

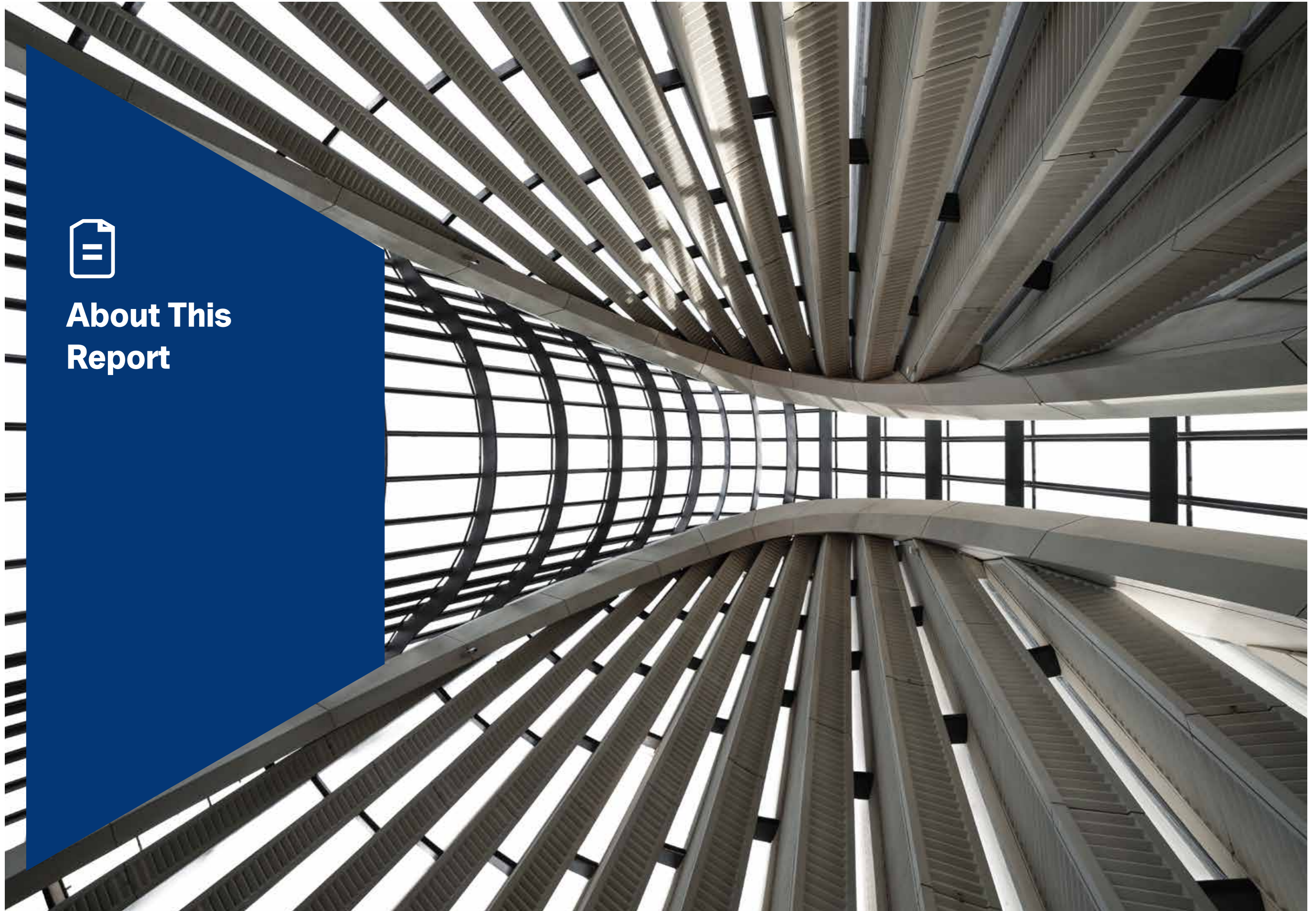
Maintaining Course

Sustainability Report 2020





About This Report



Scope of the Report (102-46, 102-52)

In this NBK's fifth full Sustainability Report, we share our sustainability-related commitments, activities and initiatives, as well as our performance and progress against goals. Our goal is to celebrate our successes, but also, to transparently communicate our challenges.

In Accordance With GRI (102-54)

Our 2020 Sustainability Report is aligned with the guidelines of the Global Reporting Initiative (GRI) – core option. For more details, please refer to the notation of standards following each subtitle and the GRI Content Index in Appendix 9.1.

Reporting Period (102-50, 102-52)

This report covers NBK Kuwait operations (unless otherwise noted), spanning the reporting period of January 1, 2020 to December 31, 2020.

Context for This Report (102-46)

Over the past decade, local, national and global pressures for more environmentally and socially sustainable business have increased dramatically. The focus of our stakeholders institutional investors, shareholders, corporate and individual customers, government entities, employees, and communities has expanded to include attention to management of relevant environment, social, and governance (ESG) risks and

opportunities. NBK is increasingly in the purview of external regional and global ESG rating agencies. This, in addition to our internal commitment to contribute to society and avoid harm, provides the stimulus for our strategic sustainability initiatives and openly monitoring our progress against goals.

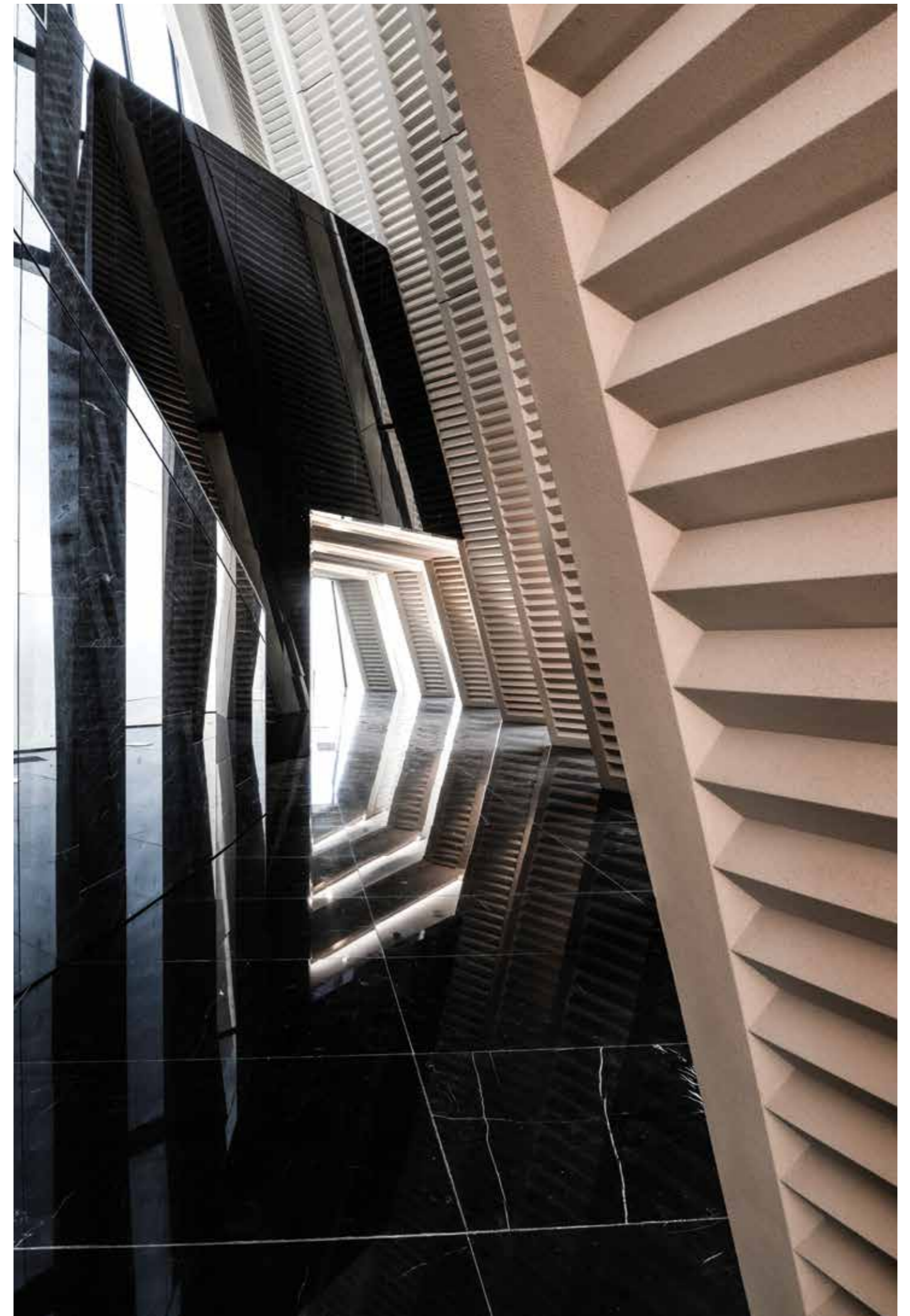
In 2020, the global COVID-19 pandemic has also been a significant contextual driving force impacting our people, business, and community. Early in the report, we discuss NBK's proactive actions to protect our employees and customers and ensure NBK's resilience in facing the pandemic. The report also includes a more detailed description of our COVID-19 response as a core theme in our sustainability direction, and within each major ESG area of governance and business practices, social impact and contribution (internally and in the community), and our environmental impact.

Communication and Feedback (102-53)

NBK invites feedback and suggestions regarding our sustainability efforts and/or this report. We look forward to collaborating in increasing NBK's strength and contribution to the world.

Contact

sustainability@nbk.com
Tel: (965) 22592665



2020 Sustainability Highlights

Total GHG Emissions

5,152

MT CO2e

Paper Recycled

98

Tons

Paper Reduced

13,350

Packs of Paper

Health and Safety Incidents:

0

Kuwaitization Rate

72.7%

Employees

Females in the Workforce

45.8%

Employees

NBK Hospital Investment:

233%

Increase

Active Mobile Banking Customers:

38%

Increase

ESG Index Inclusion:

FTSE4Good

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Message From NBK's Chairman

(102-14)

Nasser Msaed
Abdulla Al-Sayer
Chairman of the Board
of Directors



“2020 proved to be a stress test for NBK across our functions and operations, and we have proven to be strong in the face of these challenges.”

Welcome to NBK's fifth sustainability report, covering the year 2020 "Maintaining Course." This year has been one-of-a-kind for us, as COVID-19 presented a range of challenges; I am proud to say that despite these challenges, we were able to maintain our course towards financial and non-financial excellence, ultimately managing and overcoming our challenges successfully.

As with previous years, we have continued to assess and report on our environmental, social, and governance (ESG) performance including this year the COVID-19 pandemic and our resilience in response to it. Additionally, throughout these sustainability dimensions, we report on our engagements with the community, the sustainable management of our people, our strong governance, and our customer-centric and digitized business practices.

NBK's Sustainability Directions

In developing our report, we have continued to follow a stakeholder-focused and standards-aligned approach to sustainability. Accordingly, our report was developed with consideration given to a range of global and local sustainability frameworks and drivers, including the Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs), and the Kuwait National Development Plan (KNDP). This highlights how we benchmark our performance in relation to widely-respected sustainability approaches in order to better impact and contribute in those areas.

In alignment with GRI reporting practices, we continued to conduct a materiality assessment as a foundation of our report in order to build on what is deemed to be most significant to our stakeholders. This year, we were able to successfully engage a wider scope of internal and external stakeholders in conducting our materiality assessment. As a result, we plotted our results into a matrix, and further compared our results to previous years. The sustainability elements that we embedded include reporting on our stakeholder engagement, calculation of sustainability return on investment (SROI), updating our sustainability targets, emphasizing our sustainability pillars, and reporting on our path in line with ESG analysts and indices.

NBK's Resilience Throughout COVID-19

A recurring theme throughout our report this year was COVID-19, and specifically how it impacted us and how we responded accordingly. This common theme is that 2020 proved to be a stress test for NBK across our functions and operations, and we have proven to be strong in the face of these challenges. Vital tools that ensured our resilience included our business continuity and recovery plan and the associated actions we implemented, grounded in our sustainability model. Of significant importance, our response to COVID-19 was implemented in a way that catered to the needs and impacts of our stakeholders, including the experience and satisfaction of our customers, and the well-being of our employees. Overall, we were able to overcome three main challenges that arose due to the pandemic: customer, technology, and Bank-related challenges.

Building Our Internal Governance

We have reported on our various governance aspects, in line with major parts of ESG disclosures frameworks. Specifically, we were able to highlight NBK's strong governance through our governance structure, Board of Directors (BoD), Board Committees, governance disclosures, and compliance processes. We focused on our ethical and transparent business practices, highlighting our code of conduct, commitment to human rights, prioritization of investor relations, and a range of ethical business areas that include anti-corruption, anti-fraud, and anti-money laundering. Finally, we discuss as part of our governance our approach to risk management and ensuring business resilience, especially in the context of the COVID-19 pandemic.

Developing Our Business Practices

Our performance in the marketplace is vital to ensuring our sustainability overall, and we accordingly reported on our business practices, delving into areas that include customer experience, technology, and procurement. Concerning our procurement practices, we contributed to the local community by having our suppliers consist of 77% local suppliers from Kuwait. Examining the experience of our customers, we reported

on customer satisfaction, complaints management, and the role of technology and digitization in enhancing both customer experience as well as our own internal operations and continuity.

Caring for Our People

Another sustainability dimension that we report on each year is the workplace, where we exhibit sustainable management of and engagement with our people. Some highlights this year include: 72.7% Kuwaitization rate, 45.8% female employees proportion of the workforce, 242 new employees hired, 51,924 training hours to employees, and the provision of NBK Clinic services to employees, with 258 employees seen at the Clinic.

Impacting Our Community

We have a very long-standing commitment to being a responsible corporate citizen in the community in which we operate, especially by giving back through contributions, awareness raising, and community engagements. In this dimension, social media has been a vital tool for us this year, especially in being able to virtually engage with our community. These engagements ranged from healthcare to COVID-19 awareness to education and youth. Some highlights related to our community dimension include the provision of around 375 volunteering hours by staff concerning COVID-19 awareness, and training 32 youth students through the TAMAKAN initiative.

Managing Our Environment Impacts

We also made substantial progress in assessing our environmental impacts, including energy, water, waste and resource management, headquarter relocation, and the calculation of our footprint in terms of greenhouse gas (GHG) emissions. Because of both COVID-19 demand reductions and our move to our new green headquarters building, we had enormous reductions in energy use, GHG emissions, and water consumption. In addition, we recycled more paper than ever (nearly 100 tons) as well as significant volumes of plastic and e-waste; moreover, we significantly reduced our use of paper.

In Closing

On behalf of the Board of Directors, I once again extend my gratitude to all NBK stakeholders, both internal and external, for their support of and collaborative contributions towards NBK's operations, growth, and resilience. We further give thanks to His Highness, the Amir of Kuwait, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, and to His Highness, the Crown Prince, Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, may Allah protect them. We invite you to look through our sustainability report 2020, which reflects our commitment to transparency and stakeholder engagement, and we look forward to any queries or feedback that you may have.

NBK Profile and Markets Served

(102-3, 102-4, 102-6)

Since our founding in 1952 as National Bank of Kuwait S.A.K.P. (NBK), NBK has served the banking, financial service, and investment needs of our individual, corporate, and public sector customers. In 2020, NBK's net operating income was KWD 842.5 million. As for employees, our total Kuwait-based employees in 2020 was 2,268, down from 2,294 in 2019.

As part of our strategy to achieve sustainable growth, NBK has expanded geographically. We have evolved from a local Bank serving the needs of Kuwaiti citizens to a financial leader in the Arab region, with operations in 15 countries: Kuwait, KSA, Bahrain, Lebanon, Jordan, Iraq, Egypt, UAE, Turkey, UK, France, Switzerland, USA, China, and Singapore. NBK operates 68 branches in Kuwait, the same as 2019. However, 2 branches are currently closed as of 2020, due to the COVID-19 pandemic.

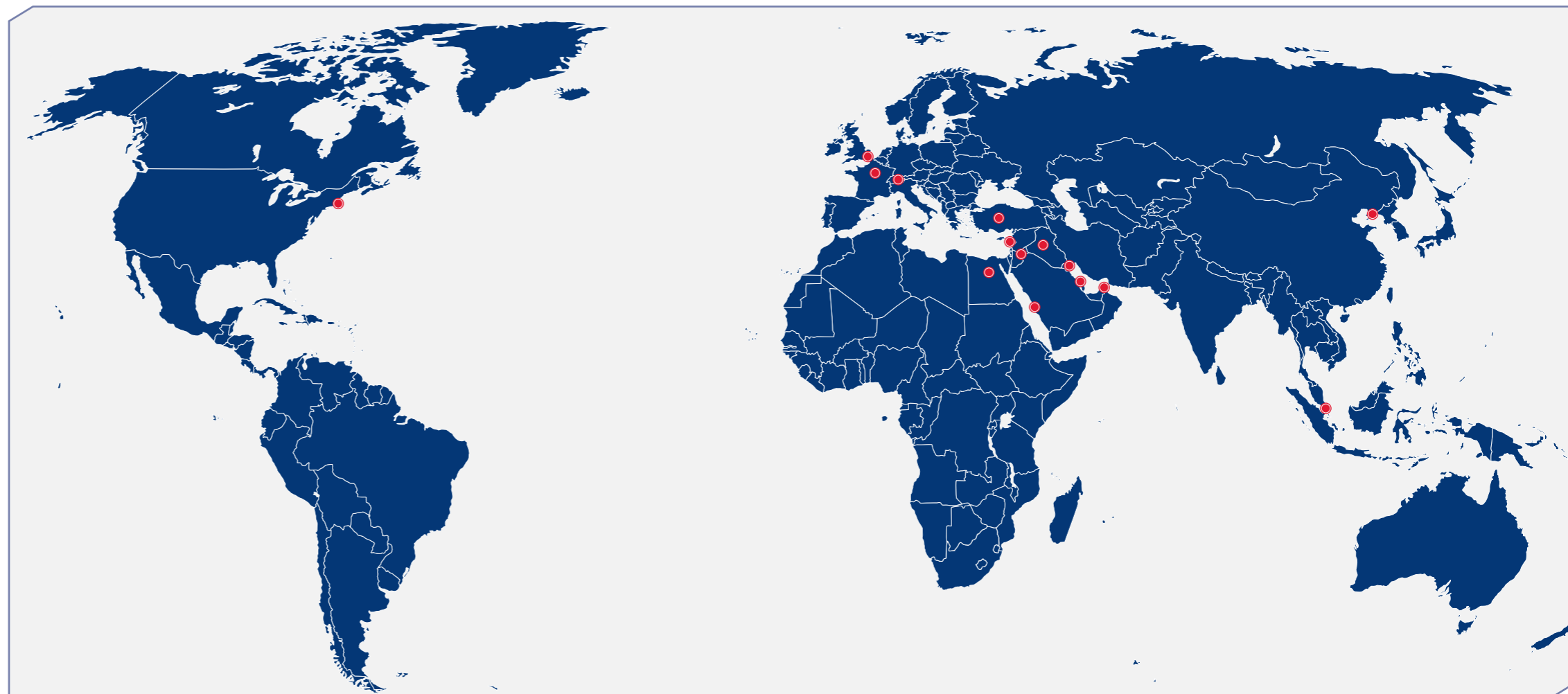
NBK's new headquarters building is located at the following address:

NBK Headquarters, Sharq Area,
Al-Shuhada Street
Block 7, Plot 6
Kuwait

NBK's Headquarters Mailing Address:
P.O. Box 95 Safat 13001 Kuwait

As of year-end 2020, NBK's memberships and associations included the following:

- Kuwait Bank Association (KBA)
- Loan Market Association (LMA)
- International Project Finance Association (IFPA)
- Institute of Banking Studies (IBS)
- Society for Worldwide Interbank Financial Telecommunications (SWIFT)
- Ripple Net
- Credit Information Network (CiNet)
- The Shared Electronic Banking Company (K.S.C.C.) - KNET
- The Bankers Association for Finance and Trade (BAFT) -Global Association for International Transaction Banking
- International Swaps and Derivative Association (ISDA)



NBK has 85 branches outside Kuwait. This year's updates concerning NBK's international presence include:

Location	Branches	NBK Ownership
International		
London	2	Subsidiary
Paris	1	Subsidiary
Geneva	1	Subsidiary
New York	1	Branch
Singapore	1	Branch
Shanghai	1	Branch

Location	Branches	NBK Ownership
MENA		
Lebanon	2	Subsidiary
Jordan	1	Branch
Bahrain	2	Branch
Saudi Arabia	3	Branch
UAE	2	Branch

Location	Branches	NBK Ownership
MENA		
Iraq-CBI	5	Subsidiary
Egypt	53	Subsidiary
Turkey-TB	10	Associate

Vision, Mission, and Values

(102-16)

The following are NBK's vision, mission, and values. NBK's visionary directions and sustainable performance are directed by our ambitious vision, robust mission, and noble values, which are accordingly the foundation upon which our operations and business practices are constructed.

Vision

The NBK vision is to be the trusted Bank of choice, building on our core values, people and expertise.

Mission

To deliver world class products and the highest service quality to our customers.

To attract, develop and retain the best Banking talent in the region.

To support the communities in which we operate.

To adhere to our core values of passion, integrity, conservatism and knowledge.

By doing so, we believe that we will be able to achieve consistently superior returns to our shareholders

Values

- Passion
- Integrity
- Conservatism
- Knowledge

Products and Services

(102-2)

NBK provides its products and services to customers through four main segments, catering to a range of both consumer and corporate clients. NBK's core business segments include consumer, private, corporate, and Islamic banking, as well as investment banking and asset management, each of which are described further as follows.

1. The **Consumer and Private Banking** segment, which provides loans, credit cards, foreign exchange, deposits, and other branch-related services to our clients.

2. The **Corporate Banking** segment, which provides deposits, lending, foreign exchange, trade finance, and advisory services to corporate customers.

3. The **Investment Banking and Asset Management** segment, which provides advisory and execution services for capital market, wealth and asset management, brokerage, custody, and research.

4. The **Islamic Banking** segment, which serves its clients through our subsidiary Bank.

NBK's products and services are outlined in the graphic below and in Appendix 9.4.

Products and Services

Below is a list of the various products and services offered by NBK:

Cards

1. Credit and Prepaid Cards, Visa, Mastercard and Diners
2. NBK-Kuwait Airways (Oasis Club) Visa Cards
3. Report Lost or Stolen Debit Cards

Liabilities

4. Range of Current Account, Savings Account, Al Jawhara (Prize Account) and Term Deposit Products

Loans

5. Loans to Both Kuwaiti Nationals and Expatriates for Housing, Consumer Goods and Auto

Segments

6. Family Banking
7. NBK Direct Remit - Ripple
8. Concierge Service
9. NBK Home Banking
10. SmartWealth Lite by NBK Capital
11. Business Banking Plus
12. Business Concierge Service

Mobile Banking App

13. Kuwait Fight Corona Donations – Quick Transfer
14. Changing NBK Quick Pay, Cash Advance and e-Payments Limits
15. Digital Customer Onboarding With Public Authority for Civil Information (PACI)
16. "Dark Mode" on NBK Mobile Banking App
17. WhatsApp integration with NBK Quick Pay
18. NBK Mobile Banking App on Your Smartwatch
19. Apply for a Loan – Ci-Net Integration
20. Apply for a Credit Card
21. Request Credit Limit Increase
22. Opening NBK Partial Withdrawal Deposit on NBK Mobile Banking App
23. Enhancements on the Term Deposit Account Opening
24. Ability to Book NBK Term Deposit
25. Enhancements on the NBK Rewards Points
26. Display Rate When Making Transfers Across Currencies
27. Ability to Transfer to NBK Capital Online Trading Accounts and International Online Brokerage

28. Display Watani Money Market Funds and NBK Investment Funds
29. Establish Standing Orders
30. Enhancements on NBK Geo Alerts
31. Show OTP in Keyboard
32. Sharing Summary of Money Transfers With the Beneficiaries
33. Buy or Sell Currency
34. Improvements on International Money Transfers and Loans Features
35. Security Improvements
36. Transfer to NBK Capital SmartWealth
37. Controls Over Jail Broken Devices (Grace Period Started)
38. NBK Push Notifications
39. NBK Bill Splitting

Branches

40. Bulk Deposit Corebanking Integration Machine
41. Mobile Branch
42. Cash Deposit Limits of KWD 5,000 per Day and KWD 40,000 per Month for Retail Customers
43. Stopped Printing ATM Receipts for Successful Withdrawal Transactions

Awards and Recognitions

NBK collected several awards, and the following lists summarize the year 2020.



- Best Bank in Kuwait –Kuwait 2020
- Best Consumer Digital Bank – Kuwait 2020
- Best Consumer Digital Bank – Middle East 2020
- Best Foreign Exchange Provider Kuwait 2021
- Best Foreign Exchange Provider Middle East 2021.
- Best Private Bank –Kuwait 2021.
- Amongst the Top 50 Safest Commercial Banks in the World
- The Safest Bank in Kuwait
- Best Foreign Exchange Provider 2020 – Kuwait
- Best Foreign Exchange Provider 2020 – Middle East

The Banker

- Best Commercial Bank of The Year - Kuwait
- Best Innovation in Retail Banking - Kuwait

MSCI
ESG RATINGS



NBK's rating is at 'BBB' per the MSCI evaluation



FTSE4Good

- FTSE Russell's FTSE4Good Index Series



- Refinitiv AFE Low Carbon Select Index in MENA



**Best Consumer
Digital Bank in
the Middle East**



NBK's Sustainability Directions

GRI: 102-12, 102-21, 102-40, 102-42, 102-43, 102-44, 102-47, 103, 203-2

NBK maintained its course of being committed to sustainability reporting as a core element of its overall sustainability directions. In 2020, the main recurring theme that was unique for this year and impactful on a range of stakeholders and business units was: COVID-19. For this reason, the matters of business resilience and readiness were central themes that were reflected throughout our report, in relation to our financial and non-financial performance. Besides COVID-19, other integral elements of our sustainability directions were the materiality assessment and matrix, the calculation of Sustainability Return on Investment (SROI), approach to stakeholder engagement, alignment to national and international frameworks, among others.

2.1 Theme of the Year: COVID-19 Impact and Readiness

The global COVID-19 pandemic was front and center to the year 2020, cutting a wide-ranging swath of disruption in its wake: threatening lives and health of employees and community members, harming social and mental wellbeing, attacking the strength of our economy, endangering the survival of many small businesses, and interfering with travel, trade and commerce, to name but a few damaging consequences. Barriers from COVID-19 shutdowns and digital firewalls even prohibited some data collection for our 2019 and 2020 Sustainability Reports.

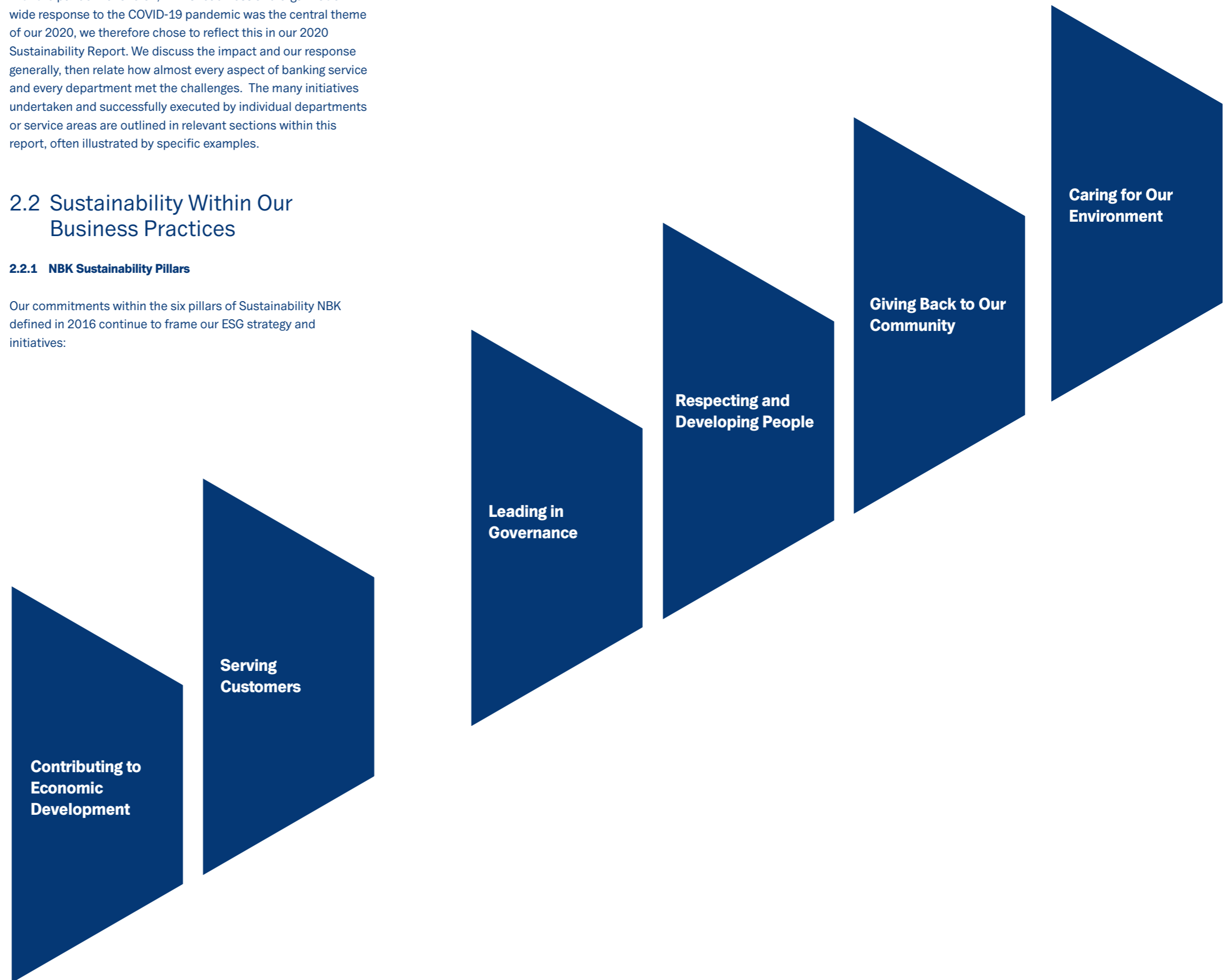
The pandemic impacted NBK's financial services, business practices and operations, employees and our role in the community. As a company, our goal was to build readiness prior to expected shut down and to respond rapidly and proactively to protect our employees, customers, and communities in which we operate, limiting the negative impact of the pandemic as much as possible. We needed to ensure our high quality of service while coping with radical shifts stemming from the pandemic. We also

prioritized stepping up to support our wider community in dealing with the pandemic. Overall, NBK's readiness and organization-wide response to the COVID-19 pandemic was the central theme of our 2020, we therefore chose to reflect this in our 2020 Sustainability Report. We discuss the impact and our response generally, then relate how almost every aspect of banking service and every department met the challenges. The many initiatives undertaken and successfully executed by individual departments or service areas are outlined in relevant sections within this report, often illustrated by specific examples.

2.2 Sustainability Within Our Business Practices

2.2.1 NBK Sustainability Pillars

Our commitments within the six pillars of Sustainability NBK defined in 2016 continue to frame our ESG strategy and initiatives:



2.2.2 Update on NBK Sustainability Targets

In 2019, NBK executives established the following sustainability targets, listed below with their associated status in 2020.

NBK Sustainability Targets – 2020 Status

Focus Area	5-Year Target	2020 Status	Exceeded / Achieved / Not Achieved / In Progress
Serving Customers	Maintain Customer Satisfaction Rate at or Above 94%	CSI 93% (considered successful given COVID-19)	In Progress
	Achieve Turnaround Time for Complaints (submitted to CBK) of 15 Days	12 working days	Exceeded
	Achieve Percentage of Active Users for NBK Mobile Banking of 50%	38%	In Progress
Caring For Our Environment	Achieve LEED Gold for New Headquarters Building	Currently in line with LEED Gold Certification for New Headquarters Building	In Progress
	Have Complete, Reliable Data on Total Waste Generated by EOY 2020	Yes	Achieved
Contributing to Sustainable Economic Development	Maintain % of Local Suppliers at 72% or Higher	77%	Exceeded
Respecting and Developing People	Maintain % of Number of Women in Workforce at 45% or Higher	45.8%	Exceeded
	Meet CBK Regulations to Progress on Kuwaitization Targets	Yes, at 72.7% Kuwaitization rate	Exceeded

In 2020, our status with respect to these goals is summarized in the table above. Individual goals are discussed in more depth in the relevant areas within this report.

2.3 Inclusive Stakeholder Engagement (102-40, 102-42, 102-43, 102-44)

NBK is committed to proactive two-way communication and engagement with all our key stakeholders (individuals, groups, and organizations) that could be impacted by, or could impact, our activities, products and services, and performance. NBK engages with our main customer segments, employees, investors, community members, and other stakeholders regarding our sustainability-related impacts and issues through a variety

of methods, as described in the table below. In 2020, given the pandemic, in-person connections were augmented with enhancements to our digital and social media channels, with content particularly focused on COVID-19 adjustments and safety measures.

The following table lists NBK's main stakeholder groups that are engaged, and each is marked with an assessment level that range from a minimum of "informing" them, to a maximum of "empowering" them. The engaged is further described in general for each stakeholder, as well more specifically concerning the COVID-19 impacts. Lastly, the estimated frequency of engaging with each stakeholder is also presented.

