 	The ESG disclosures of BDB have been internally validated for data consistency and accuracy. Currently, BDB's ESG disclosures have not undergone independent assurance or validation by a third party	-