Stakeholder Group	Inform	Consult	Involve	Collaborate	Empower	Description of Engagement	COVID-19 Impacts	Frequency of Engagement
Governmental Authorities						NBK ensures compliance and transparency with governmental authorities, especially through timely submission of reports and publishing publicly available information.	*Complying with government-issued COVID-19 regulations	High
Local Community						NBK engages with the community through a range of CSR activities, especially using social media as a vital engagement tool. The engagement ranges from awareness campaigns to contributions to further empowering, educating, and supporting segments of the community.	*Implementing COVID-19 and health related awareness and engagement with the community.	High
Customers						NBK engages with customers through the products and services provided, customer satisfaction assessment, customer experience surveys, and obtaining and responding to customer complaints. We further collaborate and empower customers through NBK community initiatives.	*Ensuring customer health and safety, especially through COVID-19 precautions and sanitization of premises. *Providing quality customer service while facing challenges of COVID-19.	Very High
Employees						NBK engages with employees on a continuous basis, including day-to-day operational work, training and development to empower employees, and employee-focused awareness and engagement activities. We also communicate with employees via intranet and social media.	*Managing operations while in compliance with COVID-19 precautions and remote working adaptations. *Ensuring occupational health and safety, especially through COVID-19 precautions and sanitization of premises.	Very High
Suppliers						NBK engages with suppliers through a range of procurement activities, which is an especially vital way to support to the local community in which NBK operates.	*Procuring COVID-19, health, and sanitization related supplies.	High
Partners and Shareholders / Investors						NBK engages with its partners and shareholders / investors, especially through continuous communication and transparency of NBK's financial and non-financial performance, as published in reports and publicly available information. NBK's Investor Relations department specifically engages with investors through a range of physical and virtual meetings and communications. Additionally, NBK responds to inquiries and comprehensive surveys from external raters regarding our ESG policies and performance.	*Communicating COVID-19 impacts and responses to partners and shareholders / investors.	High

Legend:

Frequency of Engagement Level	Frequency of Engagement throughout the Year
Very High	Daily
High	Weekly to monthly
Medium	Monthly or more
Low	Yearly

2.4 Materiality Assessment (102-47, 103)

This is the fifth year that NBK has developed an annual sustainability report. Each year we evolved the thoroughness and breadth of our process for gaining input regarding the issues our key stakeholders see as most material for our business. Further, NBK is increasingly assessed by external ESG raters and aims to be part of more ESG indices in the future. Accordingly, NBK took a strategic approach in engaging and involving its stakeholders, including an even wider and more diverse range of stakeholders in our 2020 materiality assessment.

As with every year, our materiality assessment serves as a foundation for our sustainability report development and disclosure. The materiality assessment consisted of engagement with both NBK's internal and external stakeholders in order to assess the impact and importance of a range of material topics. This was done through both physical and virtual meetings and surveys with internal and external stakeholders.

Additionally, in early 2020, based on our internal knowledge and projections and supplemented by ongoing stakeholder feedback to ensure a rapid and effective response NBK determined that 1) health and safety of customers, employees and our community, and 2) transformation of banking services to address the COVID-19 crisis were essential and urgent issues for all stakeholders.

2.4.1 Internal Stakeholders

This diverse approach to materiality enhances the integration between the sustainability/ESG operations with the strategic directions of the Bank, since the internal stakeholders involved are integral parts of sustainability/ESG execution and performance. Thus, gathering employees' feedback on material topics contributes to our sustainability/ESG advancements and performance. In total, the materiality assessments integrated inputs from 29 internal stakeholders representing all NBK businesses and functional areas.

2.4.2 External Stakeholders

Our diverse approach extended to external stakeholders: NBK was keen to involve the largest number of external stakeholders possible for 2020 report, to ensure that their feedback and the impact that NBK is created was strongly emphasized. Our materiality assessment included a sample of 535 customers, as well as 7 non-government organizations (NGOs) that NBK often engages with, reaching 542 external stakeholders. Additionally, NBK conducted a syndicated study on the implications of COVID-19 for banking transformation, interviewing over 600 customers. Findings from this study guided our initiatives and communications.

As discussed earlier, NBK also works closely with external raters understanding that in part they serve as a proxy for investors especially, to determine their view of current and emerging priority issues and indicators. Further, through responding to external raters, we have gained much greater insight into issues which are likely to be increasingly material in the future.

2.4.3 Materiality Matrix

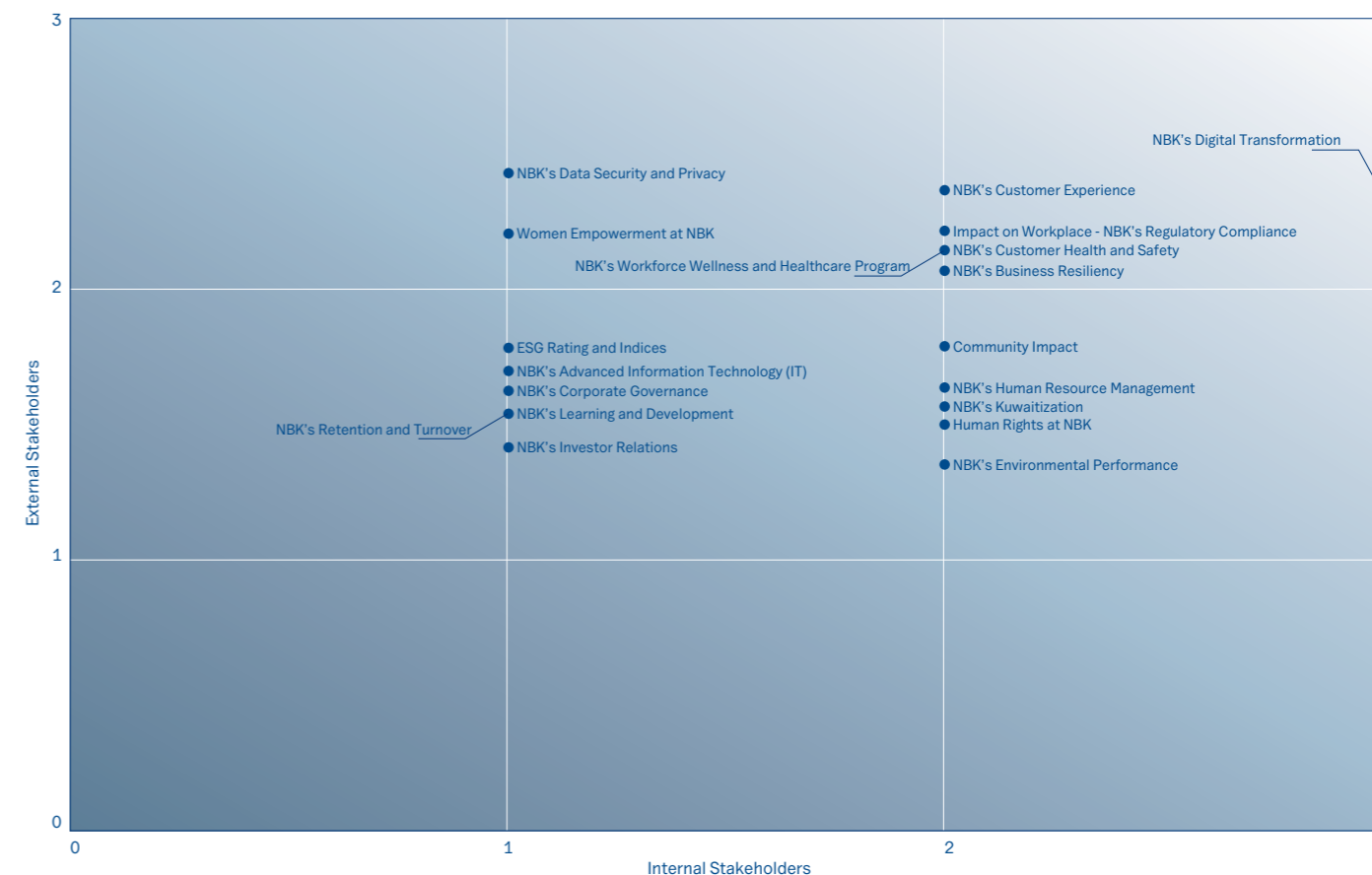
As a result of our materiality assessment with internal and external stakeholders, 19 total material topics were identified, with results as follows:

Firstly, 6 material topics were rated "High," showing high significance for both internal and external stakeholders. These 6 material topics were: Digital Transformation, Customer Experience, Regulatory Compliance, Workforce Wellness and Healthcare Program, Customer Health and Safety, and Business Resilience.

Additionally, 2 material topics were rated "Medium-High," meaning they had high significance among external stakeholders, and medium significance among internal stakeholders. This specifically indicates areas that NBK would look at further to see how it can progress to further align internal perspectives with external expectations. These 2 material topics are: Data Security and Privacy, and Women Empowerment.

Next, 5 material topics were classified as "High-Medium," meaning they had medium significance among external stakeholders, and high significance among internal stakeholders. Contrary to the above, this indicates that NBK is already prioritizing these areas, surpassing external stakeholders' expectations. These 5 material topics are: Community Impact, Human Resource Management, Kuwaitization, Human Rights, and Environmental Performance.

Finally, 6 material topics were classified as "Medium," meaning they had medium significance for both internal and external stakeholders. These 6 material topics are: ESG Rating and Indices, Advanced Information Technology (IT), Corporate Governance, Retention and Turnover, Learning and Development, and Investor Relations.



Level	Rank	Material Topics	Change from 2019
HIGH	1	NBK's Digital Transformation	(New in 2020)
HIGH	2	NBK's Customer Experience	(Up from #4 in 2019)
HIGH	3	Impact on Workplace - NBK's Regulatory Compliance	(New in 2020)
HIGH	4	NBK's Workforce Wellness and Healthcare Program	(Similar to #6 Workplace Wellbeing in 2019)
HIGH	5	NBK's Customer Health and Safety	(New in 2020)
HIGH	6	NBK's Business Resiliency	(New in 2020)
HIGH-MED	7	Community Impact	(Similar to #5 Social Impact in 2019)
HIGH-MED	8	NBK's Human Resource Management	(New topic in 2020, although #11 Talent Management in 2019)
HIGH-MED	9	NBK's Kuwaitization	(Up from #15 in 2019)
HIGH-MED	10	Human Rights at NBK	(New in 2020)
HIGH-MED	11	NBK's Environmental Performance	(New in 2020)
MED-HIGH	12	NBK's Data Security and Privacy	(Down from #2 in 2019)
MED-HIGH	13	Women Empowerment at NBK	(New in 2020)
MEDIUM	14	ESG Rating and Indices	(Down from #1 in 2019)
MEDIUM	15	NBK's Advanced Information Technology (IT)	(New in 2020)
MEDIUM	16	NBK's Corporate Governance	(Down from #7 in 2019)
MEDIUM	17	NBK's Learning and Development	(New in 2020)
MEDIUM	18	NBK's Retention and Turnover	(New in 2020)
MEDIUM	19	NBK's Investor Relations	(New in 2020)

2.4.4 NBK Materiality - Over the Years

Since we initiated our more comprehensive sustainability effort in 2016 (beyond CSR more narrowly), NBK has approached the need for engaging stakeholders to obtain their input regarding our most material impacts, risks and opportunity with more rigor. Although many issues identified in our materiality matrices over the past four years remain similar, there were important shifts in our most recent assessment. (See noted differences from 2019 in Materiality list.)

In our 2020 Materiality Matrix, the issue of Digital Transformation emerged as top priority by both internal and external stakeholders. This topic was not identified in our 2019 assessment.

We are working to formalize our policies, procedures, KPIs and assessment mechanism for these toward a goal of continuous improvement.

The striking emerging issue likely underlying many of the priorities for 2020 was the importance of our resilience and response in dealing with the impacts of the COVID-19 pandemic for our stakeholders and business. The pandemic had significant implications related to all of the top six high priority material issues: Digital Transformation, Customer Experience, Impact on Workplace - NBK's Regulatory Compliance, Workforce Wellness and Healthcare Program, Customer Health and Safety, and Business Resilience.

The following table summarizes analyses of the average materiality ratings of material topics grouped per sustainability dimension (environment, workplace, community, and marketplace) across three years: 2018, 2019, 2020. This was done in order to assess materiality over the years, through the lens of the four main sustainability dimensions, gaining insight

into the shifts and changes of the significance of certain areas to stakeholders (concerning their feedback and impact) over time.

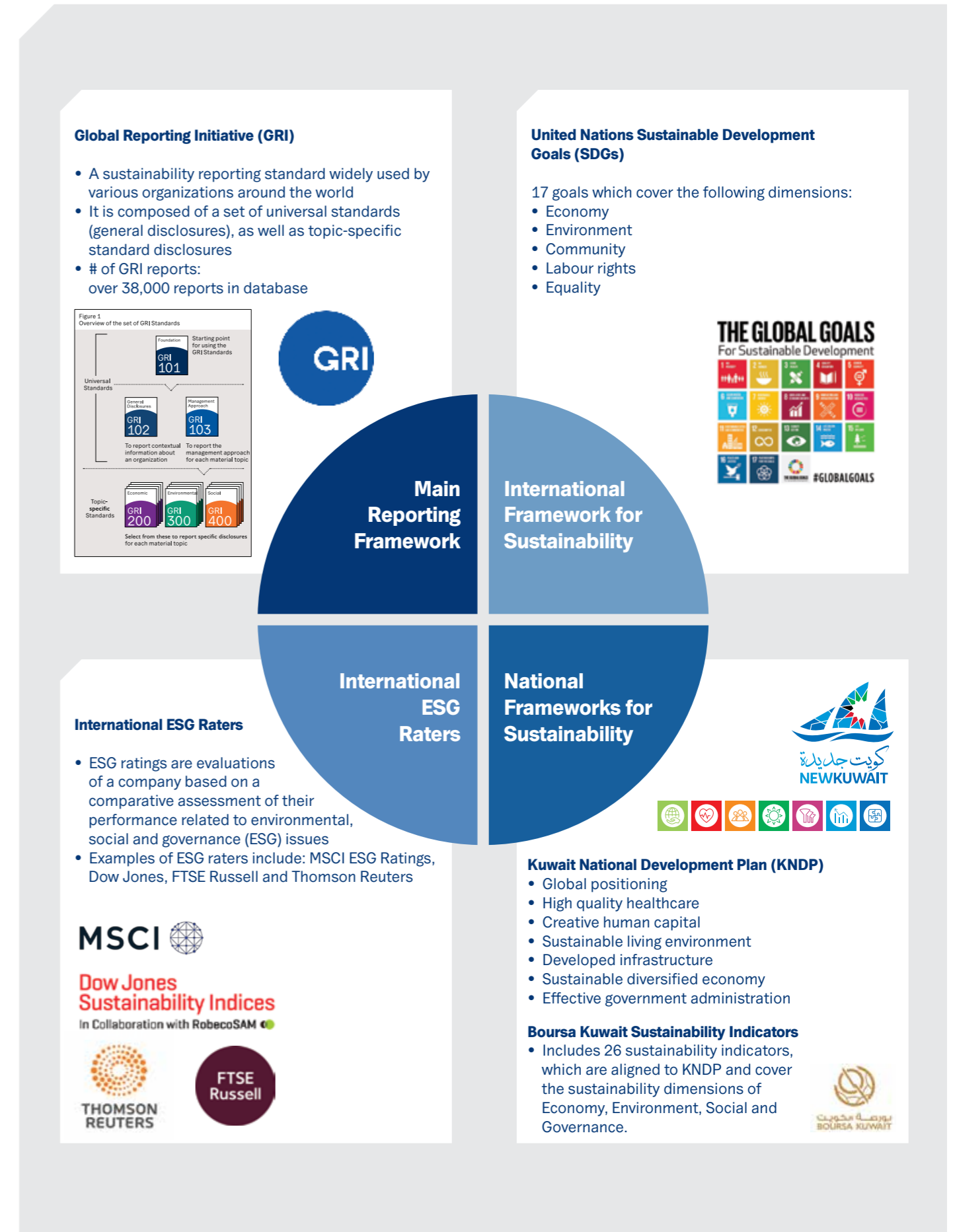
By looking at the dimensions' average ratings, they reflect how these items construct an important role in mapping and structuring the detailed material topics and data connected to each topic. Out of the 4 dimensions, Community rating average was the highest this year compared to the rest of the sustainability dimensions. This is likely an implication of the COVID-19 crisis, since there was a focus on health and safety topics and awareness. Meanwhile, the average feedback for both Marketplace and Workplace dimensions were the same at 1.8 average rating.

Shifts in Material Issues Over the Years

Dimension	Average Ratings Out of 3.0		
	2020	2019	2018
Environment	1.5	2.6	1.3
Workplace	1.8	2.6	2.0
Community	2.0	2.8	2.7
Marketplace	1.8	2.5	2.5

2.4.5 Material Topics Alignment to Frameworks

As demonstrated in the appendices, NBK's material sustainability issues and priorities are in close alignment with a range of national and international frameworks including the UN Sustainable Development Goals (SDGs), Kuwait Bourse, and the Kuwait National Development Plan (KNDP).



As in previous years, NBK aligns our sustainability initiatives and reporting with global and national frameworks: Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (UNSDGs), Kuwait National Development Plan (KNDP), and Kuwait Boursa ESG Indicators. See Appendix 9.5 for more detailed information regarding alignment of 2020 material issues to external frameworks, namely the UNSDGs and the KNDP. Specifically, alignment between the report and the GRI are outlined in Appendix 9.1, while alignment between the report and the Kuwait Boursa index are outlined in Appendix 9.2.

2.5 Sustainability Return on Investment (S-ROI) (203-2)

This year, NBK continued the practice of quantitatively analyzing its sustainability / ESG impacts, through the use of the Sustainability Return on Investment (S-ROI) methodology. This approach is especially useful in quantifying the various intangible elements of NBK's financial performance, and comparing the outcomes of initiatives or activities, to the investment inputs from NBK. Each of these calculations were classified according to a certain scale (used in previous years as well): "Very High" for SROI results above 400%; "High" for SROI results between 51 and 400%; and "Medium" for SROI ranging from 1% to 50%.

As a result, NBK yielded a total of 17 S-ROI calculations, distributed throughout our sustainability report in their relevant sections. The topics that this year's SROI calculations were associated with include: employee engagement, community activities, e-learning, digitization, local procurement, paper recycling, among others. The results of the number of S-ROI calculations per level classification is as follows:

SROI Classification	Number of S-ROI Calculations
Very High	9
High	7
Medium	1
Total	17

2.6 NBK ESG Ratings and Indices

As mentioned earlier, environmental, social and governance (ESG) impacts and risks are of increasing concern to stakeholders. Investors and corporate customers often base decisions on analyses done by well-established rating organizations. In 2020, NBK responded to an increased number of these external raters' requests for information and documentation related to their assessment of NBK's sustainability/ESG-related performance. These represented comprehensive analyses of a variety of aspect of our business impacts, risks and opportunities in exhaustive detail. Completing these ESG surveys provides a clear understanding of the expectations of key external stakeholders, and a sense of how NBK is measuring up.

Overall, NBK has been progressing year-over-year in building the policies and procedures and improving aspects of our sustainability performance. In 2020, NBK's rating on the MSCI ESG Index was unchanged with a BBB rating. It is worth noting that the pandemic did interfere somewhat with NBK's progress in sustainability, due to both the urgent critical management priorities related to the pandemic response and the lack of data availability from external partners. Despite this, NBK still focused on its progress against a range of ESG raters and indices criteria.

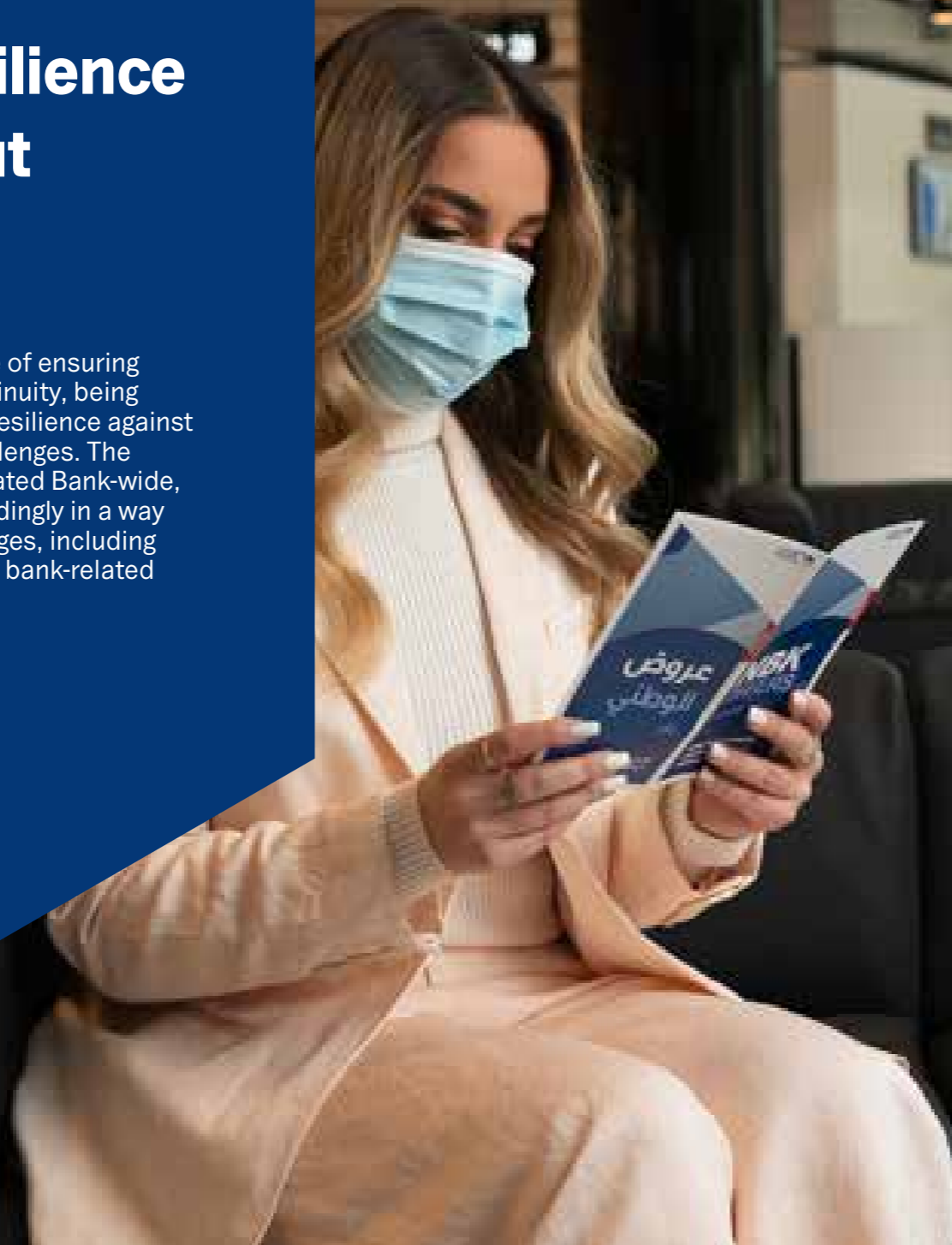




NBK's Resilience Throughout COVID-19

GRI: 102-10, 102-15, 103

NBK maintained its course of ensuring sustainable business continuity, being especially reflected in its resilience against the various COVID-19 challenges. The pandemic impacts permeated Bank-wide, and NBK responded accordingly in a way that overcame the challenges, including customer, technology, and bank-related challenges.



3.1 Bank-Wide Practices, Impacts, and Response (102-15)

Business resilience involves creating systems of prevention and rapid recovery from threats, business disruption, or economic slowdown. The COVID-19 pandemic represented the intersection of all of these. The spreading COVID-19 infection brought an obvious and pressing need to implement measures to keep employees and customers safe. With the threat of contagion and mandated lockdown we had to dramatically reducing our "on the premises" transactions and workforce in both headquarters and our branches while continuing to provide critical banking services. NBK attended to early warning signals from Asia, gaining an important head-start on preparations for both safety and transition of our business practices. We predicted, navigated, and facilitated a dramatic shift in customer behavior from in-person to digital financial transactions. We needed to ensure our digital infrastructure was prepared to meet the additional volume and requirements for data security. Further, even our engineering department was impacted: the pandemic affected work schedules at construction sites due to limitations of labor and materials. However, the impacts on the relocation to the New Headquarters and building services at NBK critical premises were adequately managed and impacts were kept to a minimum. Further, since our founding, NBK has played a leadership role in Kuwaiti society, thus we determined how our company might best contribute in helping our community face this unprecedented challenge.

3.2 Facing Our Challenges Head-on

Prior to the emergence of COVID-19, NBK had an already-established crisis communication plan in cases of emergency events or disasters. Led by with the Executive Management, we met to analyze the problem and potential damages, discuss the communication plan and then execute to provide a constructive response for employees, clients, and other stakeholders. Every business Group in NBK moved swiftly to implement substantial changes in business operations and practices in response to the pandemic.

3.2.1 Overcoming Our Customer-related Challenges

Our most pressing customer-related goals during this time of COVID-19 were ensuring customer safety and ensuring uninterrupted safe and secure financial services with undiminished quality and customer experience. This was no small feat, since the shift to primarily virtual banking required expedited implementation of digitization at scale and step-leap progress in customers' transition to mobile banking. In this time of transition, a customer service challenge was ensuring our contact centers stayed operational. Our success in meeting customer-related challenges was enabled by collaborative efforts of multiple business Groups, especially ensuring optimal customer experience and satisfaction despite the challenges arising from the COVID-19 pandemic.

3.2.2 Mitigating Our Technology-related Challenges

NBK faced and successfully overcame technology-related challenges for both external and internal communications and transactions. Further, data security and privacy intensified as issues of utmost importance. 2020 was a year that required companies worldwide to demonstrate the resilience and capabilities of their systems and technologies that they had in place. In a short period of time, the operations and business shifted to online, virtual, and digital solutions in order for companies to adapt to the remote-working requirements of the pandemic. With this shift, it was a challenge for companies to ensure the security features of fast digitization and remote-working, but NBK was successfully able to overcome these technology-related challenges.

This was especially ensured in NBK's internal operations through the prioritization of data security and privacy features, supporting employee remote-working through VPN access, new laptops provision, and use of technologies, ensuring system uptimes, and having adequate controls throughout systems and transactions. Employees were further supported through the use of technology in training, whereas employees were able to benefit from optional and mandatory certified e-learning courses.

Concerning our external stakeholders, NBK was able to extend support and assistance to customers and society, ensuring quality, consistency, and efficiency by overcoming the technological challenges. Specifically in terms of the retail and corporate clients, NBK has endeavored since the beginning of the COVID-19 crisis to implement measures and solutions aimed at protecting customers' privileges, providing optimal customer support, and facilitating the completion of their banking transactions conveniently. This was especially the case for critical operational functions, such as fund transfers, cheque clearing, and treasury operations.

Additionally, in efforts to promote the use of digitization in customer transactions, NBK suspended fees on POS terminals, ATMs and digital channels for 3 months and it has increased the limit for contactless payments. The payback from digital investments was evident as the digital channels played a vital role in servicing customers, with electronic transactions reaching record highs.

3.2.3 Alleviating Our Bank-related Challenges

The lockdown brought about by the pandemic forced a rapid transition to enable almost all NBK employees to work remotely. This required NBK step up to meet both technological and social challenges. Our goal was providing uninterrupted services to customers and staff throughout pandemic with minimal impact to business. Specifically, NBK's workforce is capable and trained to overcome challenges to mitigate any possible operational and business implications

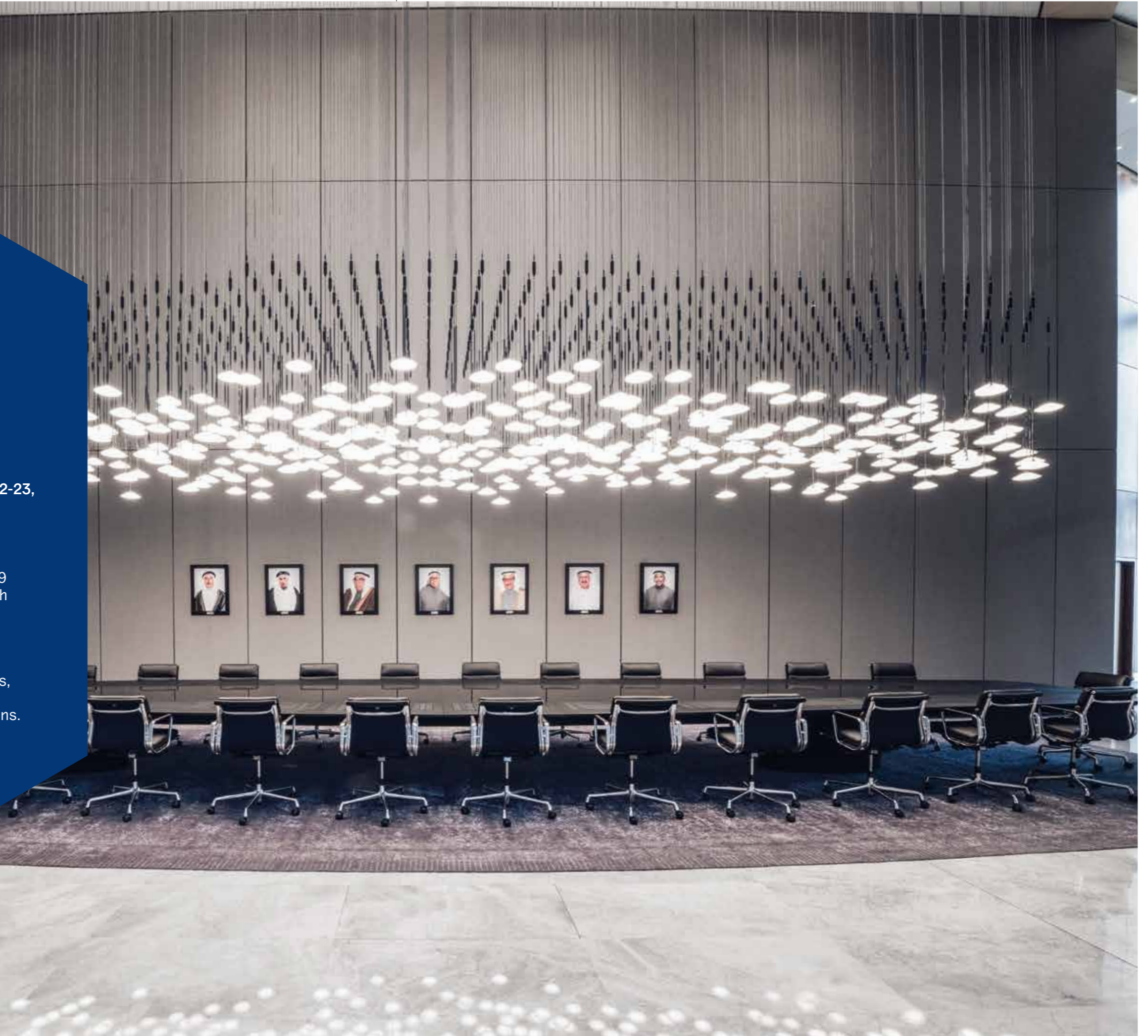




Building Our Internal Governance

GRI: 102-15, 102-17, 102-18, 102-22, 102-23,
102-30, 103, 205-1, 205-3

NBK maintained its course of exhibiting strong and sound governance practices, especially in light of far-ranging COVID-19 impacts that had to be dealt with through solid risk management and business resilience practices. Accordingly, in this chapter, NBK disclosed various aspects of governance, including, among others, Governance Structure, Board of Directors, Board Committees, Risk Management, Compliance, Ethics, and Investor Relations.



4.1 Our Corporate Governance in Relation to COVID-19

NBK managed to take steps to combat the COVID-19 crisis and its effects at the Bank in the very early stages. Before it was declared by the World Health Organization (WHO) as a pandemic, an awareness and informative email communication was sent to all staff regarding the novel coronavirus, preparing them for what was coming. In the course of the 3 months that followed, NBK Group Risk Management worked on ensuring both the Pandemic

Response Plan and the Crisis Management Plan were activated and ready, identifying the resource requirements for all Business Units [especially technology needs (laptops, VPNs, access to records) and ensuring the Crisis Management Team was well aware of the developments].

A critical risk management and governance issue is ensuring business continuity in the face of crises. The sidebar below describes NBK's Business Continuity Management (BCM) actions pre, during and post lockdown.

Case Study: Role of Business Continuity Management (BCM) in Mitigating COVID-19 Impacts

Overview

National Bank of Kuwait S.A.K.P (NBK) has a robust and mature Business Continuity Management (BCM) program with a well-prepared and exercised Crisis Management Plan (CMP). The CMP of the Bank is endorsed by the Board of Directors and the Crisis Management Team (CMT) is led by the Executive Management and coordinated by Group Risk Management Team. As part of the CMP, the Bank has a Pandemic Response Plan managed by the Group Human Resources function, which had been uniquely devised to combat COVID-19.

Early Warning Triggers

NBK's Crisis Management Plan has Early Warning Triggers with preemptive actions in a 'Pre-Crisis' phase, before the crisis progresses into Acute Crisis phase. In the case of COVID 19, NBK was able to benefit from information flowing from its large network of international offices, in particular NBK China and NBK Singapore, which alerted the Group on the spread of the virus in South and Far East Asia. This led to NBK Group taking appropriate actions to start preparatory activities and awareness campaigns in January 2020 (much ahead of the declarations issued by WHO).

Crisis Phase

As the world moved into a 'Crisis mode' in February and March 2020, NBK was operationally ahead into reassessment of various operational as well as cyber security risks and implementation of work-from-home practices. The Crisis Management Team was extremely active and had continuous situational awareness of both internal and external environments. The Business and Support functions formed emergency response task forces that handled the highest priority for NBK, i.e., the Health and Safety of Employees and

Customers. Extensive awareness campaigns for hygiene habits, Employee physical and psychological health were conducted by Group HR and Public Relations. Awareness campaigns were increased substantially to help Customers reduce in-premises transactions and support Customers in their ordeal of dealing with the COVID-19 situation. Technology was a lead driver in facilitating the large teams of NBK Group to provide resilient services to Customers and Business Partners.

Crisis Management Coordination

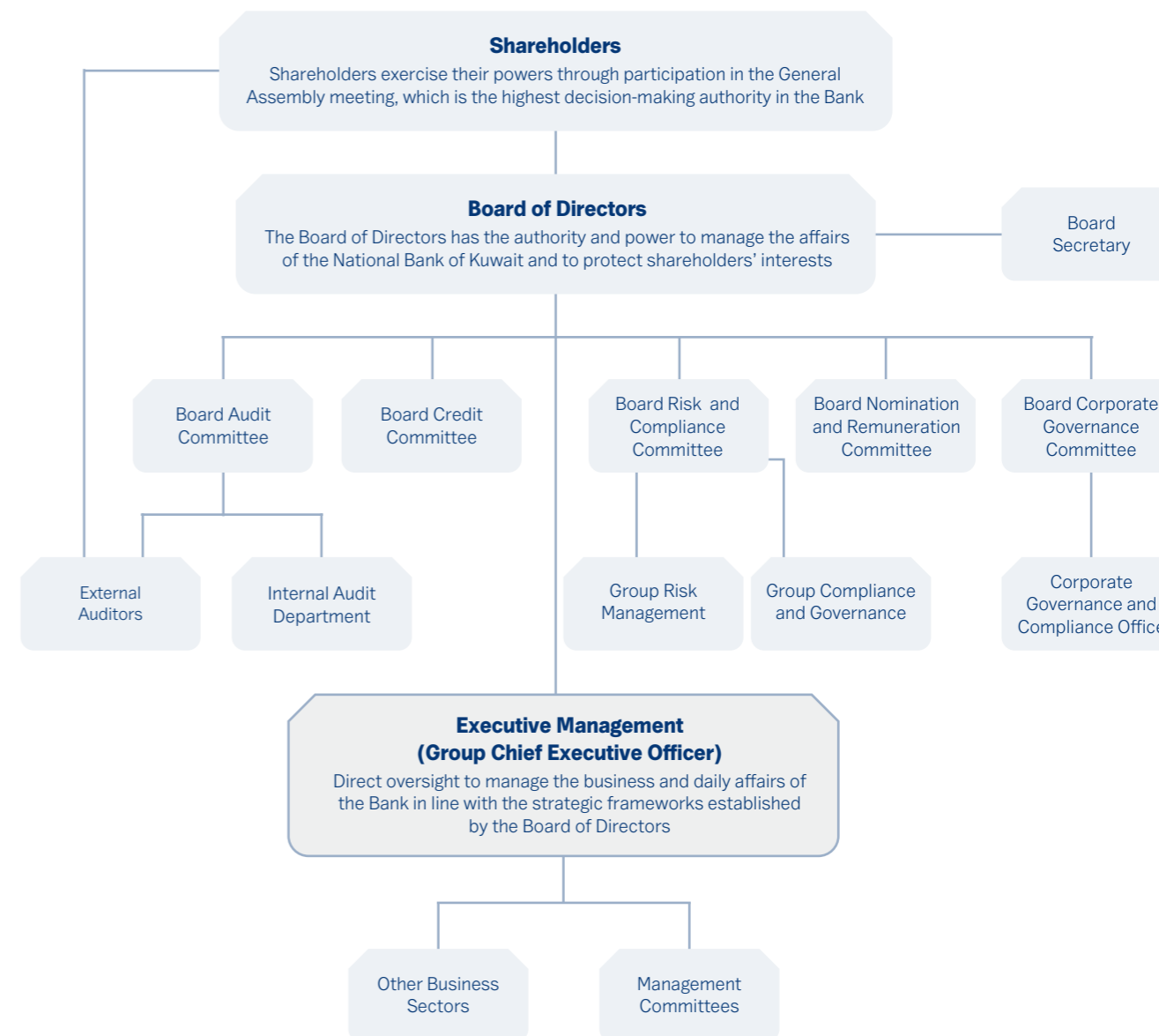
Business Continuity Team within Group Risk Management was pivotal in coordination of the Crisis Management activities across NBK. The key focus for the Crisis Management Team was to ensure consistent and adequate communication of the CMT decision to all relevant teams in the Bank. The Team also had constant situational awareness of operational aspects in the Bank and provided relevant information for the CMT to drive the decisions.

COVID-19 Next Steps

As the world and Kuwait continue to emerge out of the crisis, the dynamics have substantially changed in respect of the financial sector outlook towards the need for more 'Digitization' and adoption of 'Work from home' practices alongside increasing regulatory and legal requirements. In order to adopt new and/or improved ways of providing banking services, NBK BCM conducted an extensive 'Lessons Learnt' survey within the Bank to understand the challenges that various businesses faced during the early and mid-acute stages of the crisis. The outcome of the "Lessons Learnt" survey is being aligned to Bank's Digitization strategy to move forward with improved operational resilience in providing banking services.

4.2 Governance Structure (102-18)

NBK's governance structure (namely, the Corporate Governance Framework) is a system with a Board of Directors with the authority and power to protect shareholders' interests, as presented below:



Compared to 2019, the change to the governance structure in 2020 was that the Board Risk Committee was reformed to be the Board Risk and Compliance Committee, adding responsibility for ensuring regulatory compliance and a compliance culture within NBK. NBK's Group Compliance and Governance

structure incorporates the following departments: Regulatory Compliance, Corporate Governance and Capital Markets Authority Compliance, Anti-Financial Crime, Credit Compliance, Impairments Compliance and Regulatory Reporting, and Model Compliance.

4.3 Board of Directors (102-22, 102-23)

The Board of Directors (BoD) serves as NBK's highest governance body, championing the long-term success of NBK. The BoD sets the tone of corporate culture and ensures that the Corporate Governance framework is implemented through a robust set of policies, procedures, and standards. Further, the BoD oversees the fulfillment of corporate governance requirements in day-to-day business. In 2020, NBK Group continued to operationalize our corporate values and improve our corporate governance and compliance culture across our entire organization. Our goal is to adhere to the highest ethical standards.

There were changes applied to Corporate Governance Policy to incorporate the new CBK regulations concerning corporate governance issued in 10/9/2019.

Inter alia, these required the appointment of two new Independent Board members by June, 2020 and a further two Independent Board members by June 2022. This requirement is intended to increase diversity and relevant expertise at the Board. To comply the Bank's article of association was amended in March 2020 stating that the board will include 2 independent board Members by June 2020. In April, the Bank opened the nominations and commission forms were received from different candidates. However, due to the COVID-19 pandemic, the Bank

had to extend the appointment date as legal documents are missing due to closure of government in various parts of the GCC including Kuwait. NBK has satisfied this requirement.

The maximum size of the BoD as per NBK's Corporate Governance Policy is the following:

- Maximum number 11 until June 2022;
- Then 13 members after June 2022

Roles and responsibilities of the Board Chairman are listed in NBK's BoD charter. In an effort toward transparency and division of responsibility, the chairman position in NBK has never been held by a Chief Executive Officer.

The BoD forms committees and elects committee members based on skills and expertise of each person. The Board possesses wide-ranging knowledge and expertise relevant to NBK business and effective leadership in the committees on which they serve. Board members collectively hold experience and knowledge in the areas of accounting, finance, economics, strategic planning, corporate governance, internal control and risk management, in addition to outstanding experience in the local and regional business environment. All Board members for the year 2020 are non-executives. They are elected and appointed for three years by the General Assembly of the Bank. Currently, all nine members are male. The Board of Directors members are listed as follows:



Mr. Nasser Musaed
Abdullah Al-Sayer
Group Chairman



Mr. Ghassan Ahmed
Saoud Al-Khaled
Vice-Chairman



Mr. Hamad Abdul Aziz
Al-Sager
Board Member



Mr. Yacoub Yousef
Al-Fulaij
Board Member



Mr. Hamad Mohamed
Al-Bahar
Board Member



Mr. Muthana Mohamed
Ahmed Al-Hamad
Board Member



Mr. Haitham Sulaiman
Hamoud Al-Khaled
Board Member



Mr. Emad Mohamed
Al-Bahar
Board Member



Mr. Talal Jassim
Al-Kharafi
Board Member

Significant 2020 achievements associated with NBK's Board of Directors are described below.

The Board of Directors met eight (8) times during the year and the followings key duties were accomplished:

- Approved the Budget for the year 2020, the Interim Financial Information, the audited balance sheet, profit and loss account of the Bank and dividends for the financial year ended on 31/12/2019.
- Discussed the risk appetite and its impact on the Group's strategy.
- Reviewed the results of the Internal Capital Adequacy Assessment Process ("ICAAP"), financial stress testing as per the regulatory requirement of Basel (3).
- Discussed and approved general and specific provisions for the local and international loan portfolio.
- Reviewed updated and approved the financial authority matrix for the GCEO, the DGCEO, the CEO-Kuwait and his Deputy.
- Reviewed the Board of Directors' structures within subsidiaries, on an ongoing basis, ensuring their compliance with the regulatory requirements and the general policy of the Group's governance framework.
- Followed the progress of the Group's operations, through regular meetings with Executive Management and discussed the results of the Group's business through periodic reports prepared by the Financial Group, which clarifies the most important financial indicators of the Bank's budget and profits according to geographical distribution of branches and foreign subsidiaries.
- Reviewed and evaluated the effectiveness of the Board and its Committees, in addition to conducting individual self-assessments of the Board and Committee members.
- Reviewed the remuneration framework, the mechanism of linking rewards to performance and level of risk exposure, and updated the remuneration policy at Group level.
- Oversaw the implementation of the Corporate Governance Framework at Group level and ensured compliance with local regulations in the countries the Group operates in, which are in line with the Group's Corporate Governance Framework.
- Reviewed, developed and approved the policies related to Corporate Governance and charters of the Board of Directors and its committees at the Group level in order to be commensurate with regulations issued from Supervisory Authorities, the Group's organizational structure, and to keep up with applicable international and leading Corporate Governance practices.
- Conducted self-assessment on Corporate Governance implementation at Group level and identified the areas that need to be developed.
- Reviewed the results of the annual independent evaluation of the Corporate Governance Framework conducted by the Internal Audit Department which highlighted the areas of the Framework that require improvement.
- Reviewed the results of the annual independent evaluation of the Internal Control Review for the Corporate Governance Framework, conducted by an external audit firm.
- Supervised the Corporate Governance offices and units in the Bank's subsidiaries, followed up their progress through periodic reports presented to the Board Corporate Governance Committee for review and discussion, and subsequently to the Board of Directors.
- Discussed the development of overseas branches regarding financial digital services and the implementation of highest cybersecurity standards.
- Reviewed the results of Bank's compliance level with Capital Markets Authority instructions concerning the adequacy of information technology systems related to Custodian activity that was and conducted by an independent external audit firm.
- Approved opening the nomination for two independent members for the current tenor of the Bank's Board of Directors.
- Review the updated regulations, legislations and provisions related to Bank's activities issued by Central Bank of Kuwait, Capital Markets Authority and other regulatory authorities in the countries in which Bank's subsidiaries and branches operates.
- Approved business continuity policy and implementation of contingency and Business continuity plan in the light of Pandemic COVID-19.
- Approved the issuance of subordinated securities not exceeding USD 300 million to be included in the Tier 2 Capital of NBK.
- Approved redemption of securities with value of KD 125 million and issuance of securities in an amount up to KD 150 million that will be included in the Tier 2 Capital of NBK.
- Approved the segregation of Compliance and Risk Management, and review the new organization structure of Group Risk Management and Group Compliance and Governance where both Groups directly report to Board Risk and Compliance Committee.



4.4 Board Committees

Board Committee roles are stipulated in its charters, and are listed below with their associated members and mission:

Corporate Governance Committee	Nomination and Remuneration Committee	Risk and Compliance Committee	Audit Committee	Credit Committee
1- Mr. Nasser MUSAED Al-Sayer (Board and Committee Chairman) 2- Mr. Hamad Abdul Aziz Al-Sager 3- Mr. Yacoub Yousef Al-Fulaij 4- Mr. Muthana Mohamed Al-Hamad 5- Mr. Haitham Sulaiman Al-Khaled	1- Mr. Hamad Mohamed Al-Bahar (Committee Chairman) 2- Mr. Emad Mohamed Al Bahar 3- Mr. Muthana Mohamed Al-Hamad 4- Mr. Talal Jassem Al Kharafi	1- Mr. Ghassan Ahmed Al Khalid (Committee Chairman) 2- Mr. Haitham Sulaiman Al-Khaled 3- Mr. Talal Jassem Al Kharafi 4- Mr. Muthanna Mohamed Al-Hamad (Became a committee member effective from 1/1/2020)	1- Mr. Ghassan Ahmed Al Khalid (Committee Chairman) (Became a committee Chairman effective from 1/1/2020) 2- Mr. Haitham Sulaiman Al-Khaled 3- Mr. Muthanna Mohamed Al-Hamad (Became a committee member effective from 1/1/2020)	1- Mr. Hamad Abdul Aziz Al Sager (Committee Chairman) 2- Mr. Yacoub Yousef Al-Fulaij 3- Mr. Emad Mohamed Al Bahar 4- Mr. Hamad Mohammed Al-Bahar (Became a committee member effective from 1/1/2020)
Committee's Mission: Assist the Board in overseeing the implementation of the Group's Corporate Governance. The Committee is also responsible for monitoring the implementation progress of the policies and procedures pertaining to governance.	Committee's Mission: Assist the Board in carrying out the Nomination and Remuneration responsibilities pertaining to the Board of Directors and Executive Management. The Committee also supports the Board in reviewing and enhancing Board structure and development of the caliber of the Board Members. It also assists the Board in setting up the Group's remuneration framework and ensures effective implementation in accordance with Group remuneration policy.	Committee's Mission: Assists the Board in carrying out its responsibilities with respect to the Group's risk management and Group Compliance and Governance functions by evaluating and monitoring the risk governance framework, risk appetite, risk strategy and capital planning. In addition to its role of overseeing the adequacy of regulatory compliance and enhancing compliance culture across the Group.	Committee's Mission: Assists the Board in a supervisory role regarding the efficiency and independence of the internal and external audit operations for the Group. Also oversees the preparation of the periodic financial statements and other regulatory reports.	Committee's Mission: Responsible for reviewing the quality and performance of the Group's credit portfolio. The Board has authorized the Committee to approve credit facilities that exceed the authorization granted to Senior Management, in accordance with the Credit Policy and the approved authority matrix of the Group and in accordance with the related regulatory instructions.

Moreover, the achievements of the committees are listed as follows.

Corporate Governance Committee

The Committee met twice during the year and the following key duties were performed:

- Reviewed the implementation of Corporate Governance of NBK Group and its subsidiaries and overseas branches, while providing continuous support to subsidiaries
- Reviewed the Board and its sub-Committee's charters according to supervisory regulations issued in this regard and made recommendations to the Board of Directors
- Reviewed and discussed the results of the internal audit report on the annual evaluation of the Corporate Governance Framework, and the level of compliance with regulations
- Reviewed and discussed the report and the results of the evaluation of internal control systems, and the adequacy of implementing the rules of corporate governance at Group level
- Reviewed Corporate Governance policies, in line with regulatory instructions, leading practices, and made recommendations to the Board for approval
- Reviewed the related parties' transactions report, the conflict of interest report, the whistleblowing cases, and discussed the effectiveness of the existing mechanisms
- Supervised the progress of Corporate Governance implementation at Group level
- Reviewed and discussed the annual compliance report on the adequacy of the Corporate Governance implementation at Group level
- Reviewed the disclosures related to Corporate Governance which are presented in the Group annual report.
- Reviewed the new instructions issued by the regulatory authorities in Kuwait and the countries where our subsidiaries are located and the procedures taken to comply with these instructions.

Nomination and Remuneration Committee

The Committee met four (4) times during the year and the following key duties were performed:

- Supervised the process of the annual assessment of the Board of Directors' performance for the Board, its committees, and the self-assessment of each member of the Board of Directors for the year 2019
- Reviewed the proposed annual training plan for the year 2021 for the Board members, which covered special topics – Fintech and Cyber Security, stress testing, liquidity, Digital Banking and Digital Products.
- Reviewed the Internal Audit report on Corporate Governance and the independent evaluation conducted on the Bank's Remuneration framework
- Reviewed the remuneration policy and presented it to the Board of Directors for approval
- Reviewed and approved the rewards and incentives for 2020 based on the key performance indicators and key risk indicators, and discussed claw back cases for 2020 and put forward recommendations to the Board
- Reviewed the links between remuneration and the Group's long-term objectives
- Reviewed and discussed the succession plan prepared by Group Human Resources and recommended it to the Board for approval
- Reviewed and discussed the phantom shares plan for key personnel, and made recommendations to the Board of Directors
- Reviewed and discussed the latest developments in the banking industry, the related reports in this regard, and the latest related regulatory requirements
- Reviewed the disclosures related to Remunerations presented in the Group annual report of 2020.
- Reviewed and amended the committee's charter and make recommendations for submission to Board of Directors
- Reviewed nominations regarding the selection of two independent member for Board of Directors and make recommendation to the Board of Directors
- Reviewed nominations for Board of Director's membership of Subsidiaries
- Assured the independence of Group Risk Management, Group Compliance and Governance and Group Internal Audit

Audit Committee

The Committee met eleven (11) times during the year and the following key duties were performed:

- Reviewed and approved the Group's internal audit annual plan for 2020 and its updates in light of COVID-19 pandemic circumstances, based on the risk assessment and audit priorities. Also reviewed the updated internal audit policy and procedures and presented them to the Board for approval
- Co-ordinated with external auditors and reviewed the interim and annual financial statements of the Group, and dividends distribution and submitted recommendations to the Board of Directors
- Reviewed and discussed the periodical reports of the Internal Audit Department and the attached reports
- Reviewed and discussed the internal audit summary and considered what has been achieved in the internal audit plan, in comparison to performance during the previous year
- Reviewed and approved the scope of the independent external audit firms related to Internal Control Review and discussed the results of the report
- Reviewed the Committee charter and amendments, and submitted recommendations to the Board of Directors
- Reviewed the efficiency and independence of the internal audit function, infrastructure and the overall annual assessment of the function's performance with the Group Chief Internal Auditor
- Discussed aspects of internal audit that related to information technology and IT security
- Provided recommendations related to the external auditors' fees, with respect to the services provided
- Discussed external audit results related to the internal audit department
- Reviewed and discussed the internal audit reports for Kuwait, overseas branches and subsidiaries
- Reviewed Specific report regarding audit's strategy for the resumption of its plan for the year 2020 after COVID-19 Pandemic.
- Approved the resignation of Group Chief Internal Auditor and submit its recommendation regarding appointing new Chief for Group Internal Auditor.

Risk and Compliance Committee

The Committee met nine (9) times during the year and following key duties were performed:

- Reviewed and discussed the strategy and challenges of Risk Management, the set of periodic risk management reports at Group level and the key risk indicators and the impact of COVID-19 pandemic.
- Reviewed a report on the most important activities and achievements of the Group Risk Management in 2020 and the planned work in 2021
- Reviewed and discussed the periodic market risk report, Internal Capital Adequacy Assessment Process ("ICAAP"), liquidity ratios, the stress testing scenarios and the methods with which they are dealt at Group level
- Reviewed and discussed the risk limit ratios, compared the ratios to the Group's approved risk appetite and the exposure levels of countries in which the Group operates, and discussed those ratios and the changes compared to previous periods and credit concentrations for companies, countries and sectors
- Reviewed updates on overall economic situations and their impact at the Group level and the impact of COVID-19 pandemic.
- Reviewed the reports of operational risk, market risk, compliance risk and compliance plan at Group level
- Reviewed periodic reports on the information systems risks, operational risks, the results of the internal control systems report on regulatory compliance, anti-money laundering and financing of terrorism, and compliance with regulatory requirements of the Foreign Account Tax Compliance Act -FATCA, at Group level
- Reviewed and approved the Group compliance policy, procedures, and the compliance plan for overseas branches, the AML/CFT policy and the IT Risk Management procedures,
- Reviewed regulatory compliance remarks at Group and subsidiaries level, through self-evaluation results as well as field visits and review processes
- Evaluated the Group Chief Risk Officer and Group Chief Compliance and Governance Officer annual performance and determined their remunerations
- Reviewed and approved the new Organizational Structures of Group Risk Management and Group Compliance and Governance and made recommendation to Board for approval.

- Pursued the development of the internet security information, its global risks and the future plan for updating the Bank's protection systems
- Reviewed the liquidity and funding risks in light of COVID-19 pandemic.
- Reviewed and discussed the Credit Administration Department plan
- Reviewed and approved the Group Risk Management policies related to Internal Capital Adequacy Assessment policy, Group Stress Testing policy, Operational Risk policy, Group Repo policy, liquidity risk policy, Counterparty Credit risk policy, Annual Compliance plan, Risk Appetite policy, Market Risk management policy, and made recommendations to the Board for approval
- Reviewed the Board Risk and Compliance Committee Charter for Board approval
- Reviewed and approved the business continuity and disaster recovery policy and procedures, and the business continuity policy plan.
- Reviewed updates regarding Information Security in light of COVID-19 pandemic.
- Reviewed the latest digital innovation technology in Kuwait, information technology and infrastructure in addition to the projects in progress as Data center, Servers, Network and Cyber Security
- Reviewed Crisis Management team report regarding procedures taken by NBK Kuwait, overseas branches and subsidiaries in light of COVID-19 pandemic crisis.
- Reviewed report concerning the most important sectors affected by COVID-19 and the impact on NBK..
- Reviewed and approved Group Compliance and Governance reports for Board approval
- Reviewed Group Compliance and Governance reports regarding regulatory parties' instructions, local and international regulatory compliance, importance correspondences with Central Bank of Kuwait, disclosures to Capital Markets Authority and Boursa Kuwait Company and updates regarding compliance and governance for local and overseas subsidiaries and overseas branches.
- Reviewed and approved policies and procedures of Group Compliance and Governance, to be presented for Board approval.

Credit Committee

The Committee met twenty one (21) times during the year and the following key duties were performed:

- Reviewed and approved credit proposals within the authority matrix delegated by the Board of Directors
- Coordinated with the Board Risk and Compliance Committee to discuss credit risk limits

4.5 ESG-related Policies

NBK abides by a range of internal policies, charters, and statements. A few of these have strong correlations to environment, social, and governance (ESG) aspects, which include:

- Anti-Corruption Policy
- Brand Protection Policy
- Procurement Policy
- Human Rights Statement
- Corporate Social Responsibility Committee Charter
- Code of Conduct
- Ethics Code
- Whistleblowing Policy
- Staff Complaint Policy
- Conflict of Interest Policy
- Information Security Policy
- Data Privacy Policy
- Data Classification Policy
- Social Media Policy
- Termination and Disciplinary Actions Policy

4.6 Disclosure of Other Governance Key Performance Indicators (KPIs)

Responsible governance involves a number of additional issues related to board meeting frequency and attendance, processes for board evaluation, compensation and incentives, and managing in the interests of shareholders. NBK's position on these are summarized below.

NBK's Board of Directors is mandated to meet at least six times

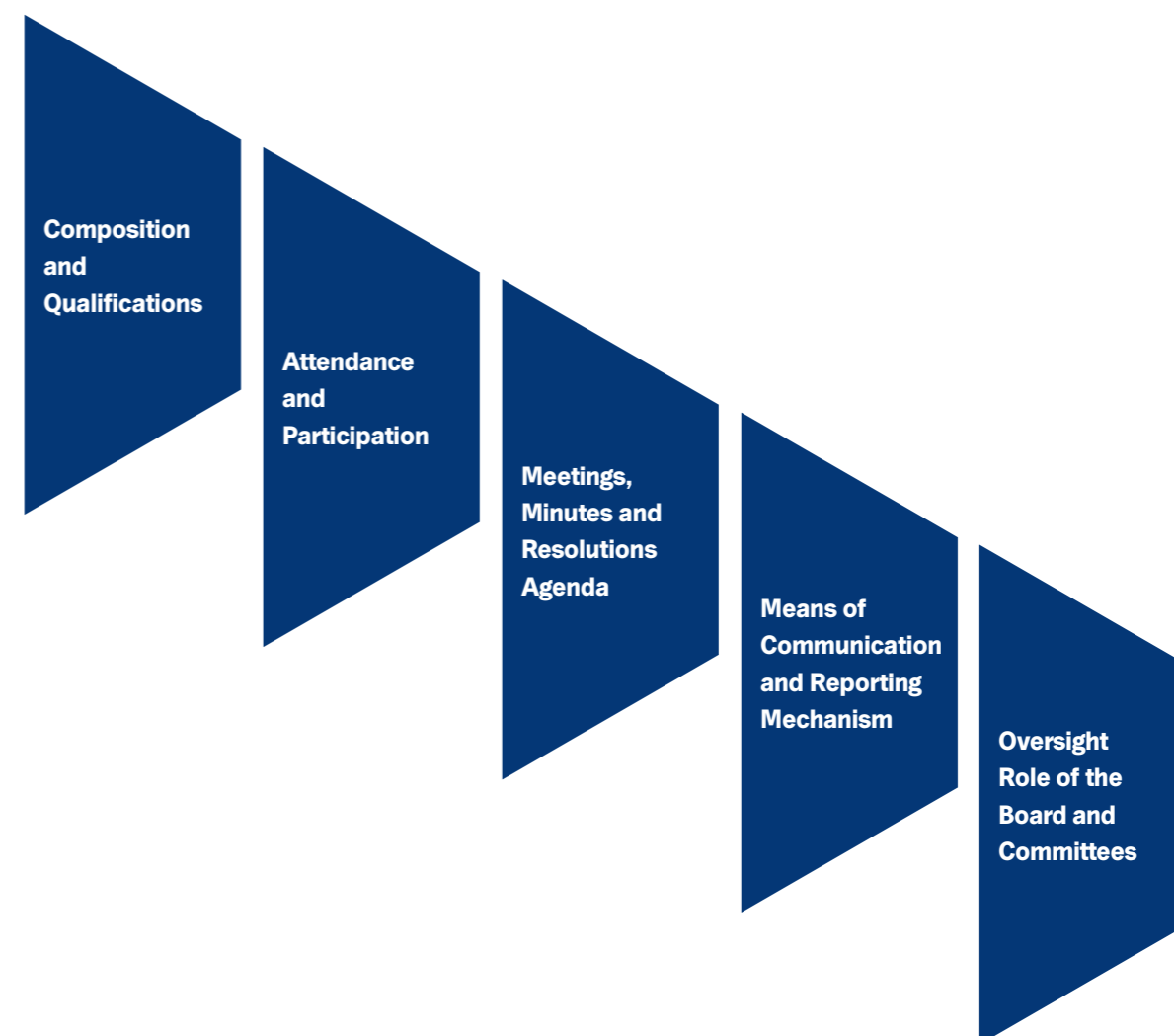
per year. Exceeding this requirement, NBK's BoD met eight times in 2020.

The average overall attendance for each Board committee meeting was more than 80%, and board members were actively involved in both general board meetings and many committee meetings. Further, the minimum attendance of all board members is 50%. The 2020 attendance of each BoD member out of the total meetings held is summarized in the chart below.

Board of Directors Members	Committee Membership	Board of Directors	Corporate Governance	Nomination and Remuneration	Risk and Compliance	Audit	Credit
Mr. Nasser MUSAED Al-Sayer	<ul style="list-style-type: none"> Chairman of Board of Directors Chairman of Corporate Governance Committee 	8	2				
Mr. Ghassan AHMED Al-Khalid	<ul style="list-style-type: none"> Chairman of Risk and Compliance Committee Chairman of Audit Committee (Effective from 1/1/2020) 	1			2	1	
Mr. Hamad Abdul Aziz Al-Sager	<ul style="list-style-type: none"> Chairman of Credit Committee Member of Corporate Governance Committee 	8	2				17
Mr. Yacoub YOUSEF Al-Fulaij	<ul style="list-style-type: none"> Member of Corporate Governance Committee Member of Credit committee 	3	2				6
Mr. Hamad Mohammed Al-Bahar	<ul style="list-style-type: none"> Chairman of Nomination and Remuneration Committee Member of Credit Committee (Effective from 1/1/2020) 	8		4			17
Mr. Muthana Mohamed Al-Hamad	<ul style="list-style-type: none"> Member of Corporate Governance Committee Member of Nomination and Remuneration Committee Member of Audit Committee (Effective from 1/1/2020) Member of Risk and Compliance Committee (Effective from 1/1/2020) 	8	2	4	9	11	
Mr. Haitham Sulaiman Al-Khaled	<ul style="list-style-type: none"> Member of Corporate Governance Committee Member of Risk and Compliance Committee Member of Audit Committee 	8	2		9	11	
Mr. Emad Mohamed Al-Bahar	<ul style="list-style-type: none"> Member of Nomination and Remuneration Committee Member of Credit Committee 	4		3			10
Mr. Talal Jassem Al Khrafi	<ul style="list-style-type: none"> Member of Risk and Compliance Committee Member of Nomination and Remuneration Committee 	7		4	9		
Total number of meetings		8	2	4	9	11	21

Board evaluation provides feedback and analysis of board dynamics, reinforces expectations of board members, and provides insight for board effectiveness and improvement. To evaluate the BoD, the Board's Nomination and Remuneration Committee (BNRC) conducts an annual self-assessment

performance report, supervised by the Board of Directors, it further evaluates all the Board sub-Committees, the BoD, and individual members. The following illustrates the five major criteria on which the evaluation is based and that are included in the self-evaluation forms:



Additionally, total compensation and remuneration for the Chairman and Board of Directors is zero. Compensation and remuneration per each employee category is usually published

in the Annual Report, with the following excerpt showing remuneration paid to staff categories in 2020:

Employee Categories	Number of Employees	Fixed Remuneration	Variable Remuneration				Total
			Cash	Phantom Shares Plan	Deferred	Other Performance Incentives	
Senior Management	40	5,821	4,379	1,462		46	11,708
Material Risk Takers	41	5,062	3,949	1,173	8	374	10,566
Financial and Risk Control	17	1,495	382	385	4		2,266

Furthermore, there are no reports submitted to KBA (Kuwait Banking Association). However, NBK has representatives (Board Chairman, and executive members) who attend KBA meeting (executive and specialized committees), by exchanging experience and industry-based advancements among all KBA members.

Another governance-related disclosure for NBK is its ownership. NBK only has one major government shareholder: The Public Institution for Social Security owns 5.6% of the capital of NBK. No founding family member owns more than 5% of voting rights. Concerning voting rights, one share is equal to one vote.

4.7 Risk Management and Business Resilience (102-15, 102-30, 103)

Recognizing the importance of risk governance, from the top down the Board ensures rigorous assessment and management

of risk and procedures for business resilience through a dedicated Board Risk and Compliance Committee overseeing Compliance and Risk Management. Businesses have direct communication to the Board members through this Committee. The committee meets regularly, and the format is a standard presentation covering all aspects of the Bank's risks, including macroeconomic and global risk direction, risks relevant to the region, and risks affecting the Bank.

NBK has a robust process and procedures for applying the precautionary principle approach in risk management, which we are continuing to enhance. In addition to managing risks associated with compliance, we strive to proactively identify and analyze a wide range of types of risks, such the impact of new products and services, operational risk, technology/IT risk, legal risk, and financial-related risk (e.g., insurance risk, credit risk, and risk financing). Our risk management practices for these risks are outlined below.

Technological Risks:

From a technology perspective, we ensure that new service system is Disaster Recovery (DR) capable and has recovery capability, depending on how critical it is.

Treasury Product Example

For example, a Treasury product have a Products Committee at the level to assess for risk. When technical aspects specific to that idea are formulated, we make sure that fits with NBK image, is not speculative, especially for derivatives (within the SPAC structured products committee and treasury products committee). Then other departments assess risk: Finance looks at financial aspects, IT checks (e.g., tech-related ISO elements), BCM checks for necessary recovery potential, and business areas assess selling to customers. Business contacts Group Risk Management to understand how the new products will have an impact on liquidity and ratios particularly Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Overall, areas that are integral parts of that committee ensure adequacy of procedures and controls before signing off. Then, after taking into consideration Risk Management opinion and depending on the Bank commitment, the proposed new product/service goes up to the executive committee or a more specialized committee.

In the case of Treasury products, the business informs Risk Management about the proposed product to be offered along with the product details, suitability, illustration and various risks associated with them. Risk comments are then noted in the respective committees (SPAC and TPAC before approval). Ability to independently value each treasury product is an important criterion for approval. After product launch, NBK starts monitoring that in line with risk appetite of the Bank. Suitability analysis is carried out before any sale of the products and systems, and then monitoring of risk.

Operational Risk:

Risk is embedded in any business process, since there is always some inherent risk. NBK expects those in charge of each business activity to consider the risks, and supervisors examine and check the steps to manage potential risks. Additionally, our more formal process involves the "Risk Controls Self-Assessments" (RCSA), analyzing potential areas of risk. These findings are then vetted by the Risk Management, which looks through the whole RCSA, to make sure it is adequate, help grade the risks, review mitigations and controls, and then identify any residual risks, given one cannot protect against everything. Depending on the classification, we have a formal process (a forum) to determine the parties responsible.

To measure and assess risks and opportunities related to operations, NBK conducts a formal risk assessment once every 3 years using an external consultant, as mandated by policy and various regulators of IBG. Any shortcomings are monitored, have action plans, and are tracked for implementation.

Credit Risk:

Credit Risk arises out of the core activity of the Bank which involves providing credit facilities of various kind (funded and non-funded) to various counterparties (individuals, corporate legal entities, financial institutions, etc.) to support their legitimate economic activities and personal needs. In order to mitigate the risk of loss in case these credit facilities are not duly serviced/settled, NBK implements a multi-layered rigorous Credit Risk management process. The process includes Client identification and on-boarding, Risk Analysis and Underwriting, and assessment and approval of credit facilities by relevant committees, along with regular review and reporting of facilities at various dimensions such as time, customer, product, portfolio, sector, and geography. NBK is continuously looking to implement sustainability practices in the creation, dissemination and storage of the documents involved via digitizing various steps in the process, recycling where applicable and conducting online sessions in an effort to optimize the use of scarce resources and management / employee time.

Market Risk:

Market Risk division regularly examines various market risk matrices like Interest rate risk, FX Risk, Equity Risk, and Liquidity Risk for the locations across the group. Regulatory Liquidity Requirement as per Basel III Central Bank of Kuwait regulations is monitored centrally. Appropriate actions is taken on any breaches observed as part of monitoring process in line with approved policies and procedures

Business Continuity Management (BCM) Risks:

BCM is preventive in its nature. Every Business Group has a set of BCM documentation which are updated at least once a year. These documents identify key processes, systems, dependencies, recovery time objectives, recovery point objectives, maximum tolerable period of disruption, resource requirements, vital records, and everything a Business Group needs to recover in the event of a disaster. We then ensure everything is available to the business unit at the alternative site, so that they can still function following an interruption. A full-fledged BCM / DR test is conducted at least once a year, where a crisis scenario is simulated, and all Business Group participate to test their recovery plans. IBG locations who have systems hosted in Kuwait are also engaged.

Group Risk Management (GRM) BCM also maintains a comprehensive Crisis Management Plan that addresses multiple crisis scenarios, identifies key stakeholders for managing a crisis situation, and the actions required to resolve and manage those scenarios / threats if they occur.

Further, NBK has a succession plan for Executive Management in the event of foreseen or unforeseen circumstances. This is under the Group Chief Executive Officer, supported by our Group Human Resources. We have defined levels cascaded down, with plans to deal with orderly succession, and sudden situations. We also have scenarios for immediate changes. We also groom selected successors, who are eligible. (on an undisclosed basis, with associated timeframe) In an emergency we have personnel who can be positioned down, up or sideways.

As part of BCM, we keep risk register entries to adequately identify and assess risks. Accordingly, the total number of risk register entries are 5,392 for NBK Kuwait. Additionally, the total number of risk register entries related to health and safety are 51 for NBK Kuwait.

Regulatory Risk:

NBK monitors regulations and anticipates their impact.

Emerging Risk: COVID-19 pandemic

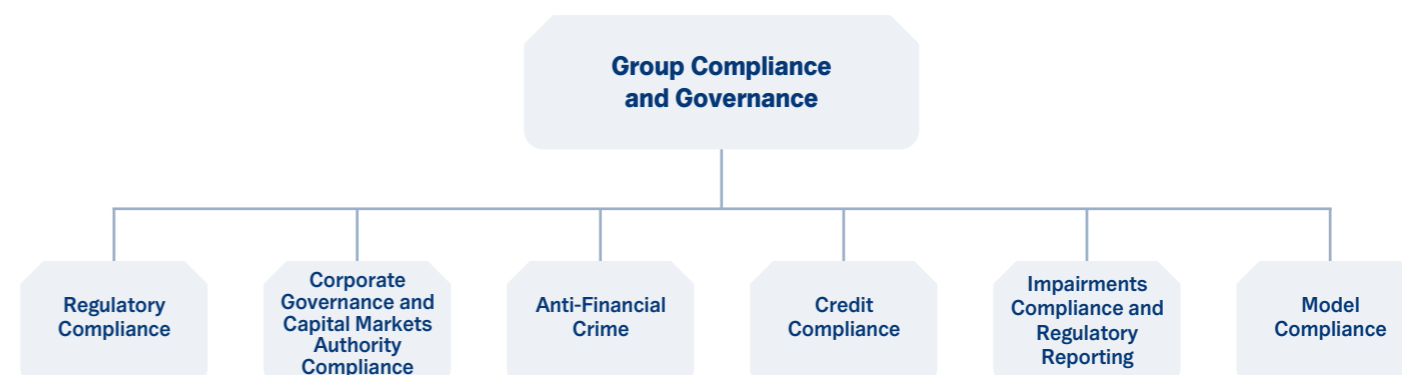
The global pandemic rapidly became a central and urgent emerging risk in 2020. As described earlier, NBK's readiness and incisive early action helped manage associated risks.

NBK has detailed policies and procedures for all key processes. These are reviewed annually by the business and sent to Operational Risk/ IT review if there are any changes and have a set of KRIs to capture the potential risks that are monitored on a regular basis. Additionally, NBK continues to build processes to identify emerging risks and embed an effective risk culture. All staff are expected to take mandatory courses related to risk published on NBK's Intranet. These courses are mandatory for Management. NBK worked with designated "Champions" and focal points in different departments concerning the training courses.

4.8 Regulatory Compliance

NBK is fully compliant with the Kuwait Labor Law. NBK employees are not involved with any unionization or collective bargaining agreements. In terms of COVID-19, we fully adhere to the guidelines and protocols implemented by the CBK and KBA. NBK is fully complying to deadlines of submitting any regulatory reports required by CBK, CMA or any other authorities.

At NBK, the matter of compliance is managed and ensured by the Group Compliance and Governance, the structure breakdown of which is displayed as below to show the 6 specific areas of compliance managed. Note that the Group Compliance and Governance is headed by the Group Chief Compliance and Governance Officer (GCCandGO), who reports directly to the Board Risk and Compliance Committee (BRCC).



During 2020, NBK reviewed and updated the governance policies and charters according to the regulatory instructions in Kuwait and the instructions issued by the regulatory authorities in countries where the Group operates. We also developed and implemented automated systems for compliance.

- Integrity in dealing with the Bank's assets.
- Promote a positive, safe and healthy environment.

Our full Code of Conduct is available for all staff at NBK intranet.

NBK holds our suppliers and service providers accountable for adhering to a code of conduct by requiring they sign the a detailed declaration covering anti-bribery and corruption, ethical and responsible business conduct, and compliance with all regulations and codes relating to human rights, absence of forced or child labor, humane treatment and working conditions, respecting employees' freedom of association, anti-discrimination, anti-harassment, and environmental protection (the Relevant Laws).

4.9.2 Anti-Corruption, Fraud, and AML (205-1, 205-3)

In terms of the confirmed incidents of corruption, NBK discloses that 1 incident of corruption was identified, reported, managed, and solved in 2020.

To take action against any incidents of corruption, NBK applies the Termination and Disciplinary Actions Policy, in reference to 00372-Termination and Disciplinary Action Policy v10.0 20200926.

4.9 Ethical Business and Transparency (102-17)

To ensure the application of NBK's Anti-Corruption policy and principle, employees can seek advice and guidance throughout their line management, starting by contacting their direct manager/supervisor. Additionally, all employees have the right to file complaints. That said, we always aim to create a healthy work environment by trying to solve any case internally to avoid escalation. For any case not solved, Employee Relations follows the "Staff Complaint Policy".

4.9.1 Code of Conduct

NBK's Code of Business Ethics and Conduct reaffirms NBK's basic policies and ethical conduct that every employee must strive to uphold. The foundation of our Code consists of basic standards of business as well as personal conduct:

- Maintenance of NBK's reputation of integrity and avoidance of activities which might reflect adversely on the Bank.
- Avoiding conflicts between personal interests and interests of the Bank, or the appearance of such conflicts.
- Respecting the confidentiality of information obtained in the course of business.

4.9.3 Commitment to Human Rights

Human Rights

As summarized in our Human Rights Statement, NBK is committed to respecting, protecting and advancing human rights across our enterprise, within our organizational practices, culture, operations and investment choices, and in all regions in which we do business.

Since our founding in 1952 with the vision to create a Bank that inspires trust and confidence across Kuwait and the world, NBK has worked to contribute to society, protect human rights, and serve the financial and investment needs of our clients and communities. One key pillar of NBK's sustainability platform is "Respecting and Developing People", which includes striving to advance Human Rights. NBK also engages in ongoing materiality assessments as part of our sustainability work.

NBK is now in the early stages of formalizing and operationalizing our commitment to respect and protect human rights. Our full Human Rights Statement can be found on the NBK Group website under the "Our Approach" tab and "Sustainability" subject-tab.

4.10 Investor Relations

During 2020, there were increased investor engagements, more focus on ESG, and more demand for transparency and governance.

In 2020, NBK attended 15 investor relations conferences, consisting of 1 physical meeting and 14 virtual meetings. Compared to 2019, this is an overall 150% increase of investor relations conferences attended, with a 83% decrease in physical investor relations conferences attended.

NBK saw more than 100 investor communications with NBK's Head of Investor Relations in 2020, including emails, calls meetings, etc. Compared to 2019, this was a 100% increase.

The impacts of environmental, social, and governance (ESG) elements (e.g., FTSE4Good in 2019) on NBK investor relations includes confirmation with investors of NBK's commitment to ESG and progress in reporting. Specifically, NBK became listed on Refinitiv AFE Low Carbon Select Index in MENA. This inclusion was a reinforcement of NBK's commitment and progress in ESG reporting.

The impact of MSCI Emerging Markets upgrade in Kuwait Boursa on NBK's investor relations was increased engagement, increased reporting requirements, more diversified investor profile, and more requests for ESG reporting with specific focus on Governance and Environmental.

- NBK investors who are not specifically ESG-conscious (Type 1) is estimated to be less than 50%
- NBK investors conscious about ESG elements (Type 2) estimated to be around 40%.
- NBK investors strictly requiring ESG elements (Type 3) is estimated to be less than 10%.

Around 10% of communications and questions from NBK investors were specifically regarding ESG matters. NBK's Investor Relations function saw more requests for investor engagement and fewer staff due to rotation or quarantine. Moving to fully remote investor engagement platforms was a challenge at the beginning, the lack of clarity created by COVID-19 made communicating with investors more difficult.

NBK's Investor Relations function changed the messaging approach to focus more on COVID-19-related topics, increase the number of updates and messaging to investors to stay more engaged and promote confidence. As a result, NBK became more accommodative of investor requests for calls and general questions as a result of the panic created by the pandemic.

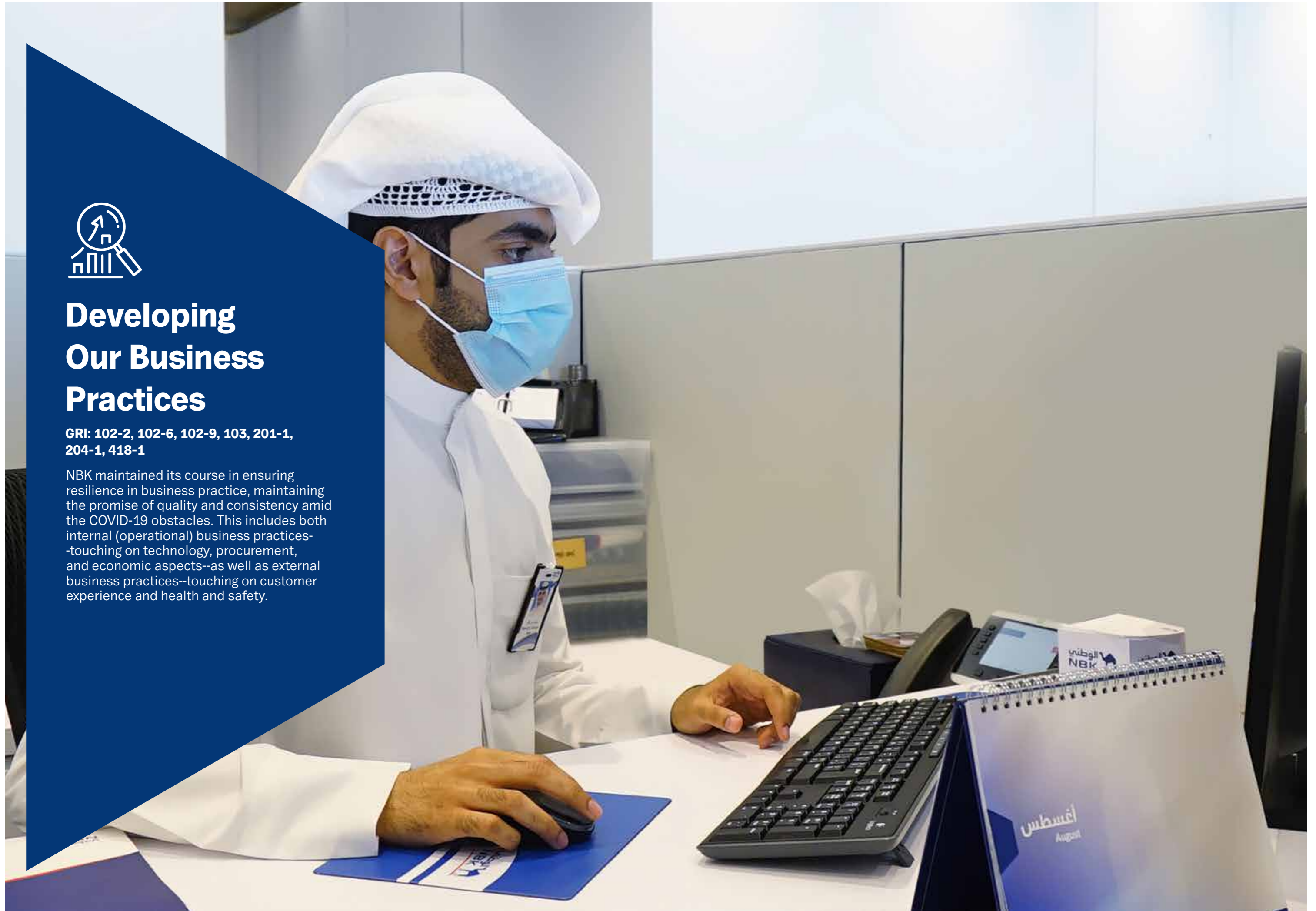




Developing Our Business Practices

**GRI: 102-2, 102-6, 102-9, 103, 201-1,
204-1, 418-1**

NBK maintained its course in ensuring resilience in business practice, maintaining the promise of quality and consistency amid the COVID-19 obstacles. This includes both internal (operational) business practices--touching on technology, procurement, and economic aspects--as well as external business practices--touching on customer experience and health and safety.



5.1 Our Business Practices in Relation to COVID-19

This year was exceptional. Like all the organizations across the globe, the Bank had to deal with the novel coronavirus causing one of the biggest challenges in history to NBK leadership team and organization. Most critically, the Bank needed to operate and provide services without jeopardizing the safety of its customers and employees and meet the overall challenge of limited staff on the premises.

NBK has a proven history in dealing with different nature of crises, starting by the Souk Al-Manakh stock market crash, Iraqi invasion, Credit Crises and the most recent pandemic which is still dominant until this moment. NBK was, and is still, able to operate under the new unprecedented environment without disruption to any of its services thanks to its resilient and flexible operating model, in addition to its early adoption of the digital solutions and electronic services.

Our IT area was impacted by the sudden transition from on-site to remote operation with skeleton staff. Though there were initial challenges, IT was able to operate remotely and onsite (with curfew passes during lockdown) to ensure continuity of IT Support to the various business functions. Immediate changes were made to NBK's remote access infrastructure which enabled all critical employees to work from home. We focused on the well-being and productivity of the staff by introducing provision of virtual meeting, VPN Access and Remote Contact Center support. IT was also part of the critical staff to run the operations of the Bank during the lockdown to ensure continuity. The selected staff members were provided with hotel arrangements near the head office for their immediate onsite support. IT supported the business with the provision mobile ITMs for customer to use. To ensure the business continuity in the current pandemic situation, IT provisioned 400 laptops and 500 VPN access to all critical staff across the Bank including IBG. Contact Center users are enabled with work from home option, 50 network routers were configured by IT-Operations to allow direct connection to NBK network from home, which is the 1st time in NBK history.

NBK's Communications led the way in establishing a dedicated cross-functional team to coordinate the activities with other business units, monitor and provide the necessary information to executive management for further communication with employees, customers, and our partners. Our communications were directed to all stakeholders. The platforms used for our internal communications included: Outlook, Staff WhatsApp, I AM NBK Instagram account for staff, and MY NBK internal webpage. External communications employed our social media platforms and NBK official website and newspapers. Our focus was on both financial-services related issues and health safety measures more generally.

During lockdown, people in Kuwait were using NBK social media platforms to gain information about COVID-19. NBK's social media played a key role in communicating COVID-19 health guidelines, support and social tips to ease the pandemic influence. Our social media/PR response team created the content and messages following the instructions provided by the government and health authorities. This served both NBK customers and our community as a whole.

Concerning ESG, NBK is seeing impacts of improving and disclosing information on our environmental, social, and governance (ESG) elements (e.g., FTSE4Good in 2019) on NBK brand in 2020):

- The brand tracker has seen an increase of 10% in the attribute "NBK is a Bank that gives back to society" widening the gap with other Banks
- NBK's brand power also leads in 2 key ESG related attributes: "NBK is a Bank that contributes to Sustainable development" and "NBK contributes to achieving Kuwait's 2035 vision"

5.2 Customer Experience (102-2, 102-6)

Our project to assess customer experience and obtain close to real time feedback is summarized below.

Case Study: Instant Measurement of Customer Experience (CX) at NBK Branches via Quick Response (QR) code online surveys

Overview:

The Customer Experience Survey project was envisioned as a way to get customers feedback from branch visits on a near instant basis. As soon as any transaction is done, customers can scan a QR code (available in all branches and in numerous locations) to share their feedback on their branch visit.

This feedback is then pushed into one centralized location which shows the scores for all the branches in the branch network, as well what all the pain points are, and if we need to call back customers on any issues they faced (which is done within 24 hours after the customer has submitted their feedback).

Objective:

Enhance the customers branch visit experience and ensure it a seamless and efficient one.

Outcomes:

Since beginning this project in July of 2020, we have collected 10,745 responses, a monthly average of about 1,800 responses. These responses are enough to get scores for every branch in the branch network and identify potential pain points and areas of improvement.

Also, all customers who have had any negative experiences, would be called back within 24 hours to discuss their issues and try to find a solution. When customers mentioned staff in a positive way, that feedback is then shared back to the relevant staff in order to motivate them and let them know they are appreciated.

Using this QR method has saved NBK cost that used to be spent on contact center agents to conduct a similar survey. Further, time that used to be spent compiling data is being done automatically using the survey software, and each branch has their feedback available to view at any time needed.

Overall, assessment results are used to improve customer experience. If dissatisfied, customers are asked if they can be contacted by NBK. Customers are then called the following day, asked to provide more information, then receive an apology, and wherever possible, offered an immediate resolution. The NBK Contact Center are well trained officers, and have a list of what can be done in different cases. Longer term, assessment findings are used for benchmarking and improvement in the branches. Information is not used to penalize, but instead to train and enhance. Another important advance is that our Balanced Scorecard moved customer satisfaction from individual responsibility to group responsibility.

In general, indicators related to customer experience in 2020 include:

- The percentage of active users of NBK Mobile Banking App is 38%, a 41% increase from the previous year
- The percentage of active users of NBK Online Banking is 10%, remained the same as the previous year

- The percentage of Al Shabab segment in NBK's customers was 15%, remained the same as the previous year
- The number of customer calls received by the NBK Contact Center (including both human-to-human calls and automated responses) and answered by the NBK Contact Center Officers in 12 months were a total of 2,354,836 calls. This was an 8% decrease from the previous year
- The monthly average number of customer calls answered by the NBK Contact Center Officers, which were human-to-human calls exclusive of the automated responses, was 196,000 an 8% decrease from the previous year
- Looking at the number of NBK branches, 2 branches are temporarily closed as of 2020 due to the COVID-19 pandemic

Furthermore, NBK has several relationships/partnerships focused on products and services that enhance customer experience, including:

- Cards Associations with Visa, Mastercard and Diners: Joint campaigns that range from strategic to tactical based on customer profile and card type
- NBK Rewards Program
- Concierge Service
- Carriage (Delivery Service Platform) - special offer for AI Shabab Customers
- Deliveroo (Delivery Service Platform) - special offer for AI Shabab Customers
- Eureka (Mega-Store Electronic Retailer in Kuwait) - special offer for AI Shabab Customers
- Trolley - special offer for AI Shabab Customers

NBK's rewards and loyalty programs include:

- 1) NBK Rewards Program with more than 950 outlets
- 2) Instant Discounts with more than 610 outlets
- 3) Diversified categories to include relevant partners ranging from E-com to family focus
- 4) New jobbers offer:
 - a) Instant gift ranging from KWD 100 to KWD 10,000
 - b) Interest-free loan up to KWD 7,500
- 5) NBK Miles World Mastercard Credit Card
- 6) Up to 50% cashback campaign
- 7) 50% on Cinescape for NBK AI Shabab Prepaid Card holders

Additional products and services are listed in Appendix 9.4.

Customer Experience – Premium Customers:

We engage with our premium customers through Peacock Concierge Services and Seezen Concierge Services. Our premium customers are segmented into the following:

Privilege Customers

(Salary KWD 3,000+ or Deposit KWD 100,000+),

Thahabi Customers

(Salary KWD 1,500+, Deposit KWD 30,000+)

Customer Experience – Youth Customers:

We target the youth through the Chips Monthly Offer (exceptional discounts on trendy electronics offer). Chips is one of Kuwait's most prominent electronics stores that has seen rapid expansion in the past few years. Unlike traditional electronics stores, Chips focuses on items that are popular among the youth with a focus on Apple products and accessories. Chips' brand identity and communication strategy is directed towards a younger audience and relies heavily on content marketing and in-store engagement activities such as contests and raffle draws. According to our data, Chips has the highest usage among the youth in electronics SMEs in Kuwait. Additionally, we offer youth (50% off up to KWD 5) through a Trolley Weekly Offer. Trolley is the most popular convenient store chain amongst youth in the Kuwaiti market. With over 50 locations, Trolley has rapidly grown to become one of the most prominent quick shopping destinations across all segments, especially the youth. With a focus on convenience and product selection, Trolley has become a retail giant associated with having the right products for their target customer. Our youth customers are categorized into the following: Shabab Prepaid Card holders (College students with monthly student allowance)

5.2.1 Customer Journey

With the pandemic, NBK's goal of ensuring that every customer's total experience with our Bank is exceptional faced new challenges: danger that 'normal' interactions with customers might be hazardous to the health of both customers and employees, restrictions against in-person transactions, rapid escalation of mobile banking (with the accompanying pressure on IT systems), heightened prioritization of information security for example. Thus, 2020 was about responding to these pressures while continuing other initiatives aimed at maintaining or improving customer experience.

Clearly, there were major shifts in the "customer journey" with the transition to largely mobile banking. As mentioned earlier, an immediate impact of the pandemic on NBK's financial services was to accelerate the transition to mobile banking. A behind-the-scenes perspective on this is provided in the following sidebar.

Case Study: The Impact of COVID-19 on NBK Mobile Banking

Overview:

We all have been experiencing unprecedented times since the outbreak started. These trying times force customers to change their way of living and certainly their expectations from financial institutions. While they are moving to digital channels with a high pace, with the pandemic customers become more and more demanding. Before effects of COVID-19 became visible, mobile banking had already started to gain momentum. COVID-19 increased this momentum and forced customers to change their behavior in gravitating towards digital channels. This behavioral change has been obvious: the number of customers registering to mobile banking, their level of activity, and transaction penetration increased astoundingly. Amid the COVID-19 period, especially the lockdown, almost half of the transactions were executed via our mobile banking channel. More importantly, after all lockdown decisions were lifted, we saw that customer preference was still for mobile banking, suggesting that long-term behavioral change occurred. All metrics, such as new mobile user, activation, both financial and non-financial transaction penetrations on Mobile Banking boosted during COVID-19 and continued to increase post-COVID-19 lockdown.

NBK quickly responded to this demand with numerous quick actions on the mobile banking side: changing limits to facilitate customers' transactional banking needs without compromising security, putting extra security measures without damaging customer experience, and providing customers with online branch booking facilities to manage traffic in the limited operating branches, are a few examples we swiftly provided to our customers. As well, for customers needing physical interaction with bank channels, we deployed mobile ATMs and ITMs to residential areas in an effort to bring the branch to the customers' doorsteps providing uninterrupted service.

Our Objectives:

- Maintaining a consistent rise in mobile user base whilst keeping customers active by providing superior services and experiences that customers need during lockdown where interactions are down to a minimal.
- Responding as quickly as possible to customer needs with fast service delivery and go-to market.
- Ensuring our delivery approach is focused on addressing customers' needs during this period.

Objectives for services released or improvements made:


- Facilitation of customers' transactional banking via mobile with a more secure process (limit changes, security measures against fraudulent activities)
- Building and increasing the trust in NBK digital services for the benefit of customers with continuous, informative communication content through digital channels
- Digital onboarding solution integrated with the Public Authority for Civil Information (PACI) was launched to the market as a first in Kuwait

Outcomes:


- NBK Mobile Banking App registered base reached 363,888 as of December 2020 with increase of 36% YTD
- NBK Mobile Banking App active base reached 311,731 as of December 2020 with increase of 38% YTD
- Number of customers registering to mobile banking reached 57.5% as of December 2020.
- Active mobile banking ratio is about 38% among targeted segments as of end of December 2020.
- Financial transaction penetration increased by 15% on NBK Mobile Banking App meaning that a single customer is now executing 1 more financial transaction on NBK Mobile Banking App compared to beginning of year 2020.
- Furthermore, the digital transaction ratio (including all self-service channels) rose above 97% for a while and preserved this trend
- Due to the outbreak of COVID-19 customers shifted their channel behavior towards NBK Mobile Banking such that during the pandemic NBK Mobile Banking App our transaction ratio hit the peak with 48% across all channels
- With dedicated approach, we have developed 21 new services during 2020. Specifically, 16 out of 21 have already gone live, and 5 are under business acceptance testing, which will be going live shortly.
- Services that have already gone live: NBK Geo Alerts, Improvements on Beneficiary Transfer, Buy/Sell currency, Improvements on international money transfers and loans features, Kuwait Fight Corona Donations – Quick Transfer, Changing NBK Quick Pay, Cash advance and e-Payments limits, Branch remote booking service - quick access, NBK-Kuwait Airways (Oasis Club) Visa Cards, Transfer to International Online Brokerage, Security improvements, Controls over jail broken devices, NBK Push Notifications, NBK Bill Splitting, Transfer to NBK Capital SmartWealth
- Services under BAT are Best offer, Mobile Q-matic integration, Update e-mail and phone number, Augmented reality for credit card expenditures, Samsung Pay in-app provisioning
- Customers started to use less common features such as e-payments far more than previously
- NBK Mobile Banking App became customers' first preference for money transfers

Access to Banking:

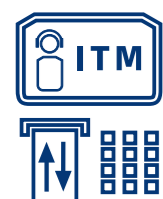
In 2020, a total of 1,733,232 visits were made to the branches during 2020, a 44% decrease from previous year (3,107,359 people visits during 2019). A total of 1,192,155 transactions were done with customers in the branches in 2020, a 45% decrease from 2019. Other indicators concerning banking accessibility include:




As of 2020, NBK owns 220 ATMs, a 2% increase from the previous year.



NBK owns 112 Cash Deposit Machine (CDM) in Kuwait, a 6% increase from 2019.



NBK owns 5 ITMs in Kuwait, a 150% increase from the previous year.



NBK has 68 branches in Kuwait, the same in 2019. However, 2 branches are currently closed as of 2020, due to the COVID-19 pandemic.

One effected area was the customer contact center as part of the Consumer Banking Group (CBG). Accordingly, NBK managed this by reducing SLA's to increase flexibility, while remaining committed to customer engagement.

For several years, NBK has incorporated adjusted facilities, equipment and procedures to better serve customers with special needs. NBK Branches that cater to special needs customers are six branches with specialized facilities, one in each governorate:

1. Asima Governorate – NBK Headquarters Branch
2. Hawalli Governorate – Cinema Al-Salmiya Branch
3. Farwaniya Governorate – Al-Rehab Branch
4. Mubarak Al-Kabeer Governorate – Mubarak Al-Kabeer Branch
5. Ahmadi Governorate – Fahaheel Al-Sahely Branch
6. Jahra Governorate – Saad Al-Abdullah Branch.

NBK has dedicated branches with the latest services to accommodate and facilitate banking for our customers with visual, hearing or physical disabilities. We maintained the following practices to cater to special needs:

- ATMs which have braille keyboards and earphones, enabling visually impaired customers to withdraw money (such ATMs have special branding and enclosures to ensure the physical wellbeing of our customers)
- Braille printing facilities
- Staff trained to provide services in sign language, for hearing-impaired customers

- iPads providing speech to text functionality for visually-impaired customers
- Wheelchair access to branches (available in all our branches)
- Reserved and clearly marked parking spaces
- Easily accessible safe deposit boxes
- Debit and credit cards with photo for easy identification, when requested

Additional Services to Enhance Customer Experience:

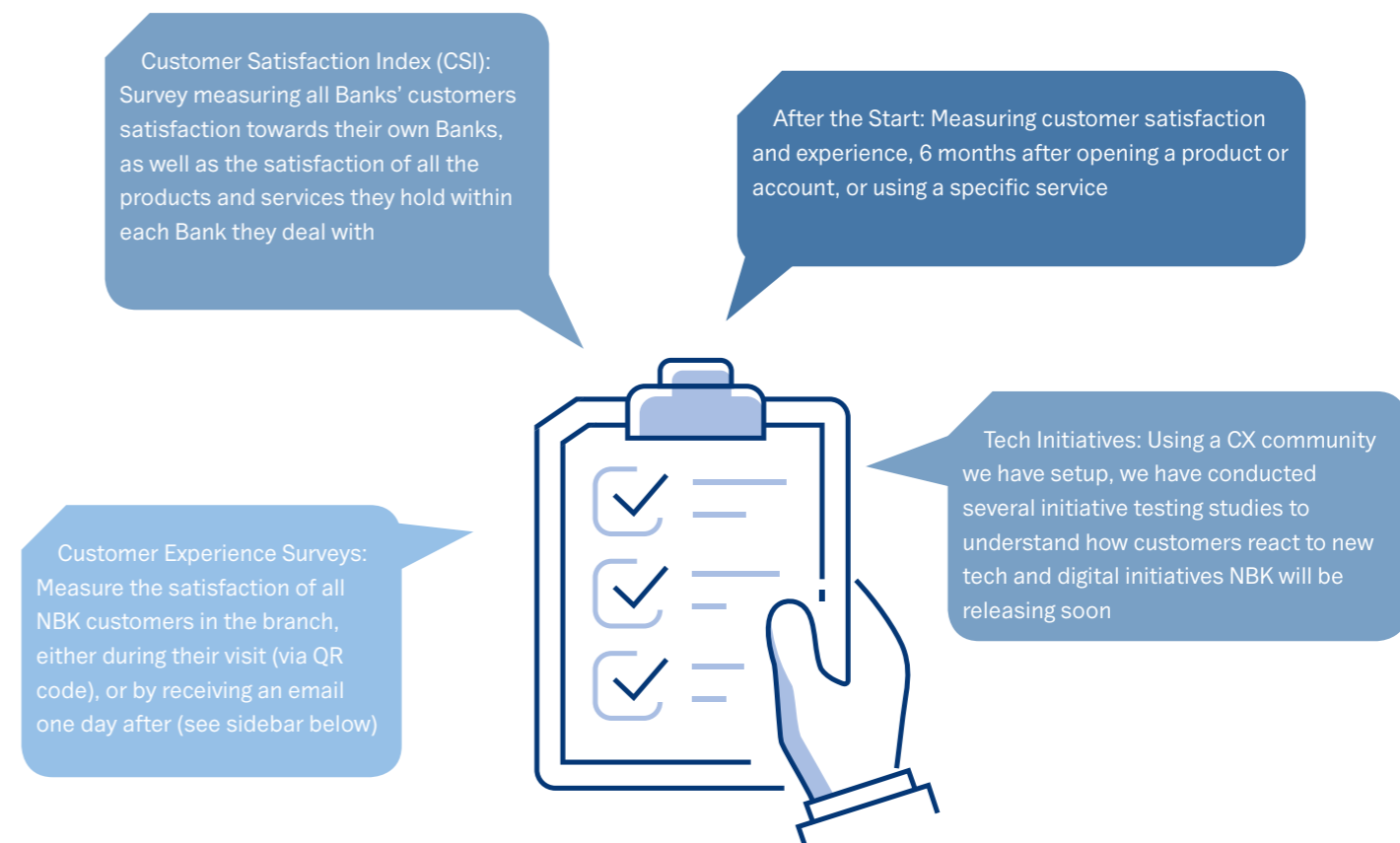
In 2020, NBK also accomplished the following:

- Inauguration of a new branch at the Kuwait Stock Exchange building to serve a wider base of our customers and be closer to them
- Kicking off Wave 2 of Robotic Process Automation (RPA) to automate over 30 processes with final objective to speed up the turnaround time (TAT), enhance quality and better utilization of the Bank's resources
- NBK began replacing its Treasury system to an integrated platform which covers Operations, Front Office, Risk and Accounting. The project is approaching user testing phase and expected to be implemented in two branches. The new system will better cater for our needs, and support the business across multiple areas
- For the first time in Kuwait, NBK introduced Samsung Pay for easier and faster payments. The customer can link their NBK Credit or Debit Card with a compatible Samsung mobile device to enjoy seamless payments when tapping it at any Point of Sale (POS) terminals where card payments are accepted either in Kuwait or abroad

5.2.2 Customer Satisfaction and Complaints Management

Our goal is to maintain overall customer satisfaction ratings at or above 94%. This is achieved through thousands of small touch points and transactions as we engage with our customers day-to-day. NBK strives to identify and continuously improve the many factors that contribute to customer delight and loyalty. We employ numerous ways of monitoring customer needs, perceptions, and concerns, and incorporate insights gained to improve our processes and practices.

During 2020, we conducted numerous customer satisfaction surveys, as illustrated in the diagram below.



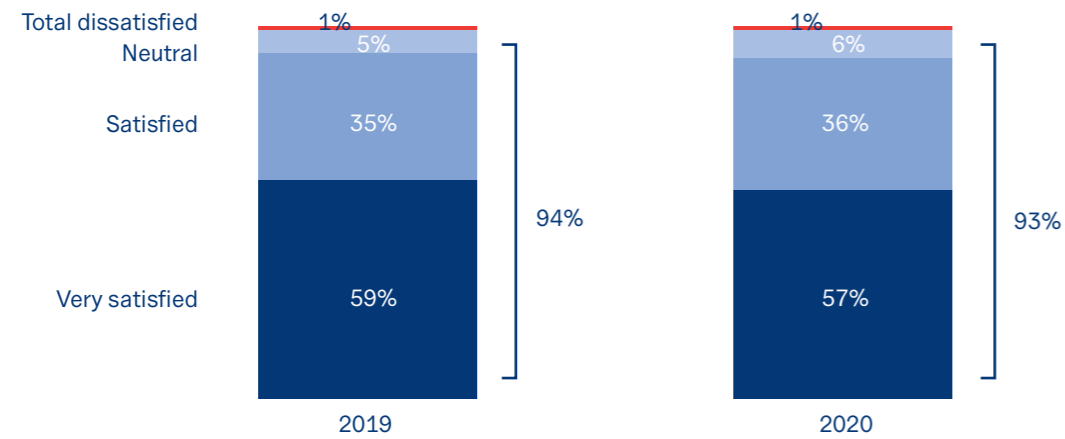
Customer Satisfaction-related results 2020 are summarized below. Overall, NBK maintained a high satisfaction score in 2020.

Customer Satisfaction Index (CSI): CSI is one of the most critical KPIs for NBK. This is a more holistic survey not specific to a event or time frame. The survey covers customers' holistic journey with the Bank, asking about overall satisfaction with NBK and specific products and channels. Other surveys show early predictions of the CSI.

In 2020, despite the slight drop, we see attaining a 93% customer satisfaction score as a tremendous success given the significant challenges of supporting the dramatic shift to mobile banking and navigating changes required to provide high quality financial services while ensuring customer and employee safety—especially in the context of the COVID-19 pandemic.

NBK Maintained a High Satisfaction Score During a Very Challenging Year

Overall Satisfaction with NBK 2019 - 2020



Summary of 2020 Brand Tracker Results

Brand Awareness

NBK maintains its lead in the market on spontaneous awareness at both an overall and top of mind level. Top-of-mind awareness levels remained broadly stable across brands versus 2019.

NBK scores highest in Brand Consideration and Communications Awareness and NBK Channel Recall over competitors. Consideration for the larger Banks has either remained stable or softened slightly versus last year, while one major Bank and the smaller Banks have conversely seen increases.

Brand Power in Total Market

NBK maintains overall leadership in the market, despite a slight decline in Brand Power this year.

NBK Brand Power Over Time

While NBK has seen a minor decline in its Brand Power share at an overall level due to a decline in its brand Difference, it has, however, improved on Meaningful, which is encouraging as this has been a priority focus area from last year. The brand power for NBK stands at 26.6.

NBK's performance versus competitors remains strong on the statements contributing to Meaningful. Our lead is narrowest, however, on the statements that sit within 'Difference', particularly on 'technology', 'youth' and 'online' compared to one other Bank.

It's worth mentioning that the 3 pillars (Meaningful - Different - Salient) of the Brand Power as per Kantar Model; have all an important impact on the Brand Power score with Meaningful contributing by (39%), followed by Different (35%) and Salient (26%).

Diagnosing NBK Meaningful

Since 2019, our position on key Meaningful associations, such as 'best customer service', 'knows its customers' and 'fits my financial needs' has improved.

NBK Maintains a Strong Lead in Brand Power, Particularly Amongst Expats and Non-Islamic Bankers, and Seen Positive Gains Amongst Kuwaiti Youth

A continued above category average performance on Meaningful, Difference and Salience has helped NBK maintain its Brand Power lead in the market. NBK continues to dominate the Expats and the Non-Islamic segments, and amongst Kuwaiti Youth, NBK is the only top five brand to see an increase in Brand Power this year driven by increases in Salience and Meaningful where we now lead the market.

Brand Power:

NBK has contracted with KANTAR for an assessment of its brand power twice a year for the past 5 years. In 2020, NBK maintained brand leadership with a Brand Power of 26.6, the highest in Kuwait. (NBK's 2019 Brand Power was 26.8). The brand gained in meaningfulness, especially amongst Kuwaiti youth, an objective that NBK has set itself going forward. Reflecting on these brand assessment results in 2020, NBK maintained a high satisfaction score in a more competitive market. Activity across different touchpoints have helped NBK improve its image performance as a 'Bank for the Family'.

Customer Surveys:

In 2020, NBK surveyed around 44,000 customers, which is a 16% increase from 2019. Concerning the response rate, online surveys can reach about 7%, while telephonic (with several attempts) can reach about 30%. This was the same in 2019.

NBK conducted an Interactive Voice Response (IVR) survey with customers, and results show that:

- 86% of the customers who completed the survey agreed that their issues / requests were solved / fulfilled during the call. This percentage was a 3% decrease from the previous year
- The percentage of customer complaints that required escalation to other business units was 80%, which is the same rate as the previous year
- As of 2020, 48,027 customers are doing their banking physically per month, which was a 32% decrease from the previous year
- 400,733 customers are using ATM machines per month, which was a 15% decrease from the previous year
- 81,912 customers are using CDM machines per month, which was an 11% decrease from the previous year
- 134,907 customers are using mobile banking per month, which was a 39% increase from the previous year
- 26,327 customers are using NBK Online Banking banking per month, which was a 29% decrease from the previous year

Customer Complaint Management

NBK takes customer complaints as important information for remedying and improving customer experience through process improvements, technology, customer service, etc. Customers concerns or complaints are raised in a variety of platforms, such as the contact center in consumer banking, our social media sites, interviews and surveys. One area impacted by the pandemic was the NBK Contact Center part of the Consumer Banking Group (CBG). NBK managed contact center volume by reducing Service Level Agreements (SLA's), while remaining committed to customer engagement. Official complaints were reported to Central Bank of Kuwait (CBK).

Complaints to Consumer Banking Group (CBG): The number of customer complaints received by the NBK Contact Center was 7,581 in 2020, a 41% decrease from the previous year. In 2020, NBK (excluding the contact center) received 1,708 customer complaints, a 16% decrease from the previous year. The platforms used to receive these complaints, which exclude the contact center, are: branches, social media, official website (NBK.com), and the Customer Complaint Center at the NBK Headquarters (walk-in or mail).

Turnaround Time: In 2020, the average turnaround time for customer complaints was 5 days, which was a 25% increase from the previous year. Further information about turnaround time across different areas, as well as their comparisons with 2019, are as follows:

2020	
Category	Mean Time to Resolve (MTTR)
Accounts	5 Days
Cards	5 Days
Loans	5 Days
Remote Channels	6 Days
Staff Related	5 Days
Third Party Issues	5 Days
Waiting Time	4 Days

2019	
Category	MTTR
Accounts	4 Days
Cards	4 Days
Loans	1 Day
Remote Channels	5 Days
Staff Related	5 Days
Third Party Issues	6 Days
Waiting Time	3 Days

- In 2020, turnaround time for solving official complaints reported to the Central Bank of Kuwait (CBK) was about 12 working days, which was a 20%-change decrease from the 15 working days in 2019
- Through social media channels, the average turnaround time for customer complaints in 2020 was 4 days, which was a 100% increase from 2 days in 2019
- The number of customer complaints solved within 24 hours in 2020 was 902, which was a 65% decrease from the previous year

5.2.3 Customer Health and Safety

As we have described, upon learning about the threat of the COVID-19 pandemic, NBK promptly began planning and implementing precautionary measures to ensure the health and safety of our customers. This focused on both physical distancing and the protection of customers using our financial services, and our wider community as a whole.

During the pandemic, NBK adopted many initiatives on our social media platforms aimed primarily at our customers but in some cases also helpful to the general community. These addressed:

- Safety measures (Tips to maintain customers' and staff safety by social distancing, wearing masks, sanitizing, etc.)
- Tips to bank safely (Tips to avoid fraud attempts that were on the rise during this period.)

- Encouraging customers to use our digital platforms and contactless payments to maintain their safety
- Launching the first NBK Mobile Branch to make people's transactions easier and safer during the total lockdown
- Awareness campaigns and step-by-step tutorials on how to use our digital channels and services (through NBK Online and Mobile Banking)
- Making some services available through the NBK Contact Center
- Full fledge awareness campaigns held with short videos to inform customers about our services provided through NBK Online and Mobile Banking
- Special delivery services provided to privilege banking customers through concierge (Money, groceries, pharmacy supplies, etc.)
- Eiditya campaign (a CBK initiative) to enable customers send *Eideya* funds to their loved ones from the comfort of their homes

- Tips for healthy lifestyle (Eating and exercising tips. The Bank also had live workout sessions with known trainers.)
- Awareness campaigns on ways to disinfect money, surfaces and groceries after shopping
- Changing people's habits (Doctors advices and consultancy while encouraging people to have a healthy lifestyle.)
- Ongoing recipes and food benefits awareness on NBK hospital account

Engagement Levels in NBK Campaigns:

Our social media platforms and campaigns were an important vehicle for engaging our customers, employees and wider community. Overall, our COVID-19-related content on social media received 489,000 Likes and 11,000 Comments, indicating a high level of engagement. The engagement level response to specific campaigns are summarized in the table below.

Summary of Engagement Levels in NBK Campaigns					
	Campaigns	Posts	Likes	Views	Comments
Awareness	Patriotism (National Day)	39	19,000	207,000	21,000
	Ramadan Health Tips	66	901	24,000	73
COVID-19	Safety Health COVID-19 Awareness Messages	241	52,000	620,000	42,000
	World Peace Day	12	723	7,000	25
International Days	International Day of Charity	4	781	N/A	23
	International Nurses Day	3	722	5,000	11
Education	Education Campaign	11	51,000	900	8
	LOYAC: Career + KON	60	6,000	18,000	12
TOTAL		436	131,127	881,900	63,152

NBK's systems and practices for monitoring customer needs and satisfaction were also impacted by COVID-19. Notably, the NBK Insight team had limitations in doing fieldwork, as they were unable to go out in the field to interview respondents. The Insights team responded to these issues by using an online webinar platform to conduct discussions and in-depth interviews with customers and focus groups. They also increased usage of online and telephonic surveys. Some of the other surveys were done via online calls to go more in depth when needed.

5.3 Technology and Digitization

2020 required intensified advancement of our technology and digitization focused both on our internal operations and customer-facing transactions. More details about our use of technology and digitization to enhance these areas are displayed in this section, looking at aspects that include our digital transformation, our advanced information technology (IT) operations, and our prioritization of data privacy and security.

5.3.1 Digital Transformation

NBK progress in integrating digital transformation into banking service provision is an important strategic issue to customer experience and satisfaction, competitiveness, data security, and operational effectiveness and efficiency. It emerged as the number one most important material issue for both external and internal stakeholders in 2020. The sidebar below lists the many initiatives accomplished in 2020.

Digital Transformation Enhancements:

In 2020, Core Banking changes and enhancements were done in the following areas:

1. Core Banking Solution (CBS) – (TCS BaNCS) Retail Loan and Corporate Loan repayments were extended / postponed for a period of 6 Months. This activity entailed significant changes to the Core Banking.
2. Repayment schedules had to be rebuilt and interest had to be deferred for the complete portfolio.
3. Corporate Limit Creation and maintenance screens in BL (Core Banking Teller Solution) were enhanced to optimize and streamline the limit management activity.
4. Nostro capability was introduced in Core Banking.
5. Treasury Interfaces for Limit Synchronizations, Settlement Postings, real-time currency position updates were built in Core Banking.
6. Bank Trade (Trade Finance system) was integrated to Core Banking Solution (CBS)
7. Enhancements were done for ATM and POS reconciliations.

Furthermore, in 2020, NBK implemented numerous projects to upgrade our technology and digitization:

- CBS (Equation) was migrated from version 3.9 to a supported version 4.3.3 for UAE, Jordan, Iraq, Lebanon, Singapore and China
- In comparison to the previous year, in 2019, CBS (Equation) was migrated from version 3.9 to a supported version 4.3.3 in Bahrain
- Moved NBK’s retail internet facing channel (NBK Online Banking) to the new Enterprise Service Bus (ESB) and API Gateway. The new Applications Programming Interface (API) Gateway provides the foundation for various digital initiatives like Tokenization, OpenBanking, API Security etc

Additionally, NBK IT has made significant investments in hiring skilled resources in areas of ESB Architects, ESB Developers and ESB Administrators. We are expecting complete on-boarding to finish in 2021. In 2021, we plan to migrate our existing Mobile channel to the new ESB.

As part of the ongoing validation of the Data Center resilience, IT has been able to complete the following:

- Successfully completed the IT Validation test on January 10 and January 17 for all critical applications. Failover and failback of NBK Systems between the 2 Data Centers (Jleeb Al-Shuyoukh and Al-Rai), thereby achieving the operations of production systems and validation of the datacenter capabilities. With this, one of the scenarios, Major IT systems failure from the IT DR Plan and Strategy was tested successfully.
- BCM test was conducted in October 2020 to achieve the operation of production systems from Jleeb Al-Shuyoukh Site
- From October 16th to October 23rd IBG MPLS links was also migrated part of the BCM exercise to test connectivity of the IBG Locations
- Successfully tested the switch-over and switch-back of the AML application from Production Site 1 (Jleeb Al-Shuyoukh) to Production Site 2 (Al-Rai) to meet NBK Singapore compliance requirements
- Successfully failed-over the Mastercard, VISA, KNET, FDI, link from Jleeb Al-Shuyoukh to Al-Rai Data Center to achieve critical connection redundancy required for business continuity

SWIFT GPI, a service that enables customers to track their payments from operation into the beneficiary’s account was implemented in March 2018, is planned for upgrade in Q1 2021. SWIFT GPI provides the following benefits: Customers’ ability to track their payments 24/7, reduction of Turn-Around-Time (TAT) in case of incorrect beneficiary details, reduction of the load on front office / back office to investigate the status of payments, and enhanced transparency.

The volume of SWIFT GPI transfers in 2020 totalled 2.7 Million (including incoming and outgoing fund transfers):

- Incoming Fund Transfer messages - 1.2 Million/Year
- Outgoing Fund Transfer Messages - 1.5 Million/Year

OpenText ECM (content suite V16) was deployed in Dev/Test Environments. User Acceptance Testing (UAT) is currently in progress. Migration to the new version is slated for Q1 2021.

Indicators Related to Digitization in Customer Service

To assess our performance and directions towards digitization, we monitor the total number of customers doing banking digitally, examining a number of indicators, including NBK Mobile Banking, NBK Online Banking, ATM customers, CDM customers, ITM customers. The graphic below illustrates the comparison between 2019 and 2020, illustrating our successful movement toward digitization.

As of End of December 2020:

- NBK Mobile Banking registered base is 363,888 customers
- NBK Mobile Banking active base is 311,731 customers
- NBK Online Banking registered base is 362,325 customers
- WOL active base is 77,440 customers
- ATM 4,808,792 customers*
- CDM 982,944 customers *
- ITM 575 customers *

- NBK Mobile Banking 10,643,993 transactions
- NBK Online Banking 1,084,253 transactions
- ATM 18,266,376 transactions
- CDM 2,152,562 transactions
- ITM 750 transactions

*Note: Shows total customers, which are not necessarily to be unique from 2019.

Percentage Change – 2019 to 2020

- NBK Mobile Banking registered base: 36%
- NBK Mobile Banking active base: 38%
- NBK Online Banking registered base: -9%
- NBK Online Banking active base: -14%
- ATM customers: -15%
- CDM customers: -11%
- ITM customers: -58%
- NBK Mobile Banking transactions: 51%
- NBK Online Banking transactions: -30%
- ATM transactions: -20%
- CDM transactions: -9%
- ITM transactions -53%

Results above show that out of these 12 customer service and digitization indicators, there was an improvement of 4 indicators, while 8 other indicators declined.

Legend:

- ATM Automated Teller Machine
- CDM Cash Deposit Machine
- ITM Interactive Teller Machine

NBK is continuously leveraging the latest technologies, such as: beacons for smart location-based services, cloud solutions (that does not require sensitive client information), digital onboarding, digital signature, digital identity verification, blockchain for international money transfer via Ripple, RPA to automate processes, augmented reality, wallet technologies. Besides our wide range of customer-facing initiatives, we are investing heavily in infrastructural changes to have more flexible and scalable architecture that can host various services. These changes include:

1. Cloud, Artificial Intelligence (AI)/Machine Learning (ML) and Natural Language Processing (NLP) technologies will be used for ChatBot initiative.
2. Another use case for AI/ML will be for Personal Finance Management solution.
3. RPA plays critical role in our digital transformation agenda and with very fast approach we are mitigating time-consuming, mainstream activities with RPA to decrease the cost to serve and to reduce operational risks.
4. NBK GeoAlert went live on December 2019 and is present in malls including Avenues in Kuwait City as well as Kuwait International Airport.

Additionally, we have seven dedicated digital advisors on branches to enroll customers as digital customers. They satisfied their targets for the year of 2020 and more aggressive targets were assigned to them for 2021. These agents have MOB customer acquisition (registration) as well as activation targets. Targets for these agents were 38% and 32% for registration and activation respectively for 2020. For the upcoming year 2021, more aggressive targets have been assigned 61.5% and 53.0%

for registration and activation respectively. During branch closure period these agents could not take active role. However, upon re-opening of branches their performance is seen and proved by numbers.

The COVID-19 period proved the importance of digitalization and increased the speed of transition to it. Before the pandemic, we were mentioning “digital customer” as new customer type but with COVID-19 period it becomes the main customer type. In order to answer those changes, NBK’s IT has become one of the most active business in terms of new service development during COVID-19 period. As organization-wide Digital Transformation hub, we are aware of the importance of quickly responding to changes in the market and liquid customer expectations during COVID-19 period. In addition to the impacts identified above, mindset shift occurred such that we put customer on the core more often during our designs and our way of working improved much towards agile delivery.

We took swift actions to facilitate meeting customers' everyday banking needs with launching digital services and offerings. Online booking solution, change in transfer and related limits as per customer needs without compromising security, putting additional security measures for secure and convenient banking are the ones. In addition, we recently launched and completed in 2020 a pure end-to-end digital onboarding, as described in the sidebar. Digital onboarding is used for digital customer acquisition in partnership with Public Authority for Civil Information (PACI). In a short time of period digital signature will be used for product onboarding with removing the need of branch or any human-assisted channel visit.

Case Study: Fully Digital Customer Onboarding

Overview:

The project scope includes incorporating PACI services such as 'Authentication' and 'Digital Signature', through which customers can be acquired digitally. Civil ID holders who have already activated their digital identification (ID) are able to use NBK's new digital onboarding service through web browsers and mobile devices.

Service highlights from customer perspective:

- Authenticate NBK to use their information for “Account Opening” purpose via their “Kuwait Mobile ID” application
- Fill in an application form that covers full KYC and all the necessary information to open an account
- Read the auto-generated contract and sign it digitally through “Kuwait Mobile ID” app
- Open their ready-to-use account digitally without any physical visit to branch
- Instant reach to their NBK Mobile and NBK Online Banking with their credentials
- Download signed copy of the contract
- Download ready-to-use salary transfer form
- Receive debit card in the following days

The service is provided through our website and NBK Mobile App.

Objective:

We have introduced a new initiative called “Digital Customer Onboarding with PACI”, with an aim to expand our customer base and provide customers with the most advanced digital services in Kuwait. This initiative is the first end-to-end digital onboarding solution to launch in Kuwait.

This service will be a base to the upcoming initiatives like loan and credit card onboarding in the way of providing a fully digital experience.

More Details:

There are two ways of activating Kuwait Mobile ID:

1. Online Registration: Civil ID holders may activate their Kuwait Mobile ID by scanning their face only. This solution uses face recognition and authenticate user to use only digital ID without digital signature and authentication services. Thus, users who activated their IDs with this method cannot use neither our new service nor their digital signature.
2. Kiosk Registration: Civil ID holders may activate their Kuwait Mobile ID by using a PACI Kiosk. Users insert their civil ID into the kiosk and scan their faces. Both physical civil ID and face is being verified. Our service is dependent to this type of activation which requires a physical interaction. We have installed 4 kiosks into some of our branches and also, we have a kiosk operating in the NBK Mobile Van, which serves in different locations only to facilitate the activation process.

We expect a delay on customer penetration through Kuwait Mobile ID due to current pandemic situations. There will gradually be a large increase in the activation of digital IDs once ministries, telecom operators and other Banks introduces their services dependent on digital signature

Besides increasing customer base this initiative has potential to contribute to NBK digital footprint and competitive edge via

- First solution in the market
- New way of customer onboarding in full digital way as an infrastructure for future of digital banking in Kuwait
- Perception of customers that NBK is heavily investing in digital domain for the benefit of both NBK customers and non-NBK customers via end to end onboarding
- Increased customer satisfaction by removing all paper hassle and physical branch interaction

Other initiatives in our digital transformation initiated or implemented in 2020 include:

- NBK's "Facelift Design" to renew the appearance of our existing NBK Mobile Banking App was initiated and tested with customers. It was well - appreciated. Further planning and development will be initiated in 2021.
- Payments play very critical role in customer banking experience. NBK is striving to be the first Bank to bring tokenized cards in ApplePay to the market, as we have already become first with Samsung Pay, Fitbit Pay and Garmin Pay. We are developing infrastructural needs to make ourselves ready
- Real time event processing is an advanced marketing tool that proactively interact with customers to offer them right product, at the right time. Initially, infrastructure will be established and on the top of it an advanced tool will be implemented to holistically manage marketing use cases.
- Branch transformation is another important initiative in NBK's digital agenda
- In authentication and security, part 2 factor authentication and push OTP services will be available to increase security and improve customer registration and login experience
- Personal Finance Management (PFM), Contextual Chatbot, Pure Digital (Virtual Cards), Investment Products are in our pipeline

- and expected to be served to our customers within 2021
- Digital mobile onboarding (biometric) initiative development will be planned to be started beginning 2021
- Private Banking customers constitutes important part of our customer base so we are developing initiatives to facilitate their digital banking experience with Digital RM Communication
- In order to address exact needs of corporate customers, Corporate Online banking improvements will be in our agenda. We are taking care of not only Kuwait, International Banking Group part is also under our radar and defining digital agenda and Corporate Online Improvements will be initiated
- We are also harnessing the power of data to predict churn potential of customers from mobile banking with using advanced statistical and descriptive techniques in strong collaboration with the Center of Excellence (CoE)
- Besides client-facing initiatives we are continuously improving our infra and systems with adopting and developing new ESB layers, 3rd party partnerships via APIs and SDKs to go beyond banking as a form of infrastructural changes
- We are also renewing other channels and improving services on them: contact center infrastructure to serve our customers in a better way, ATM infra renewal (CX Banking) and ATM revamp project later on

Other automation initiatives to improve customer experience and operational effectiveness and efficiency undertaken by NBK include:

- Customer registration for e-Dividends service via e-Channels
- QR Code workflow system for manual customer instructions
- IMAL system integrated with SmartWealth (SW)
- Direct Credit automated in IMAL system (blocking for collateral)
- Digitization of Corporate Credit Documentation

data leaks, NBK has controls and measures in place. We have implemented various security solutions and performed user awareness to manage cyber risk related to data leakage. As part of this we implement a Cyber Security Incident Management Framework and an HR Security Policy. As was true in 2019, NBK did not lose any company data as leaks in 2020. NBK's information security policies and procedures are implemented annually. In alignment with global standards, in 2013 NBK achieved ISO 27001 certification covering three key areas: Information Technology, Security Techniques, and Information Security Management Systems. As part of maintaining our information security management system NBK makes updates as new threats or business needs emerge.

5.3.3 Data Security and Privacy (418-1)

Information security and protection against cyber leaks is of utmost importance to NBK and our customers, and is increasingly a material issue. To protect against company and customer

NBK met the rapid expansion of remote access with zero incidents related to data leakage or unauthorized access.

The following is the Sustainability Return on Investment (S-ROI) assessed for Digitization.



S-ROI	Level	Value Outcomes
Digitization	Very High	Customer satisfaction value

5.3.2 Advanced Information Technology

Our readiness and response for remote working, and then the story of our Information Technology (IT) experience are outlined in the two sidebars below.

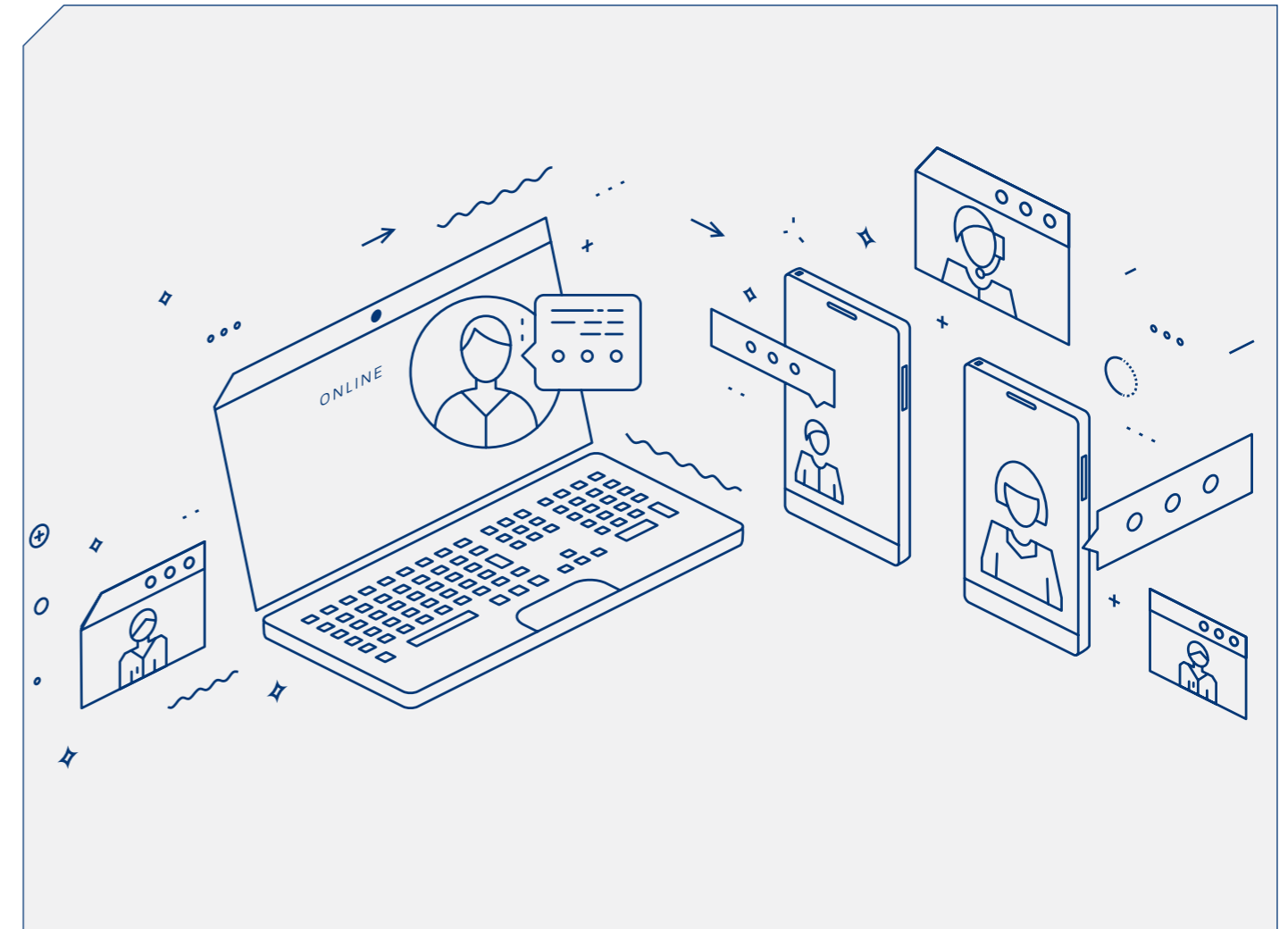
Case Study: Readiness and Response of IT for Remote Working

Overview:
IT Operations was well prepared for the complete lockdown well in advance, with all the required curfew passes for the skeletal staff to work on premises. All other critical staff already had Laptops with VPN connection to work from home.

Objective:
Provide uninterrupted Services to Customers and staff during pandemic with minimal impact to business

Other Details:

1. Online Services to customers were available during the pandemic without any interruption.
2. Distribution of approximately 400 laptops to other business units and assignment of approximately 500 VPN connections during the pandemic situation.
3. Remote Contact Centers were setup for distribution of staff to maintain social distancing.
4. Setup of mobile ITM to service customers in residential areas.
5. IT Operations staff were distributed across 3 sites to work and support during the pandemic.
6. Additional BCM site was arranged for critical business units to distribute their staff.



The sidebar below describes our data security and privacy response to COVID-19 in 2020.

Sidebar: Ensuring Data Security and Privacy During COVID-19

Overview:

In 2020, NBK adopted cybersecurity as a strategic theme emphasizing protection against cyber threat through implementation of new technologies and enhanced controls of existing security solutions.

NBK established our Data Classification Policy, and is in the process of information classification in accordance with the sensitivity of the information. Also, NBK established our Data Privacy Policy to secure customer personal information through implementation of required procedures.

NBK implemented numerous security solutions to protect against risk of information leakage, including:

- Host Data Loss Prevention (DLP) and Network DLP
- Device Control for connecting external media
- Secure File Transfer (for external data sharing)
- Implemented Virtual Private Network (VPN) for remote access to provide seamless connectivity
- Restricted data sharing over Remote Desktop

5.4 Sustainable Procurement (102-9, 204-1)

NBK is committed to selecting vendors and making procurement decisions that support economic development in our local community, support diverse and small-to-medium sized businesses, and incorporates environmental impact criteria into design and procurement and purchasing decisions. The most substantial project demonstrating the application of this commitment was our new LEED-GOLD certified Headquarter building which was completed for occupation in August 2020. The sustainability attributes of our HQ building are highlighted in the Environment section.

Another demonstration of our commitment to sustainable procurement was the development of our Procurement Policy on September 9, 2020, covering operations in relation to our suppliers. The purpose of this policy is to ensure that our “procurement policies are efficient, clearly defined, sustainable, deliver value, and ensure the Bank’s procurement activities meet the required standards and strategic objectives.” Some procurement elements reflected throughout the policy include, among others, methods of procurement, communication and negotiation, vendor selection, purchase orders, gifts, expenditure authority limits, and exceptions. Furthermore, the policy abides by 5 Procurement Principles, which are:

- Fair Compensation
- Conflict of Interest
- Cost-effectiveness
- Transparency
- Code of Conduct

In total, NBK invested KWD 24,542,864 in local procurement expenditures, comprising both contracts and purchasing. Note that this was a 10% decrease from 2019. Looking at foreign procurement, NBK invested a total of KWD 5,272,703 to suppliers outside of Kuwait. Note that this was also a 9.7% decrease compared to 2019. In 2020, local procurement represented 82.3% of our total spend.

In terms of the number of suppliers, we had a total of 370 suppliers as of 2020. This is broken down into 300 local suppliers in Kuwait (77%), and 70 foreign suppliers out of Kuwait (23%), as illustrated below.

NBK Suppliers

23% Foreign suppliers

77% Local suppliers



The following is the Sustainability Return on Investment (S-ROI) assessed for Local Procurement.



S-ROI	Level	Value Outcomes
Local Procurement	High	Suppliers financial comfort value Suppliers procurement support value

5.5 NBK Economic Performance and Impact (201-1)

NBK has both direct and indirect economic contributions. NBK posted a net profit of KWD 246.3 million (USD 812.3 million) for the year ended 31 December 2020, compared to KWD 401.3 million (USD 1.3 billion) for the same period last year; dropping by 38.6% year-on-year. As of December 31st, 2020, NBK’s total assets grew by 1.5% on annual basis, to reach KWD 29.7 billion (USD 98.0 billion), while customer loans and advances grew by 5.7% compared to the same period last year, to reach KWD 17.5 billion (USD 57.7 billion). Customers’ deposits grew by 7.4% to reach KWD 17.1 billion (USD 56.4 billion). In 2020, NBK paid KWD 226,372,506 in shareholder dividends for FY 19 in FY 20. This was a 5.6% change increase compared to the dividends paid for FY18 in FY 19.

Additionally, NBK paid a total of KWD 25.8 million in taxes. Overall, NBK leadership feels pleased with our performance given the profound operating challenges of 2020 due to the global pandemic.

Summary of NBK’s Economic Impact

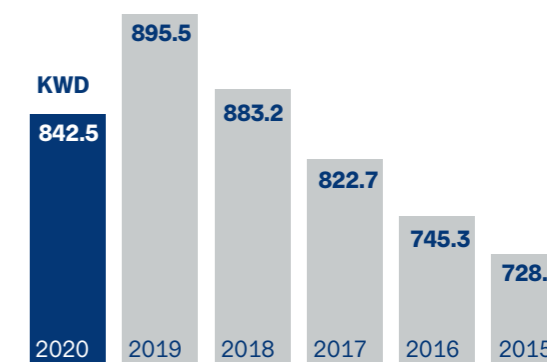
	2019	2020
Shareholder Dividends	214,344,196	226,372,506
National Labor Support Tax	10,252,000	6,366,000
Kuwait Foundation for the Advancement of Sciences	3,759,000	2,178,000
Zakat	4,540,000	2,814,000
Local Suppliers	80,664,091	24,542,864
Corporate Responsibility Investments	924,000	3,600,000
Total	314,483,287	265,873,370

Foreign Corporate (FC) Banking activities:

In 2020, NBK financed the New Airport Car Park Package and landscaping works. It is the second package of the New Airport Mega Project and was awarded to a Turkish Company called Limak Insaat (the same company constructing the main Airport Terminal Building). The Car Park Project size is around KWD 170 Million. The Boubyan Island Project is on hold, the Dibdibah Project was canceled, and the Smart City project is still under design stage and there were no updates in 2020.

Managing the COVID-19 situation was a struggle, though the Foreign Corporate Banking was able to successfully overcome these challenges. The focus was mainly operations as there were no business opportunities due to our dependence on government spending and new projects. COVID-19 was an opportunity for NBK’s Foreign Corporate Banking to focus on onboarding many of our clients to our online banking platform which we have successfully done.

Net Operating Income (KWD Million)



Operations and Information Technology (IT) Activities

The following sidebar summarizes products and process improvement in Operations and Information Technology.

Operations and Information Technology Products and Process Improvements

Products:

- Fitbit pay
- Garmin pay
- NBK Visa Infinite Privilege Credit Card
- NBK-Kuwait Airways (Oasis Club) Visa Cards
- New lease fund in April 2020

Process Improvement:

- Enhancement of cross border payments and investigation process.
- ATM uptime is given high priority; best-in-class uptime average rate of 98.3%
- Implemented SharePoint System for reminders, commission payment, updates on participants and related approvals

Organization Structure

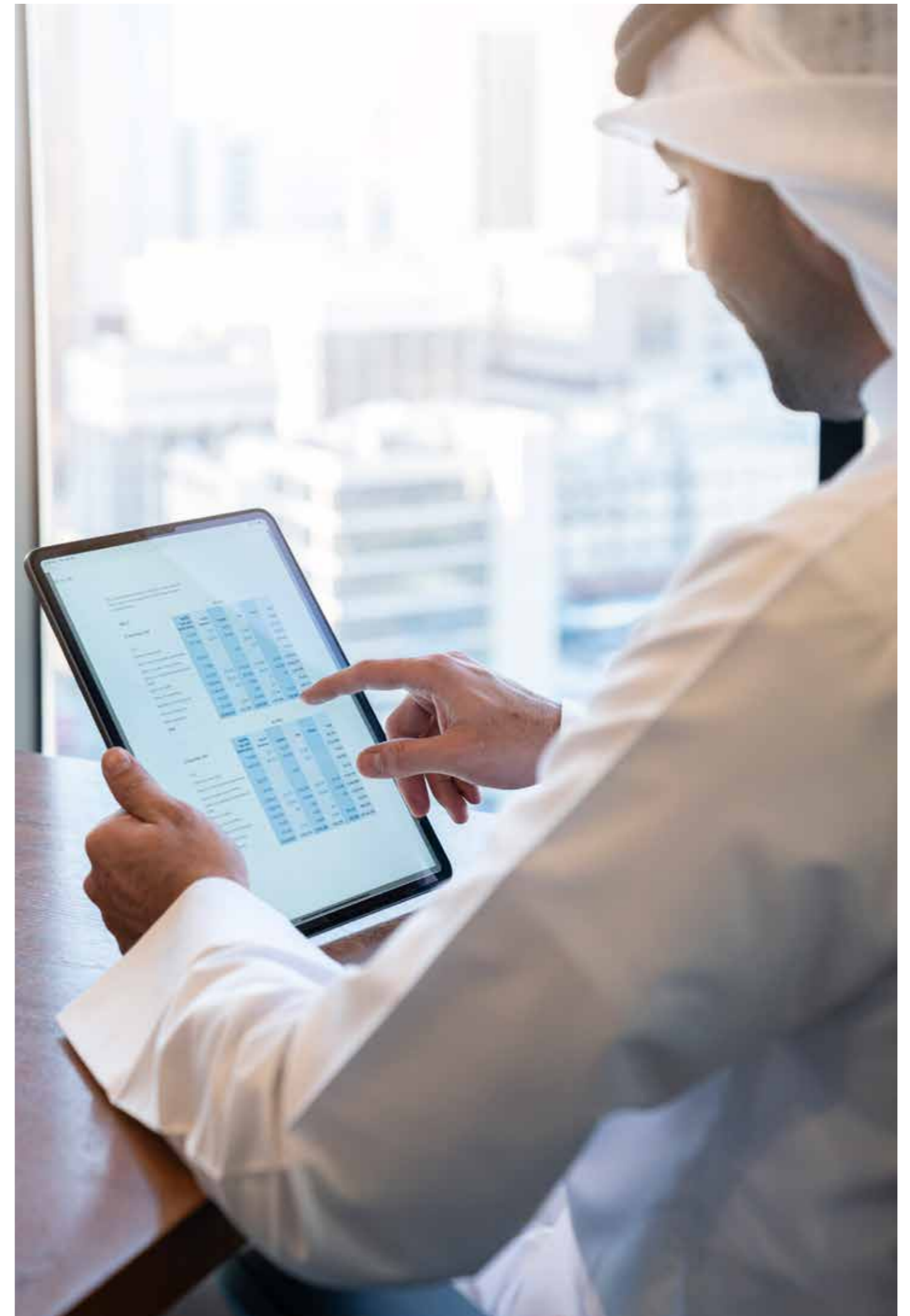
- Reconciliations moved to Operations
- NBK Corporate Online Banking moved to Foreign Corporate
- Central Processing moved under Consumer Operations
- Fixed Term Deposits (FTD) moved under Cards and Payments Operations
- Corporate Services moved under Domestic Credit Operations

Updates on the Robotic Process Automation (RPA) are as Follows:

- 23 processes were automated
- Number of Transactions (Jan to Oct 2020) = 24,206,151
- Number of hours saved (Jan to Oct 2020) = 7,752.1
- 30 processes in the pipeline

Benefits:

- SWIFT requests have been easier to track by inputting the Letter of Guarantee (LG) number and obligor information
- Keep track of completed sent messages and approvals received from participants
- Send reminders if participants are late on sending there approvals regarding the swift sent
- System has been beneficial to check status of LG's swift. For example, in case we have 10 LG files to check, it roughly takes 1 hour to check and send reminders to participants. Now it only takes 8 minutes to do this job for 10 files
- On average, we are roughly completing 100 LG's per month. That is including commission payments, memos to the LG dept, extensions, increases, decreases, cancellation, and new agreements

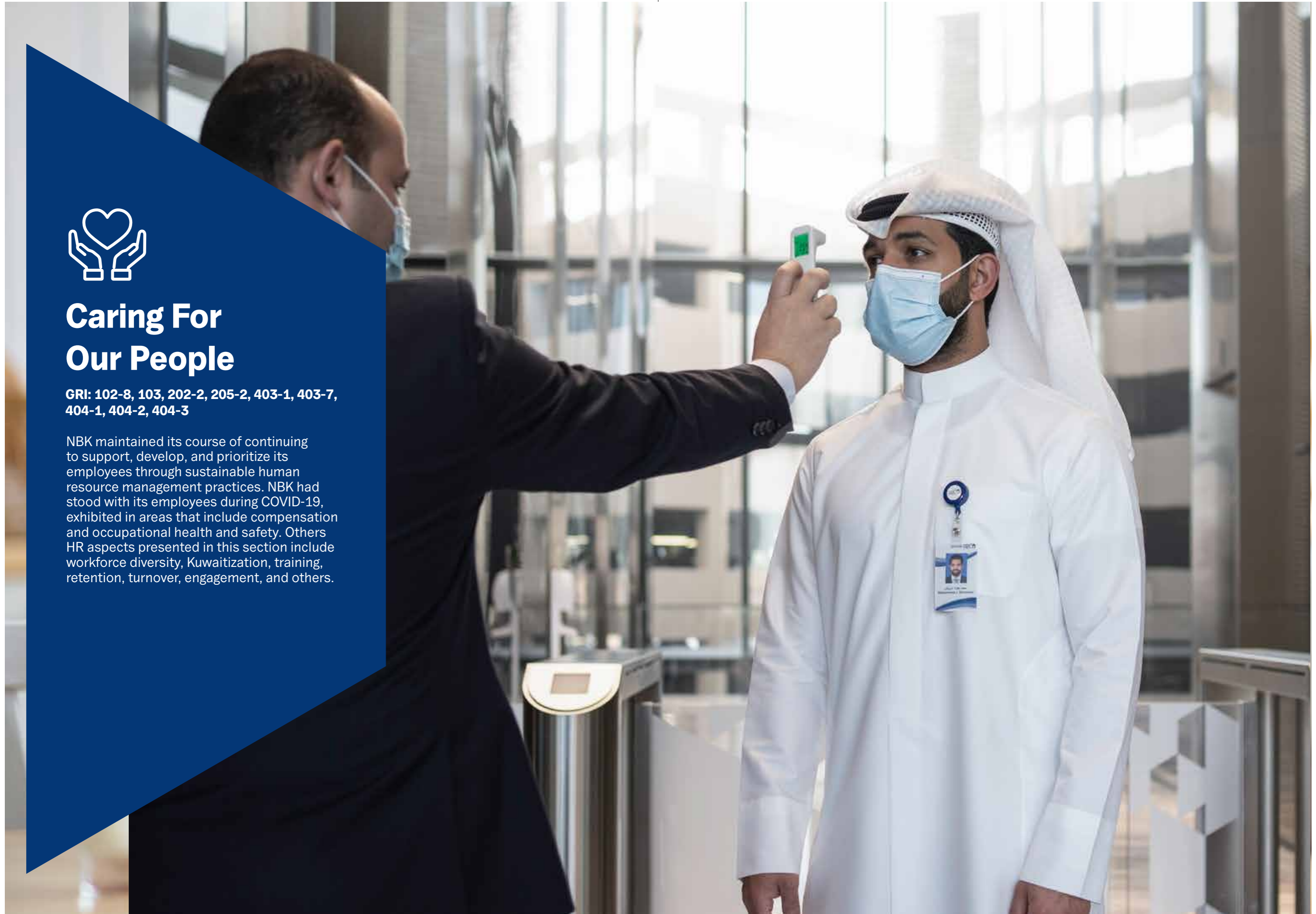




Caring For Our People

GRI: 102-8, 103, 202-2, 205-2, 403-1, 403-7, 404-1, 404-2, 404-3

NBK maintained its course of continuing to support, develop, and prioritize its employees through sustainable human resource management practices. NBK had stood with its employees during COVID-19, exhibited in areas that include compensation and occupational health and safety. Others HR aspects presented in this section include workforce diversity, Kuwaitization, training, retention, turnover, engagement, and others.



6.1 Our Human Resource Management in Relation to COVID-19

Caring for our employees is one of NBK's six sustainability pillars, operationalized through advancement of compensation and benefits, employee safety, health, and wellness, diversity and inclusion, career development, employee engagement, talent management, and training and development programs. In 2020, COVID-19 greatly affected our human resource management strategies and programs, prioritizing new health and safety initiatives while we continued to advance progress in all other arenas.

NBK worked to ensure that we were in alignment with the emerging requirements of the CBK. Given staff health and safety remain the number one priority for NBK, NBK's Group Human Resources (GHR) developed "Return to Work Guidelines", which were distributed to all staff that aimed at spreading the awareness and confidence among its employees in health and safety measures taken by the Bank during the Work Resumption Plan.

Attendance was in staggered shifts, starting with 30% initially, and then increasing gradually based on the situation. Our Administration Group stocked up on the physical protection equipment (PPEs), and managed the process of sanitizing the entire Bank on a daily basis. NBK GHR assigned a "COVID-19 Champion" in every Group to advise and take care of staff, report any cases, and liaise with GHR on scheduling Polymerase Chain Reaction (PCR) appointments.

Group Risk Management activated 3 alternative sites for the staff to work from, in order to separate teams as much as possible. Our IT was available around the clock to provide user assistance as required. The Crisis Management Team was on top of things and communicated to teams efficiently throughout the crisis. By the time the Kuwait Banking Association (KBA) issued the protocols, NBK had most of them already implemented. The sidebar highlights the many safety measures taken.

COVID-19 Measures Implemented by NBK

The following measures to protect employees (and other stakeholders) during the pandemic include:

- Installing hand sanitizer dispensers alongside all of the elevator's touch screen pads at the NBK Headquarters, and NBK ATM machines in all NBK Branches and POS terminals
- Enforcing mask wearing at work and customers visiting NBK Headquarters branches
- Distributing of masks, disinfectants and other (PPEs) for employees to use
- Conducting daily health checks by taking the temperature of all employees and branch visitors using contactless thermometers
- Keeping all floor doors open during working hours to allow and improve the building ventilation system
- Limiting the maximum number of persons to five in one elevator per trip
- Keeping everyone updated through all NBK communications channels on actions being taken to reduce risks of exposure in the workplace
- Sanitizing all floors at the new Headquarters and branches based on a daily and weekly schedule depending on the risk exposure of staff occupying each floor
- Placing floor marks and arranging a spread seating set up in business areas that have a flow of customers as per the social distancing practices
- Stopping all delivery services into the building with an exception of business couriers such as DHL, FedEx, Aramex, etc.
- Encouraging the use of digital and remote transfers of materials and channels where possible rather than paper format, such as using e-forms, emails and e-banking
- Providing support to staff by scheduling PCR tests for anyone who is suspected of having COVID-19
- Enforcing strict quarantine and testing of suspected cases
- Sending ongoing bi-weekly health assessment surveys to all staff to check on the overall health pulse of the organization

NBK's actions to transform our workplace in light of COVID-19 are highlighted in the following case study.

Case Study: Workplace Transformation Due to COVID-19

Overview:

NBK focused on serious precautions and safety measures to ensure a safe workplace environment due to the COVID-19 outbreak.

Transformation Initiatives Include:

- Flexible working hours were introduced to maintain social distancing between employees. Staff reported to work in two different shifts at one-hour interval to reduce traffic at the entrance, exit, elevators and workplace. The working hours were communicated based on the development of the COVID-19 and announcements of Ministry of Health, Ministry of Interior and the Central Bank of Kuwait (CBK)
- Staff Rotation (Working Remotely): Each business group had to split their staff into two groups, one group working in office and the other working remotely

Every Business Group identified a "COVID-19 Champion" during this period for ease of communication. The "COVID-19 Champion" is responsible for:

- Coordinating and ensuring that all the safety measures and precautions are being followed and adhered to by all staff
- Communicating with the staff in regards to updates of the COVID-19 as per the internal announcements by Group Human Resources and other authorities such as Ministry of Health (MOH) and Central Bank of Kuwait (CBK)

Objective:

NBK created a guide for all employees to follow that complies with the highest safety standards in coordination with the relevant authorities.

Outcomes:

Through the bi-weekly health assessment surveys that GHR is circulating to all staff, staff awareness about the Bank safety measures recorded the highest score at 97%, whereas confidence about health and safety measures taken by NBK recorded 91%. COVID-19 impacts, and responses were felt Bank-wide. Furthermore, different NBK Groups often had their own unique experiences overcoming the challenges.

Below we relate the experience at NBK with highlighted COVID-19 impacts.

NBK Enabling Working Safely During the COVID-19 Pandemic

NBK took the lead in enabling our workforce to continue working safely despite the COVID-19 pandemic by pursuing the following actions:

1. Implemented consistent communications and awareness initiatives about the pandemic to all staff and contractors.
2. Established critical work schedules and workarounds based on availability of resources, materials, labor and equipment during pandemic lockdown periods.
3. Emphasized staff hygiene and office cleaning and use of disinfectants.
4. Enforced personal protective equipment including facemasks and gloves.
5. Enforced strict quarantine and testing of suspected cases.
6. Provided support to employees both on and off duty.
7. Provided safety and health equipment/screens and signage throughout NBK premises.
8. Minimized face-to-face customer interface.
9. Invoked strict security controls and limited access points; rearranged space to receive visitors; spread out the staff to provide safe and distanced workstations.
10. Invoked business continuity contingency actions such as attendance to 24/7 duties during pandemic lockdown periods and provided staff with the necessary logistics, accommodations, transportation, and meals.
11. The employees were scheduled to work from home or from different locations and shifts; VPN service was arranged.
12. Changed business functions / processes operating from different locations to minimize disruptions during the pandemic. Split the teams between office locations HO1, HO2, New HO, Arraya II, Al Rai and Jleeb Al-Shuyoukh.
13. Several branches that were not business critical were temporarily closed. However, critical business locations were operating 24/7.
14. Updated "call tree" (layered hierarchical communication model) and group communication via social network to handle service calls, emergencies, notifications and escalations of matters within NBK.

To closely monitor employee sentiments and feedback, we conducted a biweekly survey called Staff Health Pulse. This included monitoring whether people experienced symptoms, participated in testing, contracted infections. We complied with mandatory assessment by the Central Bank of Kuwait focusing on 1) health of employees, health pulse, KPIs for health and infection; and 2) awareness and confidence level of NBK health measures. We sometimes customized parts of the assessment. We also conducted a study on NBK's top down communications during COVID-19, and employee concerns and priorities during the crisis.

Other aspects of NBK's response included:

- Focusing our teams' efforts on the most important and critical tasks. Allow more flexibility with low-priority tasks
- Communicating flexible and remote work options
- Ensuring the safety of employees who have to be at work
- Maintaining good hygiene in the workplace, providing disinfectants, etc.

NBK's careful reopening of our workplaces and business to ensure safety and compliance with the Kuwait Banking Association (KBA). Guidelines are described in the following case study.

Case Study: Reopening Workplace in Compliance with KBA Guidelines

Overview:

As the global COVID-19 health pandemic took over the world in 2020, NBK was able to proactively implement measures to ensure staff and customer safety, in addition to business continuity. In adherence with the local government's guidelines along with the World Health Organization's recommendations, we were able to put in place a Pandemic Response Plan that covers all areas of concern relating to the crisis. The plan was based on a risk-level assessment along with required actions for each respective level. It was created to facilitate better decision making for the management embodied by the Pandemic Response Committee (PRC), and to address the responsibilities of each group. PRC, which is governed by NBK's executive management, consists of 7 members that are selected for their key role in implementing the Pandemic Response Plan. All actions in the plan reflect the effective safety and continuity measures that we have taken as an organization since the start of the global health crisis.

Objective:

- To ensure staff safety and protection, and to mitigate their exposure to COVID-19.
- To ensure customer safety by highlighting the necessary protective key activities for groups and staff that are in direct contact with them.
- To sustain business continuity during the crisis by implementing preventive measures and flexible policies.
- To implement and be aligned with the safety protocols and guidelines as recommended by the Kuwait Banking Association.

Other Details:

We have identified three risk-levels and the triggers for the movement between each level (in addition to a preparation phase to address potential risks in the future):

1. Pre-Crisis stage
2. Acute-Crisis stage
3. Post-Crisis stage.

Each risk level has its own key activities (overall 86 activities) that are assigned to each Group, in addition to an overall shared responsibility of staff and customer safety between all NBK Groups. In addition, we selected and identified "COVID-19 Champions" within each group that act as a focal point in responding to employees' concerns relating to the health crisis. Finally, the Pandemic Response Plan was flexible in that it can be used to navigate future health crisis and be used as a reference.

NBK also implemented adjustments to our compensation and incentives in light of COVID-19, as outlined in the case study below.

Case Study: Managing Compensation and Benefits During 2020

Overview:

During COVID-19 lockdown period, NBK paid salaries for all staff including people stranded outside of Kuwait until August 2020. However, the recurring allowance paid was based on the staff's attendance.

During COVID-19, we have managed to stop paying Balanced Scorecard incentive from April 2020 until August 2020 while product incentive was still up and running.

Objective:

Balanced Scorecard (KPIs) incentive was not paid during this period because it is purely related to performance; on the other hand product incentive is linked to selling certain products to customers

Outcome:

NBK managed to pay product incentives to certain employees who were able to generate revenue to the Bank during COVID-19.

Additionally, NBK provided support for our employee parents coping with ramifications of the pandemic, as described in the case study below.

Case Study: Managing Compensation and Benefits During 2020

Overview:
All private and government schools were conducting teaching through online applications. Therefore, NBK initiated the "Online Teaching Support for NBK Parents" initiative to ensure parents have dedicated time for their children.

Objective:
The initiatives aim is to provide parents dedicated time to support their children in their first online academic year. For that matter, NBK provided parents' employees two hours per day, three days a week to help their children with their transition from physical school to online learning. Studying hours are proposed by employee and approved by manager, based on business requirements.

Outcomes:
Through the bi-weekly health assessment survey that GHR is circulating to all employees, using a scale from 0 (Poor) to 10 (Excellent), 94% of respondents had an overall positive opinion about this initiative.

NBK developed a comprehensive Pandemic Response Plan, finalizing the second version on January 2021. The plan clearly defines the ultimate importance of protecting our staff and customers above all other considerations, outlines the relevant governance responsibilities and structure of our cross-functional Pandemic Response Committee, and then specifies important health and safety protocols and measures for each stage of our response. The Plan Framework defines the three main pillars: Staff Safety, Customer Safety, and Business Continuity. Within each stage from pre-crisis preparation to acute crisis, defined actions undertaken by individual departments and the entire organization are aligned to meet the assessed level of risk.

guidelines. These guidelines were implemented across the Bank. In efforts to be transparent concerning the impact of COVID-19 on our employees, we report on both number of suspected and infected cases due to COVID-19. It is worth noting that all employees who were infected have fully recovered and resumed work. Based on the total number of cases received in 2020, 16.95% were infected cases. By Q3-2020 (July, August, September) infected cases reached to 8.4%, and declined to 7.96% by Q4-2020 (October, November, December).

Overall, our goal was responding to the needs of our employees and restoring their morale and confidence by focusing on physical and mental health. Internally, we created a health program that offered online live sessions and counseling with specialized doctors addressing major and mental health concerns. To date, the Bank launched, within this program, more than twelve health-related campaigns, directed to the healthy and patients, including:

- General Health Campaign at the Times of Pandemic,
- Family Health Campaign,
- Heart Health Campaign,
- Mental Health Campaign,
- Nutrition and Fitness Campaign,
- Sport and Fitness Campaign,
- Blood Test Campaign,
- E-Learning Challenges Awareness Campaign,
- Physiotherapy Campaign,
- Breast Cancer Campaign,
- Diabetes Campaign and Blood Donation Campaign, among others.

Since the safety of our employees and their families is our top priority, NBK focused on serious precautions and safety measures to ensure a safe workplace environment. NBK created a guide for all employees to follow that complies with the highest safety standards in coordination with the relevant authorities.

In 2020, NBK's GHR developed and drove the employee safety protocols and measures for NBK. Our measures were largely adopted by the Kuwait Banking Association for all banks in State of Kuwait. From a GHR employee perspective, we had a few cases of COVID-19 infection, although not to the extent that our business was impacted.

NBK's GHR developed and implemented the COVID-19 measures for the entire Bank, including the reduction of staff and return to work

See the following case study for more information on our Employee Healthcare Program.

Case Study: Employee Healthcare Program

Overview:
In line with our social responsibility towards NBK employees and their wellbeing, the Health Care Program was launched on July 1st 2020. We worked very closely with a variety of doctors to provide medical advice in different fields (Cardiac, General Practice, Psychiatric, Dietitian) through videos, posts, Instagram lives and doctors providing free consultations at NBK Clinic to employees.

Objective:
The objective of this program is to improve the work environment, provide health and medical support to all employees covering different aspects while they return to work:

- Informative: provides employees with relevant information that is needed in an engaging way that in return Increases awareness towards COVID-19 and other diseases
- Comprehensive: Covers many healthcare subjects
- Shows that NBK cares about the staff: by helping keep staff's health in check
- Free consultations: Provide direct consultation for staff- facilitate the communication/meeting between patients and doctors, despite the pandemic. Many patients are hesitant to visit clinics or hospitals and doctors are not as available as they were before the pandemic.
- Promotes a healthier workplace
- Provides both Onsite and Online sessions
- Creates motivation and inspiration
- Provides live coaching via WhatsApp support groups

Outcomes:

- 13 Doctors: either visited NBK Clinic to provide consultation, or arranged online live sessions with staff, or WhatsApp group chat
- 258 visits to NBK Clinic within 13 Days when specialized doctors were available at the clinic
- 124 internal messages circulated to staff through email
- 204 social media messages between IGTV and posts
- Channels: Instagram, Staff E-AD and Staff WhatsApp
- Content type: tips, videos and live sessions
- NBK Insight did a Staff Self-Assessment Online Survey about health awareness among staff in general, including the impact of the health care program

Overall, employees' usage of NBK Clinic as part of NBK's Health Program are listed as follows, showing a total of 258 employee visits.

Campaign	Number of Employees Visited the Clinic
Physiotherapy	40
E-learning	8
Wellness	21
MY LAB	166
Diabetes	23

The following is the Sustainability Return on Investment (S-ROI) assessed for Health and Safety Measures.

S-ROI	Level	Value Outcomes
Health and Safety Measures	Very High	Employee health value



6.3 Diversity in the Workforce (405-1, 202-2)

NBK's workforce consists of 2,268 employees. As part of workforce diversity reporting, we break down by employee contract, gender, age, and nationality.

In 2020 NBK had 2,241 full-time employees, and 27 part-time, as follows:

By Employment Type	2020		
	Men	Women	Total
Full Time	1,222	1,019	2,241
Part Time	8	19	27
Total	2,268		

The following is the Sustainability Return on Investment (S-ROI) assessed for Employment.



S-ROI	Level	Value Outcomes
Employment	High	*Employment value *Employee financial support value

NBK reports on the gender allocation of the workforce, aiming for gender diversity and equal opportunity. Accordingly, as of 2020, we recorded that female employees accounted for 46% of the total workforce, while male employees accounted for 54%.

2020 Gender Diversity in NBK Kuwait				
	Men		Women	
	Number	% of Total Workforce	Number	% of Total Workforce
Junior up to level Manager (M) (includes SP and SPC)	974	42.9%	966	42.6%
Senior Manager (SM) and above	256	11.3%	72	3.2%
Total	1,230	54.2%	1,038	45.8%
Total Workforce	2,268			

Compared to 2019, men held 12% of senior management and above positions proportion to the total workforce, and women held 3% of these senior level positions out of total workforce.

In 2020, we record 32% of our employees being under 30 years old, 61% of the workforce between 30 and 50 years, and 8% of employees above 50.

2020 Age and Gender Diversity in NBK Kuwait Workforce												
Employees by age, gender, and employee category	MEN				WOMEN				MEN + WOMEN			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Junior up to level M (includes SP and SPC)	321	596	57	974	396	540	30	966	717	1,136	87	1,940
SM and above		189	67	256		50	22	72		239	89	328
Total per Gender	1,230				1,038				2,268			

The following is the Sustainability Return on Investment (S-ROI) assessed for Female Employment.



S-ROI	Level	Value Outcomes
Female Employment	High	*Employment value *Employee financial support value *Female employee employment value

6.3.1 Women Empowerment

NBK is committed to advancing gender equality in our company as a key element of our talent development and management. We focus on women's leadership development as one strategy to

increase the presence of women in leadership positions. Our programs to support women's empowerment is outlined below.

Case Study: Women Empowerment Program

Overview:

NBK organized two interactive workshops under the themes of "Women's Leadership Development" and "Inclusion at NBK- Moving Beyond Gender Diversity".

NBK organized the two workshops to familiarize participants with the fundamentals of empowering and developing women to become effective leaders in the future and the importance of diversity and inclusion in the workforce.

The three-day workshop focused on women and leadership development, attended by 35 female trainees from different Groups bank-wide, discussed the ways to increase awareness about issues surrounding women in business and leadership, in addition to defining goals that contribute to developing them for a successful career path. The four-day workshop on "Inclusion at NBK Moving Beyond Gender Diversity" was attended by 20 male and female employees at NBK across all Groups holding supervisory levels.

Both workshops witnessed remarkable interaction from participants, discussed the challenges that may hold women back while assuming leading positions, as well as the ways to prepare action plans to overcome possible barriers of diversity and inclusion. The workshops also highlighted the best ways to respond assertively and confidently to challenging situations at work and explored the fundamentals of building a successful team. In sum, the workshops mainly focused on understanding different leadership styles and success factors, in addition to developing the best professional skills for through interactive discussions and case studies.

Objective: We are committed to empower all our human capital by providing them with development opportunities that optimizes their future success. Employee development is one of the top priorities of NBK, and is considered one of the six sustainability pillars adopted by the Bank. Indeed, NBK seeks to manifest this value proposition across various elements, including talent management, diversity and inclusion, career development, employee engagement as well as training and development programs.

Outcomes:

The outcome of the 2 workshops was successful awareness and direct engagement among the 55 total employees, The participants were extremely satisfied with the topics of the programs as well as the tools offered to help them further foster their leadership capabilities. The outcomes are expected to spread beyond the 55 employees as a culture of women empowerment is embedded bank-wide. With this awareness and culture set up, we are able to achieve our related objectives of committing to empowering our people, providing them with opportunities, developing our people, and others.

As part of our commitment to women empowerment, NBK continues to support Women's Empowerment Principles (WEP) as a signatory and sponsor. NBK joined the WEP in 2017 during an event at the Chamber of Commerce, where our Deputy Group CEO, Ms. Shaikha Al-Bahar, officially signed the CEO Statement of Support to the WEPs. In line with this commitment, NBK maintains our support of women's empowerment through several related initiatives, including learning and development, career development, workplace gender diversity, non-discrimination,

equal opportunity, and the provision of insights from the private sector point of view. The WEP are founded by the UN Women and the United Nations Global Compact (UNGC), and are in strong alignment with the UN Sustainable Development Goals (SDGs), especially SDG 5 and SDG 10. NBK focuses on WEP's set of seven principles, as guidance for promoting gender equality and women's empowerment in the workplace, marketplace, and community. NBK endorses our commitment to this agenda at the highest

levels of the Bank by working collaboratively in multi-stakeholder networks to foster business practices that empower women, especially through the seven principles of the WEPs listed below:

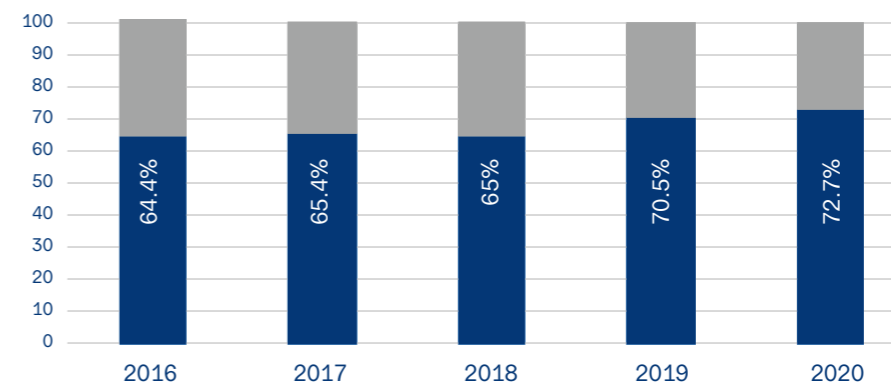
-  High-Level Corporate Leadership
-  Enterprise Development, Supply Chain and Marketing Practices
-  Treat all Women and Men Fairly at Work without Discrimination
-  Community Initiatives and Advocacy
-  Employee Health, Well-Being and Safety
-  Measurement and Reporting
-  Education and Training for Career Advancement

6.4 Commitment to Kuwaitization (103, 202-2)

In 2020, the Kuwaitization rate at NBK accounts for 72.7% of Kuwaiti employees among staff, exceeding the latest CBK target of 70%. The figure below illustrates our Kuwaitization rate over

the past 5 years, showing how we have successfully achieving our sustainability target. Furthermore, in comparison to previous years, we achieved a 3.1% increase in Kuwaiti nationals in our total workforce from 2019, and a 12.9% increase from 2016. Of the Kuwaiti employees, 52.2% were female and 47.8% were male.

NBK Level of Kuwaitization of Our Total Workforce Over Five Years



In 2020, 43.0% of the total senior manager and above level were Kuwaitis, up from 38.3% in 2019. The section on new hires below describes some of our programs to recruit and train qualified

Kuwaitis. While we are glad to see this improvement, NBK is amplifying our efforts to prepare and recruit Kuwaiti nationals to senior positions in our company.

By Employment Contract	2020			
	Nationality: Kuwaiti		Nationality: Non-Kuwaiti	
	Men	Women	Men	Women
Permanent	780	853	450	185
Temporary	0	0	0	0
Total Staff	780	853	450	185
	1,633		635	

As part of the recruitment at NBK, we are specialized in sourcing, onboarding and hiring talents – with a focus on Kuwaitis - to work with us. NBK’s recruitment undergoes a diligent procedure to ensure that each potential candidate is hired for the best-fit job.

We focus on internal and external recruitment procedures. When a job role within NBK become available we prioritize to fill the position by our employees should they be interested in the role, prior to searching externally. Internal refers to talent mobility, in house engagements and trying to find opportunities for employees horizontally within the organization.

Externally, NBK embarked on a new sponsorship initiative in collaboration with TAMAKAN (details under 7.3.3 Category 3: Education / Youth Community) which is a three-month intensive program that prepares recent graduates for the job market. NBK has the chance to interview and present offers to promising students of this program. We also have arrangements with local

universities where we introduce NBK in career fairs and approach recent graduates who are interested in the banking sector. As a area, we also fully utilize recruitment platforms like LinkedIn to full advantage – which is a great way to connect us to potential applicants prior to viewing any sort of documentations (such as their resume).

We are also in collaboration with Kuwait Public Authority for Manpower where we participate in their yearly career fair along with career days in which we recruit fresh and experienced talents within Kuwait to be utilized within the different departments of the Bank.

NBK vision and mission is to always invest in local talent and to emphasize on the CBK requirement of Kuwaitization, making NBK the main attraction for Kuwaiti talent which is demonstrated by the amount of new Kuwaiti recruits in 2019 (Pre-pandemic) which exceed 600 new recruits within a year.

The following is the Sustainability Return on Investment (S-ROI) assessed for Kuwaitization.



S-ROI	Level	Value Outcomes
Kuwaitization	High	*Employment value *Employee financial support value

6.5 Learning and Development (404-1, 404-2, 404-3, 205-2)

Investment in our people, often called "human capital development," is critical to achievement of our business strategy as well as to attracting, developing, and retaining talented employees. Our business relies on the knowledge, intelligence, ethical behavior, and emotional intelligence of our employees. Learning and development is thus a material issue for NBK.

In 2020, NBK provided employees with 58 training courses, for 1,064 employee participants, and totaling 51,924 training

hours. Compared to 2019, there is a 65% decrease in employee participants, 59% decrease in training hours, and 79% decrease in the number of training courses provided. Details of training courses provided are found in Appendix 9.3.

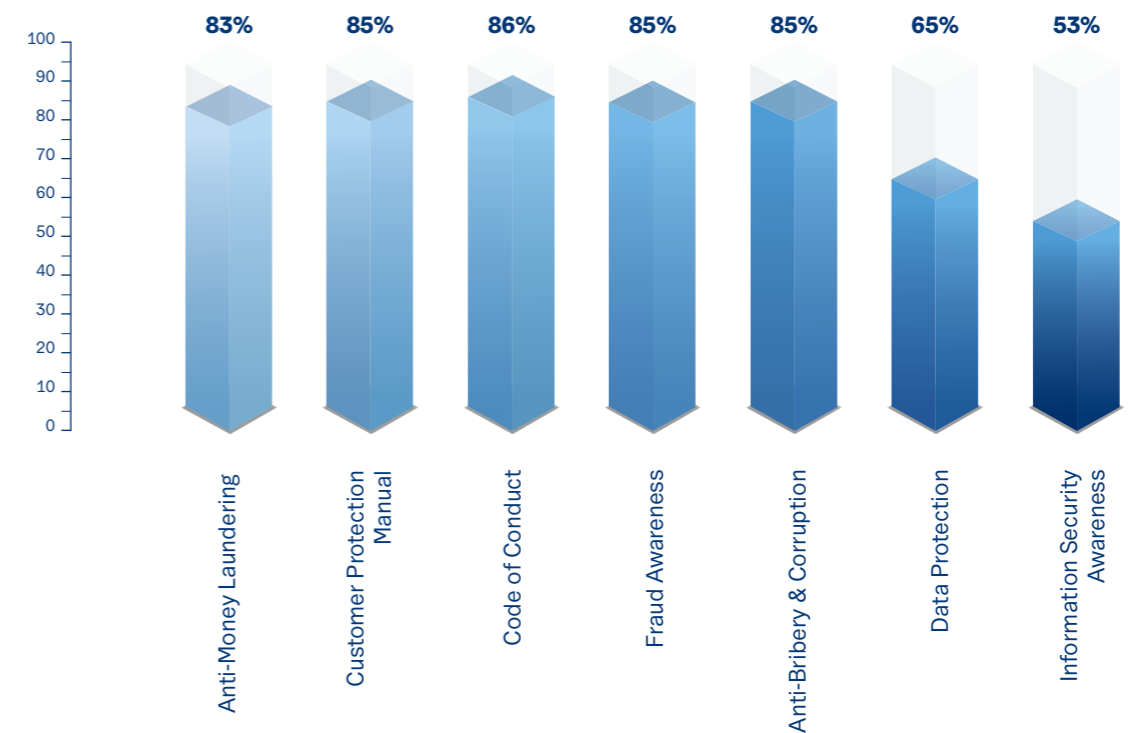
Specifically, NBK employees receive mandatory training on a variety of sustainability-related topics, which include, among others, code of conduct, fraud, anti-money laundering (AML), and customer protection. We have recently added the requirement for completion of training in customer protection, data protection, code of conduct, and information security. Details concerning the number of hours trained on each topic are provided.

Compliance Training Related to Ethics, Governance, Security and Protection 2020

#	Training Topic	Total Hours*	Groups	Employee Level	Physical or Virtual
1	Anti-Fraud / Anti-Corruption / Anti-Bribery	5,983 Hours	All Groups	Junior and Senior	Virtual
2	Anti-money laundering (AML)	10,279 Hours	All Groups	Junior and Senior	Virtual
3	Upgrading employee skills (Remote management) (i.e., transition assistance programs)	N/A	All Groups	Junior and Senior	Virtual
4	Customer Protection	4,287 Hours	All Groups	Junior and Senior	Virtual
5	Data Protection	2,114 Hours	All Groups	Junior and Senior	Virtual
6	Code of Conduct (Includes basic ethical standards of business and personal conducts)	2,526 Hours	All Groups	Junior and Senior	Virtual
7	Information Security	N/A	All Groups	Junior and Senior	Virtual

*Total hours learners at NBK spent on this course topic

The following diagram illustrates employee completion rate of major mandatory courses as of the end of 2020, noting that the gaps in completion of the 2020 assigned training is due in 2021. Therefore, 2021 Sustainability Report would illustrate the completion and the gaps, if any.



E-Learning:

Besides the 58 training courses, NBK also conducts e-learning with employees to provide virtual training. This has been applied to 3,396 employees, and has resulted in an 87% overall completion rate. Indicators related to e-learning, namely

the courses provided and number of e-learning trainees, are presented in the following table, along with their 2019 comparisons. As a result, we see increases in both e-learning courses provided, and the number of employees enrolled.

e-Learning Indicators	2020	2019
e-Learning Courses Provided	A. Compliance Courses: 1. Anti-Money Laundering 2. Anti-Bribery and Corruption 3. Fraud Awareness 4. Customer Protection 5. Code of Conduct 6. Data Protection 7. Information Security Awareness B. Business Continuity Management C. Robotics Process Automation D. Induction 1. About NBK 2. I AM NBK 3. NBK Social Media Policy 4. HR Essentials 5. Employee Handbook and Code of Business Ethics	Anti-Money Laundering
	Compliance: 3,286 BCM: 2,984 RPA: 2,968 Induction: 110 Total Learners Enrolled Online: 3,396	Total Learners Enrolled Online: 1,612

The following is the Sustainability Return on Investment (S-ROI) assessed for Employee e-learning.

S-ROI	Level	Value Outcomes
Employee e-Learning	High	*Employee training value

6.6 Retention and Turnover (102-8)

NBK assesses retention rate year over year as one indicator of employee engagement.

Across 2020, NBK hired 247 new employees, while turnover accounted for 237 employees, a net change in the workforce of 10 additional employees. Our turnover rate for 2020 was 10.4%, compared to a rate of 13.9% in 2019.

More specifically, female employees accounted for all the 18 net additional employees, while males decreased by eight. In terms of gender, net change within the year showed increasing of the number of employees in the Under 30 age group, while there were net decreases in the other two age groups.

2020 NBK Hiring and Turnover of Kuwait Employees

Category	2020				Net Change
	New Employees		Turnover		
Gender	Number	Allocation	Number	Allocation	Number
Female	106	42.9%	88	37.1%	18
Male	141	57.1%	149	62.9%	-8
Total	247	100%	237	100%	10
Age Group	Number	Allocation	Number	Allocation	Number
Under 30	187	75.7%	107	45.1%	80
30-50	57	23.1%	76	32.1%	-19
Over 50	3	1.2%	54	22.8%	-51
Total	247	100%	237	100%	10

6.7 Employee Engagement

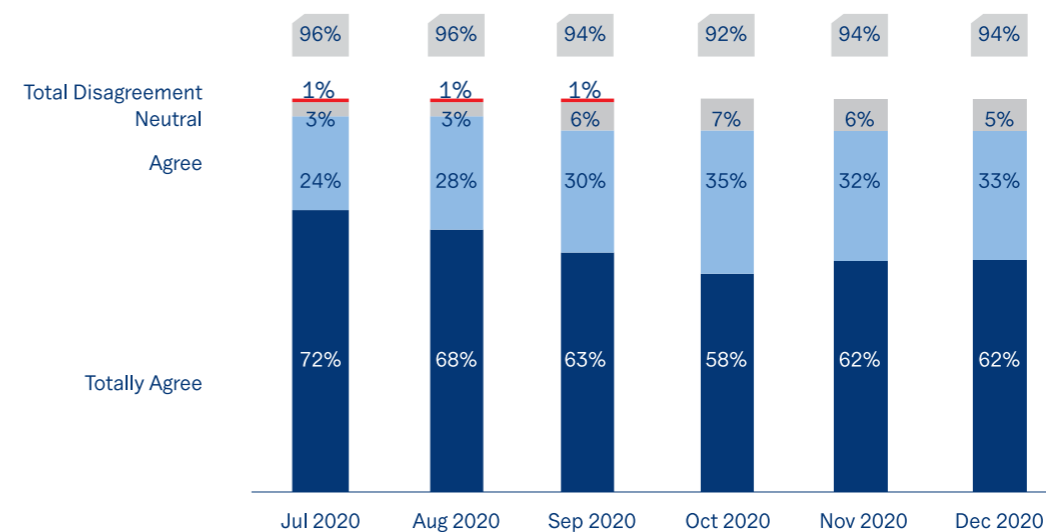
All NBK Business Groups have Group-specific action plans to improve employee satisfaction based on their employee engagement scores. These action plans were put on hold during COVID-19 as our focus turned to ensuring safety and navigating the implications of the crisis. Overall, in 2020 NBK invested KWD 70,000 into employee (internal) activities, programs, and engagements. Due to the pandemic and for the safety of our employees, we did not engage our volunteers in any of the community projects. Yet, 14 of Corporate Communications and Investor Relations Group staff volunteered during the pandemic to help accomplish awareness programs related to health and COVID-19 precautions which included preparing surveys, planning

campaigns, creating messages, posting, designing, etc... We did employ a variety of surveys to closely monitor the effectiveness and impact of our internal communications and programs, as illustrated and described below. Approximately 7,500 responses related to various surveys were collected amongst the staff. The response rate for employee surveys was 50% in 2020 as well as 2019.

Based on the COVID-19 bi-weekly survey, employees have a high level of awareness of the safety measures implemented by NBK. This indicates successful deployment of our COVID-19 safety awareness campaign.

Awareness of the Safety Measures Taken by NBK

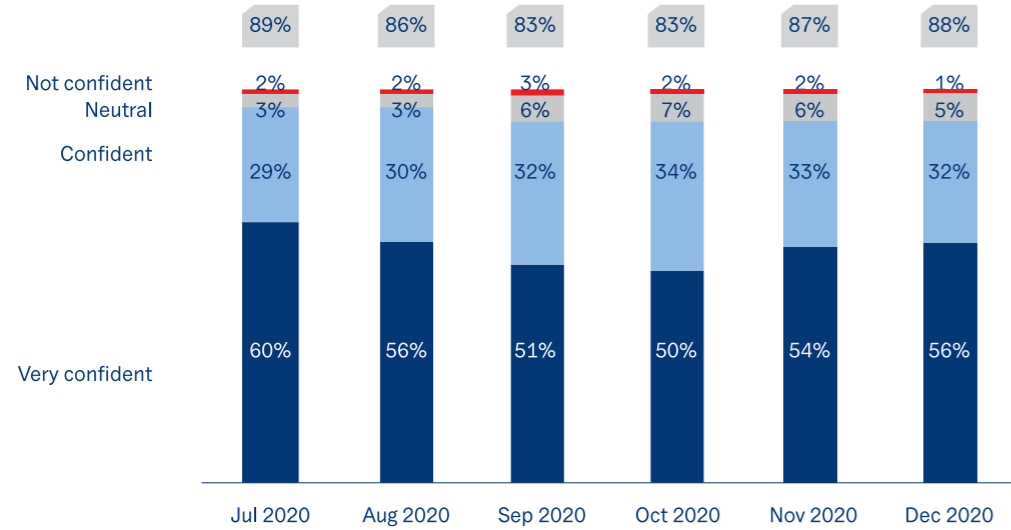
"I am aware of the health and safety measures taken by NBK during the work resumption plan"



Source: NBK - Mandatory Fortnightly Self-Assessment Online Survey - 11th wave

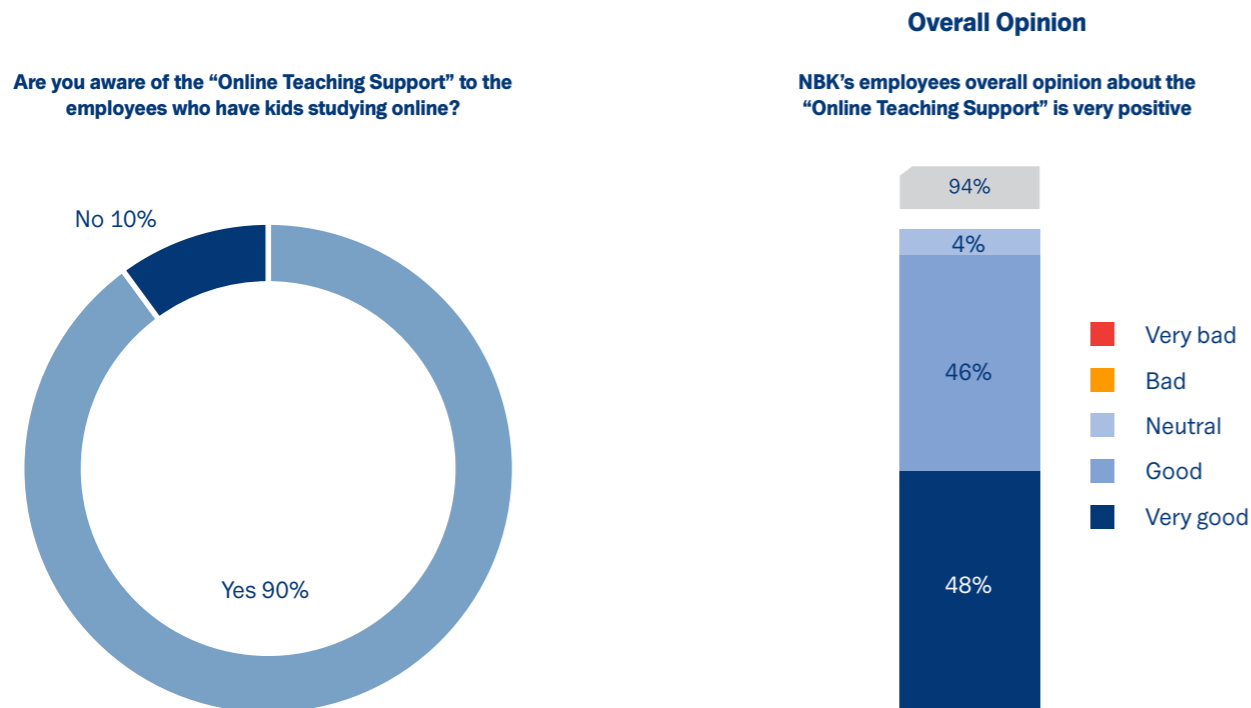
Level of Confidence

Level of confidence in the health and safety measures taken by NBK during the work resumption plan



Source: NBK - Mandatory Fortnightly Self-Assessment Online Survey – 11th wave

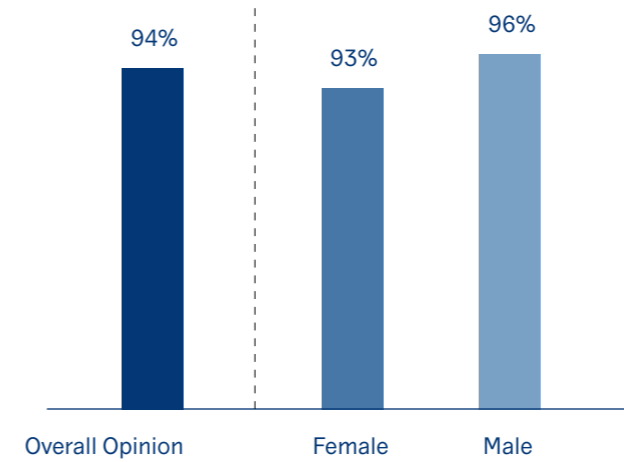
Most of the employees are aware of the “Online Teaching Support,” and attributed a very high score (94%) to this NBK initiative.



Source: NBK - Mandatory Fortnightly Self-Assessment Online Survey

Source: NBK - Mandatory Fortnightly Self-Assessment Online Survey – 8th wave 15/11/2020 to 22/11/2020

Using a scale from 0 (Poor) to 10 (Excellent)
What’s your Overall Opinion about this NBK Initiative Towards its Staff?

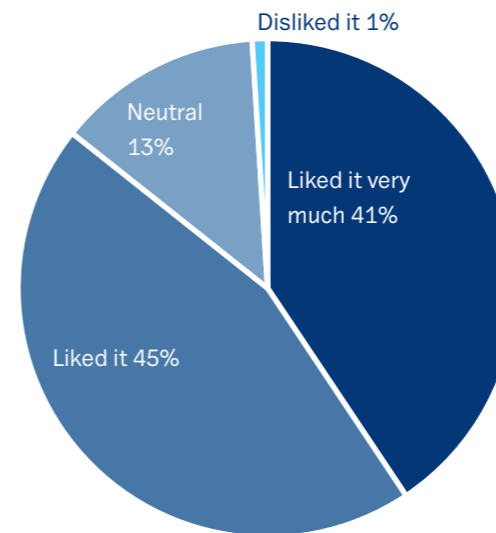


“First I would like to thank NBK. Second, it is the first and only Bank that gave this privilege for its staff. NBK sees, feels and cares; therefore, we give back, and in return, our committed and loyal work, and I’m thankful being under NBK’s umbrella.”
 -NBK Employee

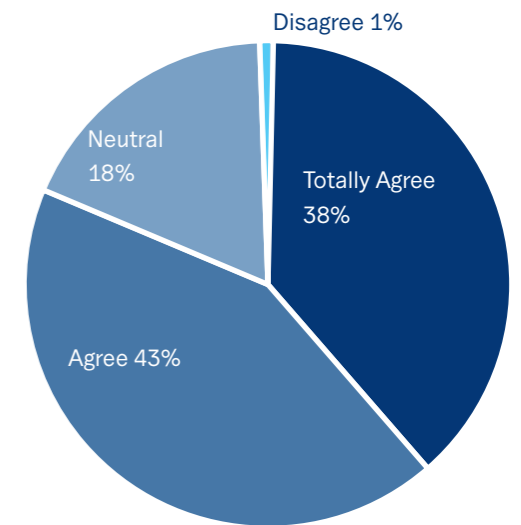
“NBK is understanding and supporting staff with the current pandemic situation, and listening to the needs and providing all the benefits to make NBK the best institution to work in. Thank you to NBK management.”
 -NBK Employee

NBK Healthcare Program had a positive impact amongst the majority of the staff; who found it informative, comprehensive and showing the importance management is giving to the staff health

Engagement (Top2box: 86%)
 “How would you describe your feelings towards the NBK’s Health Program”



Impact (Top2box: 81%)
 “I feel more confident about my wellbeing after seeing NBK’s health communications”



- 1. Informative:** Provides employees with relevant information that is needed in an engaging way that in return increases awareness towards COVID-19 and other diseases
- 2. Comprehensive:** Covers many healthcare subjects
- 3. Shows that NBK Cares about the Staff:** By helping keep staff’s health in check

“Without overloading people on any one occasion, the communication process delivers all required information in small nuggets to ensure staff assimilate. Applies to both caution messages and health and well-being messages.”
 -NBK Employee

“Because NBK Health Program is hosting specialized doctors in different fields that are sharing very important and useful tips and topics, in addition to providing free consultation at NBK’s clinic”
 -NBK Employee

“It shows the efforts the Bank is taking in providing essential information for employees to keep safe and to deal with the stresses related to the overall situation. Also, it provides experts at the disposal of employees who need help one way or another.”
 -NBK Employee

Source: NBK - Mandatory Fortnightly Self-Assessment Online Survey

Additional Surveys Conducted With NBK Employees

- Internal Collaboration Survey: Measuring the level of satisfaction of the staff with services delivered by other divisions
- Staff COVID-19 Survey: This survey was done to understand any difficulties or issues the NBK staff were facing when the full lock down was in effect, and during the time when some of the restrictions were starting to be lifted. In addition, we looked at how they were able to get their work done when working remotely or working in the office.

- NBK Health Pulse Survey: Conducted every two weeks to assess the current situation within NBK in terms of how many people have gotten COVID-19, or interacted with someone who has gotten COVID-19.
- I AM NBK Program

The sidebar below describes a project of our Group Human Resources (GHR) to improve employee experience with NBK human resource services and processes.

Mobile Application for Employees to Access HR Services

NBK's Group Human Resources (GHR) mobile application was elevated from Business Request (BR) to Project Request (PR) due to the request complexity. Group Strategy listed GHR Mobile Application project to be discussed for approval in January 2021 committee. It will help NBK employment engagement by empowering the below areas:

• Customer centricity:

- o Creating convenience for employees to access GHR Services and processes
- o Providing "real time" access to employee services, particularly during crisis situations
- o Improve the consistency of services provided by GHR

• NBK Digital Culture:

- o GHR Mobile application will support the creation of digital culture/mindset, as they experience digital services from GHR
- o Employees will experience the convenience in digital processes and prompt thinking about their own work environment

• NBK Employer Brand:

- o NBK will have a strong employer brand and value proposition. GHR Mobile Application will further strengthen the employer brand as the Bank reinforces the importance/value of employees

• Potential Benefits:

- o Support the establishment of digital mindset in NBK,
- o Enhance employee engagement due to development of improved services for them,
- o Less work disruption due to not having to visit GHR, for certificates, loans, etc. which will result in an increased productivity of its employees,
- o Significantly reduce the "walk-in" employees in GHR,
- o Enhance GHR reporting reliability by providing timely and accurate data regarding employee transactions performed via the mobile app.

NBK provides employees with a range of employee benefits, including health insurance, indemnity, leaves (i.e. annual, sick, parental / pregnancy leaves), travel tickets, and 2 hours early leave for parents.

NBK provides its employees with health insurance. Accordingly, we report the number of employees who used health insurance, the financial value of health services provided, and the amount that NBK paid for employee health insurance premiums. Note that there have been decreases in each of the three compared to 2019.

The following is the Sustainability Return on Investment (S-ROI) assessed for Employee Health Insurance and Medical Support.



S-ROI	Level	Value Outcomes
Employee Health Insurance and Medical Support	Very High	*Employees health value

One of the ways that NBK ensures employee's rights, wellbeing, and work-life balance is the provision of sick-leave days. The type of sick days include standard sick days, hospitalizations, and pandemic related. The information we record concerning sick-leaves include the employees who availed sick leave, the days of sick-leave taken, and financial value of sick leaves.

maternity leaves specifically for mothers. We record the days of each type of these leaves taken.

Since the safety of our employees and their families is our top priority, NBK focused on serious precautions and safety measures to ensure a safe workplace environment. NBK created a guide for all employees to follow that complies with the highest safety standards in coordination with the relevant authorities.

Another way that NBK's ensures employees' rights, wellbeing, and work-life balance is through annual leaves for employees and

The following is the Sustainability Return on Investment (S-ROI) assessed for Employee Engagement.



S-ROI	Level	Value Outcomes
Employee Engagement	Very High	*Employee support value

6.8 Performance Management

NBK has not yet officially linked ESG KPIs into executive managers' compensation schemes, though there are ESG elements that are indirectly considered in their performance, especially in the sustainability area of the Bank.

engagement and retention. In addition to training opportunities, NBK provides constructive performance reviews where employees participate in discussions of their career aspirations, co-determine development needs based on analysis of their strengths and opportunities, and create development plans. Information about NBK's implementation of performance management and career development reviews with several of our employee groups is provided in the chart below.

Attention to career development and opportunity to advance in their career is a generally important contributor to employee

1. Career Aspiration and Development Opportunities Initiative as part of Retention Programs

Category	Summary
In 2020, we focused on the High Fliers Program graduates from Cohort 1 to 6. Career Aspiration Conversation Guide: 1. Discussion about Career Aspirations 2. Discussion about Strengths and Development Areas Relevant to their Career Aspirations - development needs 3. Understand the Organization's Future Business Needs and How They Can Grow Within the Organization 4. Identify Action Steps 5. Questions related to retention	97 interviews held across junior and senior high potentials at NBK
Individual Development Plans: Following career discussions and needs assessment	68 individual plans received

Total interviews Breakdown	Count
Interviewing high potentials that are included in Succession Planning	47
Interviewing other high potentials across the Bank	50

2. Identifying and Developing Females into Leadership Positions as well as Dandl Initiatives

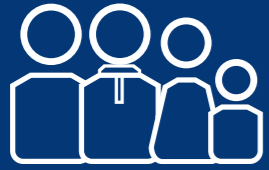
Woman Leadership Development Program	35 females at supervisory and managerial levels attended from all groups
Inclusion at NBK- Moving beyond gender diversity	20 supervisory staff across NBK attended from all groups

3. NBK Academy Program Graduates Follow up and Retention

Yearly follow up interviews and survey held for all NBK academy graduates from 2011 up to date.	166
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In 2020, one NBK Academy program started on January and ended on July with 19 candidates.





Impacting Our Community

GRI: 103, 203-2, 413-1

NBK maintained its course of engaging with and investing in the community with ranging positive impacts. The pandemic had affected this dimension as our engagement became largely virtual (i.e., social media), and we emphasize various COVID-19 and health aspects within our awareness activities and initiatives. Besides health, our community engagement touched on areas that include education, youth, social contribution, environment, and sports and culture.



7.1 Our Community Activities in Relation to COVID-19

Given the urgency and importance of the pandemic crisis for our entire community, NBK determined that as part of our “Corporate Social Responsibility” we needed to use our brand, communications platforms, leadership competencies, and resources to help our broader community promote public health safety, prevent COVID-19 infection, and reduce harm.

We substantially adjusted the nature of our community engagement and contribution activities to fit new priorities and constraints, shelving some major initiatives and directing our community engagement, service and donations and awareness campaigns toward supporting COVID-19 response.

The table below provides an overview of how NBK’s Public Relations (PR) and Communications to our community were impacted by COVID-19.

Pandemic-Related Impact	Positive	Negative
Community Engagement	NBK PR and Communications worked closely to maintain its commitment to the community by adapting to the new norm imposed by the pandemic, as well as seizing new opportunities and interventions that mainly were directed towards technologies, processes and people. In this aspect, NBK managed to support online educational programs in partnership with LOYAC and Creative Confidence. These two stakeholders are specializing in youth creativity, innovation and training.	The pandemic effects were felt more across some focus areas than others. The pandemic resulted in shelving some major initiatives related to crowd engagement like Ramadan Program, NBK Walkathon, Ministry of Education Annual Graduation Ceremony, Summer Internship Program, and NBK Hospital Activities.
Giving Back to the Community	Serving the community during the pandemic continued. Utilizing our partnership with our stakeholders (for example KRCS) to support public health (Ministry of Health) through our KWD 1 Million Donation for ventilators and a mobile clinic. Continuing our sponsorship to number entities in the community such as KACCH, BACCH and Center 21. More information on entities provided later.	N/A
Leverage our Platforms to Enhance Health Safety Measures	The pandemic is a public issue. Hence, it was important for us that we work in coordination with the public sector to provide an adequate and comprehensive response to the pandemic. We leveraged our resources through our social media platforms to spread health safety measures prescribed by international, and national health officials, and refrain from distributing conflicting information as this can lead to confusion and fear among stakeholders, including employees, clients, and the community. In addition we have been using our social media platforms / website/WhatsApp and other communication channels internally with employees) and externally with (customers/ community to spread health awareness and support.	N/A

Case Study: Contributions Towards COVID-19

Overview:

During 2020, National Bank of Kuwait continued our contributions in community related projects despite the pandemic. NBK support to society during the COVID-19 pandemic was operationalized by working closely with Kuwait Red Crescent Society (KRCS) and other NGOs such as LOYAC and Creative Confidence to support health and education. (This in addition to our specialized health care program dedicated to our people and workforce.)

Inevitably, this crisis has put many companies under test for their commitment to ethical business conduct and CSR. Fortunately, NBK stayed dedicated toward our community, proactively engaging in various CSR programs/donations, particularly those that offered immediate help and assistance to the fight against the virus.

Objective:

NBK saw in this pandemic an opportunity for making a needed impact and strengthening relationships, as well as achieving better community engagement and showing support to our employees during this time.

NBK's donations are considered a culmination of the Bank's efforts in supporting all government authorities in combating the spread of COVID-19 pandemic. This is a new addition to our rich track record in the social responsibility area, which reaffirms our success in giving a national example to follow for the private sector's responsibility towards society. We are always working to harness all our capabilities to support the efforts of governmental institutions and civil society with the aim of achieving stability and safety for the society.

Outcomes:

We at NBK are proud of what we have achieved during this year to maintain our CSR presence and continues our sustainable growth. NBK has proven once again that it is resilient to crises. Our commitment to achieving the Sustainable Development Goals has not changed, but the urgency to act has. We view COVID-19 pandemic as an opportunity to actively engage with our CSR strategies and agendas.

We have noticed that our employees and customers feel proud of their Bank helping through donations and provisions during the crisis. The bond established between NBK and its employees / customers during this crisis was significant.

As part of our focus on improving healthcare, during this pandemic, we have managed to donate ventilators and a mobile field hospital equipped with the latest medical devices. The mobile field hospital included a full clinic equipped with the latest medical equipment, an ICU, a medical laboratory, a radiology center, and a fully equipped pharmacy. The Bank's contribution was not limited to donation only, but spanned cooperation with the Ministry of Health in the process of manufacturing and equipping the truck mobile clinic to be ready to provide the necessary healthcare services, especially in view of the current emergency health conditions prevailing in the country.

7.2 Community Impact and Investment (203-2, 413-1)

Contributing to the health, well-being and prosperity of our community has always been a significant priority for NBK, in many ways our “reason for being”. “Giving back to the community” is also one of our six pillars of sustainability. Over the years, in an effort to optimize our positive impact, NBK has come to focus our community investment in a number of arenas: healthcare, education and youth, social contribution, environment, and sports and culture. In 2020, in addition to some of our traditional areas of focus for community investment, we directed a great deal of our community giving toward helping Kuwait society respond to COVID-19.

The next section delineates specific activities NBK supported in each of these categories. Here we will provide an overview summary of our financial contributions.

In 2020, NBK’s total community investment in FY 2020 was an estimated KWD 15 Million. It is noteworthy that

- Our estimated KWD 3.6 Million (FY 20) investment into community welfare (including NBK Children hospital) was a 288%-change increase from 2019
- The amount provided to NBK Hospital a 233%-change increase from 2019
- The amount for community welfare (other than NBK Children’s hospital) was a 290%-change increase from 2019, and
- The amount to Zakat charity represented a 38% decrease from 2019

Details about the specific projects and programs associated with our community investments are provided in the following:

2020 NBK Community Activity, Engagement, Partnership, and Donation

Initiative	Explanation
Kuwait Red Crescent Society (KRCS)	<p>NBK donated KWD 1 Million to Kuwait Red Crescent Society (KRCS) as part of its humanitarian and social role to support in COVID-19 pandemic response.</p> <p>NBK’s donation was directed to support Ministry of Health efforts through Kuwait Red Crescent Society, to purchase ventilators and medical devices and a fully equipped mobile field hospital (truck) to provide testing, services, and healthcare in the field. The mobile clinic contains a fully equipped hospital the latest and modern medical equipment, as well as a fully equipped laboratory, radiology, pharmacy, in addition to the ER.</p> <p>The KWD 1 Million was distributed to provide 1 ICU mobile clinic and 198 different medical devices including different kinds of ventilators (noninvasive, ICU, portable, bedside portable), isolation chambers to transport COVID-19 patients, and different kinds of monitors and pumps and other devices.</p>
BACCH Bayt Abdallah	<p>Bayt Abdullah Children’s Hospice provides multi-professional, specialist, pediatric palliative care and support to children with life limiting or life-threatening illnesses who are resident in Kuwait, and their families. They aim to improve the quality of life for children and their families from diagnosis and beyond by offering these services, tailored to the individual family’s needs, in the location of their choice, whether at home, in Bayt Abdullah or through an outreach program in their local hospital.</p> <p>NBK provides annual financial sponsorship to support BACCH in providing clinical and psychosocial services for the children and their families in the government hospitals or in Bayt Abdullah. During the pandemic, BACCH continued to provide its services to children and their families despite hospitals closure. Children Life Specialists, doctors and nurses were trained in the use of Telehealth technologies to deliver psychosocial and clinical services to children who were not able to access the care they need in the hospitals.</p> <p>As the peak of the first wave of the pandemic subsided, Bayt Abdullah opened for essential clinical appointments, day care and weekend respites on individualized visits.</p>

Kuwait Association for the Care of Children in Hospital (KACCH)	NBK advocates for the provision of optimal conditions for children and their families in the hospital in order to reduce the adverse effects of hospitalization on their development and well-being. NBK provides annual financial support. NBK works closely with KAACH to maximize its reach to children in need and to give top priority to sick children with life-threatening illnesses. Also, NBK supports a team of doctors working at KACCH by paying for their expenses
Center 21	NBK continues to support Center 21. The Bank sponsors rehabilitation activities for young adults with disabilities. The center’s activities include a range of activities like entertainment, field trips, development of courses, rehabilitation sessions, physical therapy, speech therapy, occupational therapy focus skills, nutritional counseling, and encouraging self-reliance and independence. We are proud to put our resources to such good use and are planning to diversify many more such initiatives in the future.
Winter Supplies Campaign	NBK supported the Kuwait Red Crescent Society (KRCS) “Winter Supplies” Campaign. This campaign aims to offer a warm winter for more than 30 families facing hard weather conditions in different areas in Kuwait. The campaign included distributing electrical appliances, food parcels, blankets, heaters and other home supplies.
LOYAC	<p>NBK sponsored the non-profit organization LOYAC as part of its long-standing and deep commitment to corporate social responsibility in Kuwait. NBK’s sponsorship aims to help LOYAC develop and implement several of its programs tailored to developing Kuwait’s youth, including their professional skills while enhancing their personal growth and helping them find a sense of purpose by helping others.</p> <p>As part of NBK’s strategic partnership with LOYAC and continuous interest in the development of the youth, NBK sponsored LOYAC’s program “Career Ready”. This online program provided young graduates transitioning to their own career paths with the skills and knowledge required in finding their purpose and desired career interests. The program aimed to introduce fresh graduates with learning career choices, self-marketing techniques and tools to overcome career obstacles. Amal Al Bedah, Human Resources expert took part in the online training sessions.</p> <p>In addition, NBK sponsored LOYAC’s KON program for the fourth consecutive year. More than 29 interns participated in KON 2020 program that consisted of three weeks online training sessions. NBK sponsored this program as part of its commitment to Corporate Social Responsibility as well as towards supporting students, youths and self-building initiatives in Kuwait.</p>
TAMAKAN	<p>TAMAKAN is a hands-on innovative training experience for young Kuwaiti graduates that takes them onto the next level of self-development and growth. The program is a full time 10-week commitment revolves around working on a real business challenge and shaping business ideas.</p> <p>Creative confidence is a Kuwaiti based training company that specializes in collaboration, innovation, creativity and entrepreneurship training. They run the program in collaboration with NBK. The program was a full time 12-week commitment that revolved around working on a real business challenge and shaping business ideas. Once the constraints of COVID-19 disrupted the program, all participants were committed to complete the program remotely.</p>

The following is the Sustainability Return on Investment (S-ROI) assessed for Kuwait Red Crescent Society (KRCS) Winter Supplies Campaign.



S-ROI	Level	Value Outcomes
Kuwait Red Crescent Society (KRCS) Winter Supplies Campaign	Very High	*Community financial comfort value

Volunteering:

The pandemic severely limited volunteering in 2020, as many community events had to be cancelled or due to the Pandemic and for the safety of our employees, we did not engage our volunteers. Yet, 14 of Corporate Communications and Investor Relations Group staff volunteered during the pandemic to

help accomplish awareness programs related to health and COVID-19 precautions which includes preparing surveys, planning campaigns, creating messages, posting, designing, etc. Each employee volunteered 3-4 days per week up to 5 hours daily between mid-April and when work officially resumed in August.

The following is the Sustainability Return on Investment (S-ROI) assessed for Volunteering.



S-ROI	Level	Value Outcomes
Volunteering	Medium	*Employee volunteering value

7.3 Community Activities Per Category

7.3.1 Category 1: Healthcare

In 2020, NBK's community contribution in healthcare included both COVID-19-related initiatives and other healthcare community projects aligned with our past community giving. NBK invested more than KWD 1.2 million in healthcare. Compared to 2019, the investment into healthcare initiatives increased by 798%.

NBK Hospital:

This year, once again, we made major financial contributions to NBK Children's Hospital as part of the agreement with the Ministry of Health to renovate an old building, Building A. We have now reached the final design and are in process to issue the needed permits. The purpose of the renovation and refurbishment of NBK Children Hospital is to provide the patients with services that follow the local and international healthcare

standards. There will be 30 in-patient rooms located on the first and second floor, in addition to One surgical suite and four ICU beds on the second floor. Despite the pandemic restrictions, we are looking forward to start the project during 2021. The healthcare campaign presentation incorporated with numbers and indications. Other campaigns require a different approach, such as Diabetes free consultation and screening at our clinic and MY Lab blood test packages for employees at our clinic.

It is worth mentioning that, in addition to its donation to establish the hospital, NBK contributes in supporting it by continuing to invest in developing all its units and sponsoring all its activities that go beyond treatment services to span various activities aiming to relieve the suffering of patients and their families. In 2020, NBK achieved a major medical achievement: the first stem cell transplant surgery in Kuwait for a 3-year-old girl. The following press release describes the breakthrough NBK Hospital stem cell transplant, as well as the exceptional measures implemented to safely provide patients with life-saving treatment during the pandemic.



The First Stem Cell Transplant in Kuwait for a 3-year-old Girl

Unprecedented Medical Achievement for NBK Children's Hospital

NBK always demonstrates a leading example for social responsibility in the private sector. The Bank's investments to develop the Children's Hospital are ongoing, and increased by 9% during last year.

Stem Cell Therapy Unit is a qualitative leap in NBK's contributions to improving healthcare. NBK Children's Hospital promotes patient children treatment services and adopts the best healthcare practices.

NBK appreciates the efforts of the hospital's team and continues to provide support for developing and upgrading their skills. The surgery's success at the hands of a specialized national medical team is a source of pride for us all. The hospital's initiatives gave an example for ensuring patients receiving treatment services during lockdown. Communication channels were opened 24/7 with patients and their families amidst the peak of the COVID-19 pandemic. Treatment programs include integrated care comprising awareness, entertainment, and constant communication with patients and families. 975 Patients participated in 38 various activities with the contribution of 124 volunteers during last year.

National Bank of Kuwait (NBK) continues to give a leading example for large institutions assuming their social responsibility in the best way, as it takes new big steps on the way of its continuous contributions at all levels; especially the advancement of health care, through many activities and contributions, on top of which is NBK Specialized Hospital for Children that witnessed the first stem cell transplant in Kuwait for a 3-year-old girl.

Over two years ago, NBK donated a stem cell transplant unit dedicated for children under the age of 16 years, which was the largest initiative of its kind all over the local private sector. Since then, the unit continued to provide its free services, which contributed to strengthening the hospital's role in treating patients, applying safety standards, developing researches, and providing the best international standards of care for patients and their families.

National Cadres

NBK is keen to support national cadres across all its endeavors and operational activities, as well as its social responsibility contributions in all health, charitable and other areas. In this context, NBK takes pride in the achievement made by the medical team members who conducted the surgery, which included and included a select of qualified national cadres headed by Dr. Sundus Al Shereedah, Consultant of Stem Cell Transplantation for Children, and head of the Department of Hematology and Cancer, Dr. Mona Burahma. Adult stem cell transplantation team, including Dr. Salem Al-Shammari and Dr. Samar Refaat participated in the surgery, helped by highly qualified nursing and technical staff.

The hospital staff received the girl in stem cell transplant ward 3 weeks before the surgery for making the necessary procedures in preparation for the surgery including obtaining and isolating stem cells from the patient, and undergoing surgery to remove the cancerous tumor, in addition to undergoing chemotherapy. This case is considered the first stem cell transplant conducted in Kuwait. This achievement is the culmination of the efforts of the hospital's team, which includes specialized cadres trained according to the best international standards in providing healthcare services, which receives all kinds of support and appreciation from NBK.

Exceptional Measures

In view of the current exceptional circumstances we are going through, because of the COVID-19 pandemic outbreak, NBK Hospital was quick to take all necessary precautionary measures to protect patients' health by abiding the highest levels of occupational safety in this regard. In addition, the hospital implemented many initiatives that ensure that patients receive due treatment and

consulting services without being affected by the restrictions of partial and full lockdown during the peak of the pandemic. In this context, since last March, the Bank started to provide urgent reports in Arabic to help the families of patients in cases of emergency or any technical failure, as well as to obtain an official permit from the Ministry of Interior for going out during curfew period. The hospital also assigned a direct telephone line available around the clock for communication with the patients' parents during that period, and activated all telephone system for all hospital clinics around the clock for checking the health of those who have an appointment in each clinic and providing them with the necessary medical advice. Furthermore, the hospital provided appointment booking/changing service for outpatient clinics via WhatsApp during working days from 8 a.m. until 4 p.m. where a message with patient's information is sent to the hospital, including patient's name, file number, name of the treating doctor, civil ID number, and copy of the transfer to finalize all procedures without the need to come to the hospital.

NBK Investment

NBK contributes to supporting the hospital by continuing to invest in developing all its units and sponsoring all its activities that go beyond treatment services to include various activities aiming to relieve the suffering of patients and their families. Over the past year, these investments have grown by around 9% on a year-to-year basis. Last year, NBK Children's Hospital received 404 patients in the stem cell therapy units, including 366 in outpatient clinics and 38 patients admitted to inpatient care. For other specialties, the hospital received 391 cases of hematoma patients last year, as well as 58 new cases of oncology patients and 10 cases of patients suffering relapses of the same disease.

Patient experience have seen remarkable improvement, as more outpatient services are provided in the outpatient and day care department, with working hours in the day care facility from 7 a.m. to 10 p.m., around the week. The continuous development carried out by NBK, and the strenuous efforts exerted by the hospital's team and officials, have resulted in reducing admission rate, especially in Wards 1 and 2. In addition, patients are allowed to attend the day care facility on Fridays and Saturdays, enabling them to attend classes during weekdays, as NBK Children's Hospital receives around 25 cases per month on Fridays and Saturdays.

Integrated Care

In line with NBK Hospital's strategy to provide integrated care for patients, the hospital's management embeds the welfare of children and their families as a key competent of the treatment programs and healthcare services. To this end, the hospital organizes many various activities to ensure continuous communication with patients and their families, as well as to raise patients' satisfaction and encourage them to socialize and be distracted from the treatment pain. On Mondays of every week all year round, the hospital holds a fun activity for children treated at NBK's Specialized Hospital for Children, including inpatients and outpatients visiting the hospital for the necessary medical examinations to follow up on their health conditions. NBK has also provided an indoor cinema for inpatient children to watch their favorite movies with their siblings. For the 7th year in a row, NBK organized the first-of-its-kind 'I Dream to Be' program for children in Kuwait hospitals who are facing life-threatening conditions. The initiative helps children realize their 'dreams' in order to promote their emotional and psychological wellbeing and help them to fight their diseases. Over the past 6 years, NBK realized the dreams of 23 patients.

Communication and Awareness

As part of the integrated care provided by the hospital, which includes treatment and healthcare as well as entertainment services, the care also extends to continuous communication with patients and their families and giving them awareness about the healthy lifestyles that are suitable for their different medical conditions.

Over the past year, NBK Hospital carried out 38 different activities, engaging with a total of 975 patients and their families. These activities were conducted by a total of 124 volunteers contributing around 118 hours.

NBK also organizes awareness campaign on NBK Hospital's Instagram and Twitter accounts, in addition to providing advice, awareness, and entertainment programs for patients and their families on these accounts, which are popular and well received by followers.

The total number of patients treated this year by NBK Hospital was 1,087 in the inpatient unit and 14,672 in the outpatient unit. More specifically, patients treated in NBK Hospital in 2020 included:

- 287 stem cell therapy unit patients seen in the outpatient department
- 21 stem cell therapy unit patients admitted to the inpatient department
- 369 leukemia cases admitted
- 397 oncology cases admitted
- 8 new cases received after stem cell therapy
- 33 new cases and 21 relapse leukemia patient cases
- 68 new cases and 21 relapse cases oncology patients

Bayt Abdullah Children’s Hospice (BAACH):

NBK supported Bayt Abdullah Children’s Hospice (BAACH) through programs aimed at

- Raising awareness on the importance of handwashing regularly with soap and water to reduce the spread of the virus
- Controlling the spread of the virus by staying home and maintaining social distancing
- Emphasizing the importance of keeping surfaces clean at home and the workplace
- Tracking daily local new cases and cases of recovery
- Communicating about how to make use of your time effectively at home during the lockdown including exercise, cooking, crafting and more
- Providing beneficial health tips to keep in mind including mental, physical and emotional health

7.3.2 Category 2: Awareness on COVID-19

NBK leveraged our communications expertise and social media platforms to raise community awareness about the importance of safety protocols during the COVID-19 pandemic.

Community Awareness of COVID-19

Overview:

The Pandemic hit us all by surprise. In a matter of weeks, the entire country was shut down and Social Media was one of the few communication channels with customers. NBK leveraged the channel to raise awareness on the virus, what precautionary measures to take to reduce the spread of it and how to get a hold of life necessities during this challenging time.

Objective:

- Raising awareness on the importance of wearing masks, physical distancing, handwashing regularly with soap and water to reduce the spread of the virus
- Controlling the spread of the virus by staying home and maintaining social distancing.
- The importance of keeping surfaces clean at home and the workplace
- Daily local new cases and cases of recovery
- How to make use of your time effectively at home during the lockdown including exercise, cooking, crafting and more
- Beneficial health tips to keep in mind including mental, physical and emotional health

Outcomes:

Our followers engaged with our very diverse selection of posts including fun tips, exciting collaborations and on-going content to help keep our followers and their families safe and aware of what is going on in the country in regards to the pandemic

Posts	Likes	Views	Comments
241	52,000	620,000	42,000

Our followers increased by 70,000 followers during the pandemic.

In addition, NBK used TV ads and Social Media video advertising campaigns honoring front-line workers and spreading gratitude, for example:

- NBK created a video to encourage front-liners going the extra mile to serve their community,
- NBK created a Ramadan Television Commercial (TVC) focusing on how grateful one has to be living in Kuwaiti due to the extraordinary efforts the country has done to fight the pandemic.

7.3.3 Category 3: Education and Youth

Supporting youth and education has long been a core facet of NBK’s community activities. We see the development of skills and competencies in the next generation as critical to not only NBK’s future workforce and success, but to that of business and

national development in Kuwait more generally. Below we feature two programs receiving continued sponsorship by NBK in 2020. LOYAC: Online Training Programs: “KON” and “Career Ready” NBK sponsored LOYAC’s program “Career Ready” organized by LOYAC in cooperation with HR management consultant and trainer, Amal Al Bedah, which aims to enhance the skills, capabilities and behaviors of the young workforce in the Kuwaiti labor market. This program, tailored to fresh graduates, provided online virtual training due to the exceptional circumstances of the pandemic imposing social distancing. The program helps young graduates with transitioning to their own career paths with the skills and knowledge required in finding their purpose and career areas needed in Kuwait labor market. It included training courses and workshops to introduce fresh graduates with learning career choices, sectors and industries available in Kuwait, self-marketing techniques and tools to overcome career obstacles.

LOYAC and NBK: Career Ready Program Online

Trainer: Amal Al Bedah, Trainer and Consultant in HR

No.	Program Name	Dates	Participants Who Completed Workshop	Age Group	Nationality	Education/Work Level
1	Career Ready Program - October	October 11 - 14, 2020	10	19-32	Kuwaiti: 5 Non-Kuwaiti: 5	University Students:6 University Graduates: 4
2	Career Ready Program - November	November 22 - 25, 2020	6	20-27	Kuwaiti: 4 Non-Kuwaiti: 2	University Students: 3 University Graduates: 2 Employee: 1

In addition, NBK sponsored LOYAC’s “KON” program for entrepreneurship, which provided six intensive training weeks for participants. Mohammad Al-Othman, GM- Consumer Banking Group at National Bank of Kuwait participated in the closing ceremony to honor the participants as well as the LOYAC’s curators.

program for the fourth consecutive year, in cooperation with Babson College, with the aim of supporting students by motivating them to achieve leadership and innovation with projects serving the advancement of community. More than 29 male and female interns ranging from the ages of 12 to 16 year olds participated in “KON” 2020 program that consisted of online training sessions, discussions, lectures and virtual workshops.

NBK provided its platinum sponsorship for this program as part of the Bank’s strategic partnership with LOYAC organizing this

KON-online	Types of Projects	Guest Speakers	Projects	Trainers	Participants	Partner	Sponsors	Social Media Reach	Grand Total Media Reach	Age Group	Duration
Phase 1	Human Rights(5)	17	7	8	32	Babson College	NBK Zain Agility	103,454 people	4.5 million people	12 -16	3 weeks 30 Hrs (2.5hrs a day 4 days a week)
	Health and Fitness(3)										3 weeks 30 Hrs (2.5hrs a day 4 days a week)
Phase 2	Arts and Culture(2) Environment(2)	12	7	8	29					12 - 16	3 weeks 30 Hrs (2.5hrs a day 4 days a week)

The following is the Sustainability Return on Investment (S-ROI) assessed for LOYAC.



S-ROI	Level	Value Outcomes
LOYAC	Very High	*Trainees training value *Trainees youth confidence value

TAMAKAN:

In partnership with “Creative Confidence,” NBK launched program “TAMAKAN” for training fresh Kuwaiti graduates and qualifying them to the private sector labor market. NBK was sole sponsor of this program, to help them develop. NBK’s Executive Management and Creative Confidence’s officials welcomed the trainees.

The program started with 32 participants accepted. Recruitment was mainly a digital campaign. More than 600 applied, who were then shortlisted and 200 interviews conducted (we wanted diverse calibers of Kuwaitis), as opportunity to develop

themselves and explore their careers. NBK’s participation affirms its keenness to provide unique and exceptional opportunities to Kuwaiti talents. TAMAKAN ran for 10 weeks, until 20 April 2020. This program requires full commitment from trainees being a full-time job experience. NBK participated in this program as a strategic sponsor, while Creative Confidence provided trainees with training designed to enhance their skills to become active workforce.

This year, the program boasted success despite the pandemic, by using the approach of live online classes. More details are provided in the sidebar below.

Case Study: TAMAKAN

Overview:

Making the transition from being a student to starting a career is a big leap. Universities teach students the fundamental skills needed to tackle the workforce, but what about actually implementing these skills?. Where do they transition? TAMAKAN is a collaboration between Creative Confidence and the National Bank of Kuwait to bridge the gap between students and young professionals in the workforce. TAMAKAN helps graduates to accelerate their skills development and builds their confidence before joining the workforce. Throughout the program, TAMAKAN unlocks the potential of young professionals and molds them into individuals that recruiters actually want. Skills that TAMAKAN focuses on developing include teamwork, problem-solving, collaboration, innovation, entrepreneurship, communication, developing a flexible mindset, leading people, project management, de-risking ideas.

The program was designed to incorporate the latest methods and tools of innovation, creativity, collaborations, and online platforms. The participants worked in teams and addressed a specific business challenge provided by NBK. TAMAKAN participants worked passionately in teams as they explored these challenges and developed new ideas and insights for NBK. Throughout the process, they used online platforms including Strategyzer as they learned how to be professional innovators. Throughout the program, the participants were being coached on their projects as they applied what they learned and engaged the community. They challenged themselves as they tapped into their creativity and started to de-risk ideas. TAMAKAN prepared the participants for the real world and the challenges of the workforce. They started at TAMAKAN as a recent graduate but left TAMAKAN with the confidence and skills ready to tackle any challenge along their way. They walked into TAMAKAN as an individual but left it as a community under NBK.

Objective:

- Engagement between NBK and the community to encourage Kuwaitization in the private sector
- Help to make the transition from being a student to starting a professional career well-tailored, well planned, and above all exciting
- Bridge the gap between the students and the workforce by creating a different engagement recruitment process
- Support the participants in self -discovery and career discovery after their academic education and university graduation
- Elevate the set of skills of the participates to be aligned with new organizational expectations and requirements from their new recruits

Outcomes:

Despite the impact of COVID-19 on the job market, TAMAKAN graduates proved to be enticing candidates and the majority were able to be recruited. Furthermore, being alumni of TAMAKAN differentiated them for employment opportunities. Furthermore, being alumni of TAMAKAN provided recent graduates with a competitive edge when they applied for jobs. Essentially making them more compelling and lucrative to employers. Importantly, this program also contributes to the empowerment of women, as there were more women in the program than men.

Out of the 32 participants, so far:

- One - Hired by an international company
- Two - Continued their education
- Three - Hired in the government sector
- Four - Hired in NBK
- Ten - Hired in the private sector in Kuwait

Impact in NBK:

Throughout the program, the participants shared insights and ideas for NBK that provided inspiration and evidence to address the needs of specific customer segments. NBK team was proactive in utilizing these ideas and insights and implementing them in the customer experience and value propositions offered.

The number of students trained through TAMAKAN was 32 graduates in 2020. Duration of training was initially 12 weeks however it was extended to 15 weeks due to the pandemic. Two trainers and one assistant, in addition to international collaborations and two interventional guests, conducted the program. There was over 100 hours of training, in conjunction with 5 hours of self-paced online training and 80 hours of coaching. NBK employees volunteered 5 days a week from 8:30am to 2:30pm.

TAMAKAN was impacted positively by COVID-19 for a certain of reasons, including::

1. Our content and program modules were suitable for online and in-person.
2. The restrictions of lockdowns allowed the participants to be primarily focused on the project and engaged them in a positive development experience while the world/country was in a difficult state
3. There was a high level of commitment received from the participants

During the duration of the program, TAMAKAN participants engaged with the community to further understand the needs of the youth segment. They reached out and engaged with over 450 members
 Participants worked in teams to develop and test ideas using a business scientific process. They outlined their assumptions and designed experiments to validate or invalidate their hypothesis.
 200 Hypotheses made, 20 experiments conducted.

Application has opened for TAMAKAN (2) 2021 and will be rolled out this year.

The following is the Sustainability Return on Investment (S-ROI) assessed for TAMAKAN.



S-ROI	Level	Value Outcomes
TAMAKAN	High	*Employee volunteering value *Trainees employment value *Trainees training value *Trainees youth confidence value

7.4 Social Media Engagement

NBK made dramatic strides in 2020 in leveraging social media to engage community members for positive social impact. As described earlier, NBK used our platforms to build safety awareness and behavior in the wider community as well as with our customers and employees. Additionally, NBK launched

various awareness campaigns to celebrate national, social, and international health occasions. These campaigns included National Day, Breast Cancer Awareness Month, World Diabetes Day, Mother's Day, International Day of Peace, International Day of Charity, International Nurses Day, and International Day for the Elimination of Violence against Women.

Total social media followers for	2020	2019
Total:	1.7M	1.5M
	542K	455K
	519K	502K
	269K	269K
	160K	99K
	193K	175K
	2K	1.5K

As mentioned, NBK's intention was to use our social media platform to fully engage community members, especially to improve health and safety given COVID-19. We were very successful in reaching and getting a response from our community. Overall, NBK's COVID-19-related social media campaigns, together with our other awareness campaigns, resulted in an increased level of engagement and increased

number of followers across NBK's various social media channels in 2020 as compared to 2019, as illustrated above. Additionally, our goal is to have two-way communication and to improve the speed and volume of our responses to community members on our social media platforms. To this end, NBK reports on the average response rate on social media in case of queries / feedback.

Year	Service Level Agreement	Total Message	Total Responded
Jan - Nov 2019	9 Minutes	1.2 Million	115,000
Jan - Nov 2020	5 Minutes	1.4 Million	325,000

Our aspiration is that the positive impact of NBK's social media initiatives for our community, our customers, our employees and our company magnifies in the future.



Managing Our Environmental Impact

GRI: 103, 301-2, 302-1, 303-5, 305-1, 305-2, 305-3, 305-4, 306-1

NBK maintained its course of annually assessing and reporting its environmental performance. The environmental areas analyzed in this chapter include waste, resources, water, and energy, headquarter aspects, and the calculation of our carbon footprint through Greenhouse Gas (GHG) Emissions of Scope I, II, and III.



8.1 Our Environmental Performance in Relation to COVID-19

The primary environmental impact due to COVID-19 has been that we ourselves as a company have decreased our consumption of energy and water and generated less GHG emissions. Fewer employees coming in to work in our branches and offices resulted in lower environmental impact. However, our employees working from home due to COVID-19 simultaneously also likely slightly increased the environmental impact from our employees' homes, as they consumed more energy and water there than they did at home before COVID-19 when they were away at work eight hours per day. Our Scope III emissions, which we like most companies do not yet comprehensively measure, likely saw a significant true net reduction in environmental impact, as employees commuted to work far less than in a typical year. Impacts from electricity and water consumption might reasonably be estimated to have essentially balanced out between the lower impact from our offices and the higher impact from employees at their homes. We very likely truly did decrease our Scope III emissions. We moved into our new headquarters building this year and will be using 2021 as our new baseline year for future environmental impact goals and comparisons, so we will be alert to these various potential COVID-19 related effects as we develop our analyses about consumption and environmental impacts in the years ahead.

8.2 Our Energy Consumption and Intensity (302-1)

NBK's energy consumption produces a significant portion of our environmental impact, producing GHG emissions that contribute to climate change. In order to reduce our energy consumption and thus our GHG emissions, NBK has pursued two major courses of action. First, every day, we follow a number of energy conservation and reduction practices, including energy optimization protocols, auto switch-off technologies, heating and cooling auto savings technologies, highly efficient fixtures, the Tarsheed power reduction campaign (done annually), and an active maintenance program that effectively manages and improves our energy efficiency. Second, since the major portion of what drives consumption for any situation is design, several years ago we decided to design and build a new, green, LEED Gold headquarters office building. After years in the making, we completed construction and moved into our new headquarters in 2020. This has allowed us to combine staff who were in three different office buildings into our new single headquarters building, thereby allowing us to significantly reduce our energy consumption.

This year, due to both COVID-19-related reductions in energy demand as well as moving into our new headquarters, we reduced our energy consumption significantly. We have reported our energy consumption every year since 2014. However, it is not especially meaningful to compare our consumption this year to past years because of the dramatic reductions due to COVID-19 and to our new office building. Therefore, while we are reporting here all of our consumption for 2020, we are beginning a new phase in our reporting in which we will use 2021 as our baseline year for all goal setting and year-over-year comparisons.

2020 Total Electricity Consumption: 6,924,801 kWh

2020 Electricity Intensity: 3,053 kWh/employee

This consumption is more than 70% less than prior years, which is, as a matter of simple fact, a very significant reduction in our environmental impact. The precise causes for this reduction, however, are not yet fully clear, although certainly the two leading influences were the COVID-19-related demand reduction and the superior environmental performance of our new headquarters building. Therefore, we are actively analyzing what our "new normal" is and will be, in order to be able to assess the effectiveness of our various energy conservation and reduction efforts in future years. Beginning next year, we will be using 2021 as our baseline year for all our reduction goals and comparative analyses.

"Due to unique circumstances, we decreased our energy consumption by more than 70% this year - and are now building our analyses of what our "new normal" baseline will be.

While the majority of our energy consumption was our purchased electricity, we also consumed diesel for 50 generators as well as diesel and gasoline in 35-leased cars."

Diesel Fuel Consumption in Generators

In the past, we have reported consumption for our major generator in our previous headquarters building. Beginning this year, we are now also able to include data for the small generators we use throughout all of our branches and ancillary offices.

In total this year, we operated 50 generators. Our headquarters generator consumed 37,984 liters of diesel fuel, while all 49 other generators (44 of which were at branches) combined consumed 33,500 liters. The breakdown of generator fuel consumption is below.

	2020	2019
Headquarters Generator (1) - liters	37,984	31,304
Branches and Data Center Generators (49) - liters	33,500	NA
Total fuel consumed - liters	71,484	31,304

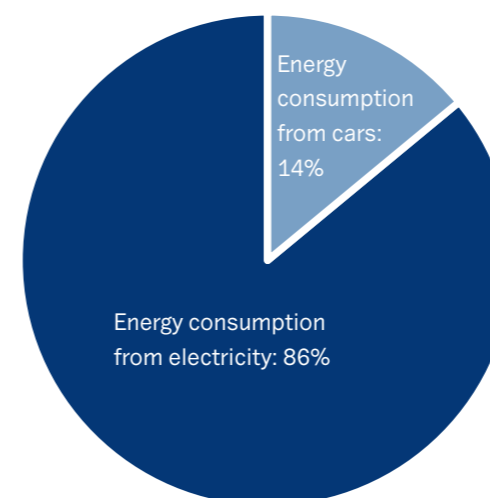
Fuel Consumption for Owned and Leased Cars

In past years, we have maintained a small fleet of owned cars. In 2019, we owned 8 cars, and this year, we sold the entire fleet and operated no owned cars. Regarding leased cars, we leased 35 cars in 2020 (compared to the 44 cars we leased in 2019), and consumed 228,768 liters of premium and diesel fuel for those vehicles this year. As a result, our total fuel consumption for all cars (owned and leased) increased by 9,357 liters (or

4.3%) in 2020, from a total of 219,411 liters in 2019 to a total of 228,768 liters in 2020. Note that even though the total number of cars decreased in 2020, our total fuel consumption had seen an increase; the reason for this was that we had raised the fuel consumption limit per vehicle services related to the COVID-19 pandemic. The breakdown of number of cars for leased and owned cars, total number of cars, and total fuel consumption per year, are provided below.

	2020	2019
Leased Cars	35	44
Owned Cars	0	8
Total Cars	35	52
Total fuel consumed - liters	228,768	219,411

All the fuel for both the generators and all our cars combined represents only about 14% of our total energy related GHG emissions this year, with the majority - 86% - deriving from our electricity consumption, as shown below:



8.3 Our Greenhouse Gas (GHG) Emissions and Intensity (305-1, 305-2, 305-3)

NBK measures Greenhouse Gas (GHG) emissions across Scope I, Scope II, and Scope III emissions, including SOx, NOx, and CO2. The different scopes are described below:

- Scope I emissions are defined as direct emissions from the activities under our control, which for us in 2020 are our 50 generators.
- Scope II emissions are indirect emissions, which are the emissions from the electricity we purchase.
- Scope III emissions are other indirect emissions from activities occurring at sources we do not own or control, which in our case in 2020 come from our leased third-party cars and business air travels.

Scope I Emissions

Overall, our Scope I emissions are a small portion of our total GHG emissions (well under 4%). NBK’s Scope I emissions currently derive entirely from our generators. In past years, our Scope I emissions also included emissions from a small fleet of company-owned cars, but we sold them all this year and thus no longer have any Scope I emissions from company cars. In addition, this year we have been able to measure and add in the emissions from all our generators, 50 in all, rather than just our one headquarters generator that we had reported on in years past. The 49 additional generators that we have now been able to measure and include contributed almost as much in the aggregate as our single headquarters generator.

Thus, overall, our reported Scope I GHG emissions from generators increased by 142% – but our Scope I GHG emissions from company-owned cars decreased by 100%. Comparing our headquarters generator to itself year-over-year, its Scope I GHG emissions increased 21.1%. Comparing our total Scope I GHG emissions for 2020, which derived entirely from 50 generators, to our total Scope I GHG emissions for 2019, which arose from 8 company-owned cars and just our single headquarters generator, we saw an increase of 26.6%. More details are provided as follows.

*2020 Scope I Total GHG Emissions:
178.5 Metric Tons CO2e*

	2020 (50 Generators)	2019 (HQ Generator Only)	2019 Total (HQ Generator + Cars)
CO2e - MT	178.5	73.9	141.3
SOx - kg	1.8	0.8	1.2
NOx - g	2,644	1,158	2,215

As we look forward, we will be creating a new working baseline for our Scope I GHG emissions, for which all 50 generators will be the entire source. This will provide a fair and true basis for assessing our impact, setting reduction targets, and evaluating our improvement efforts.

Scope II Emissions

The largest majority of our GHG emissions are our Scope II emissions, derived from our purchased electricity. We have reported our electricity GHG emissions every year since 2014. Due to the significantly reduced electricity demand in our workplaces as a result of the global coronavirus pandemic, however, as well as to our move into our new LEED-Gold environmentally friendly office headquarters building in August, our consumption of electricity was dramatically less this year than in years past. Thus, our Scope II GHG emissions are also lower, by as much as 70% from years past. We are thrilled with this reduction, but we are also cognizant that we need to better understand its causes, and recognize this as a unique year due to the pandemic. As we look forward, we will be establishing the year 2021 as our new baseline. This will enable us to fairly evaluate our goals, our performance after the COVID-19 pandemic has subsided, and once we have a full year in our new high-performing green headquarters office building.

*2020 Scope II Total GHG Emissions:
4,413 Metric Tons CO2e*

Scope III Emissions

Similar to the Scope I emissions case, NBK’s Scope III emissions are also a small portion of our total GHG emissions (about 10%)—with the majority of GHG emissions coming from Scope II. As for Scope III emissions, we look at fuel consumption of leased cars. While NBK decreased our rental fleet from 44 to 35 cars this year, our total fuel consumed in leased cars increased. To reiterate, the increase of fuel consumption despite decreasing number of cars has been seen due to an increase of fuel consumption limits for vehicles in relation to services related to COVID-19. Consequently, due to the increase of fuel consumption of leased cars, our Scope III emissions accordingly rose slightly.

Our total petrol consumption in 2020 was 228,768 liters; because we sold our owned cars and used only leased vehicles this year, all our fuel emissions are categorized as Scope III emissions, instead of Scope I. This resulted in CO2e of 541.9 metric tons, NOx of 8,460.7 g and SOx of 22.2 kg. Because we eliminated entirely our owned-cars in 2020, we thereby reduced our Scope I emissions from vehicles for 2020 down to zero (from the 67.43 metric tons of CO2e, 0.41 kg SOx and 1,057 g NOx we emitted in 2019).

Thus, to make a true year-over-year comparison of our GHG emissions from all fuel consumed in the vehicles we used, our combined emissions for 2019 (for the total of what was then both leased and owned vehicles) would be 519.8 metric tons of CO2e, with 8,114 g NOx and 21.3 kg SOx. This reveals that, compared to 2019, our overall “true” GHG emissions due to fuel consumption in vehicles increased in 2020 by 4.3%.

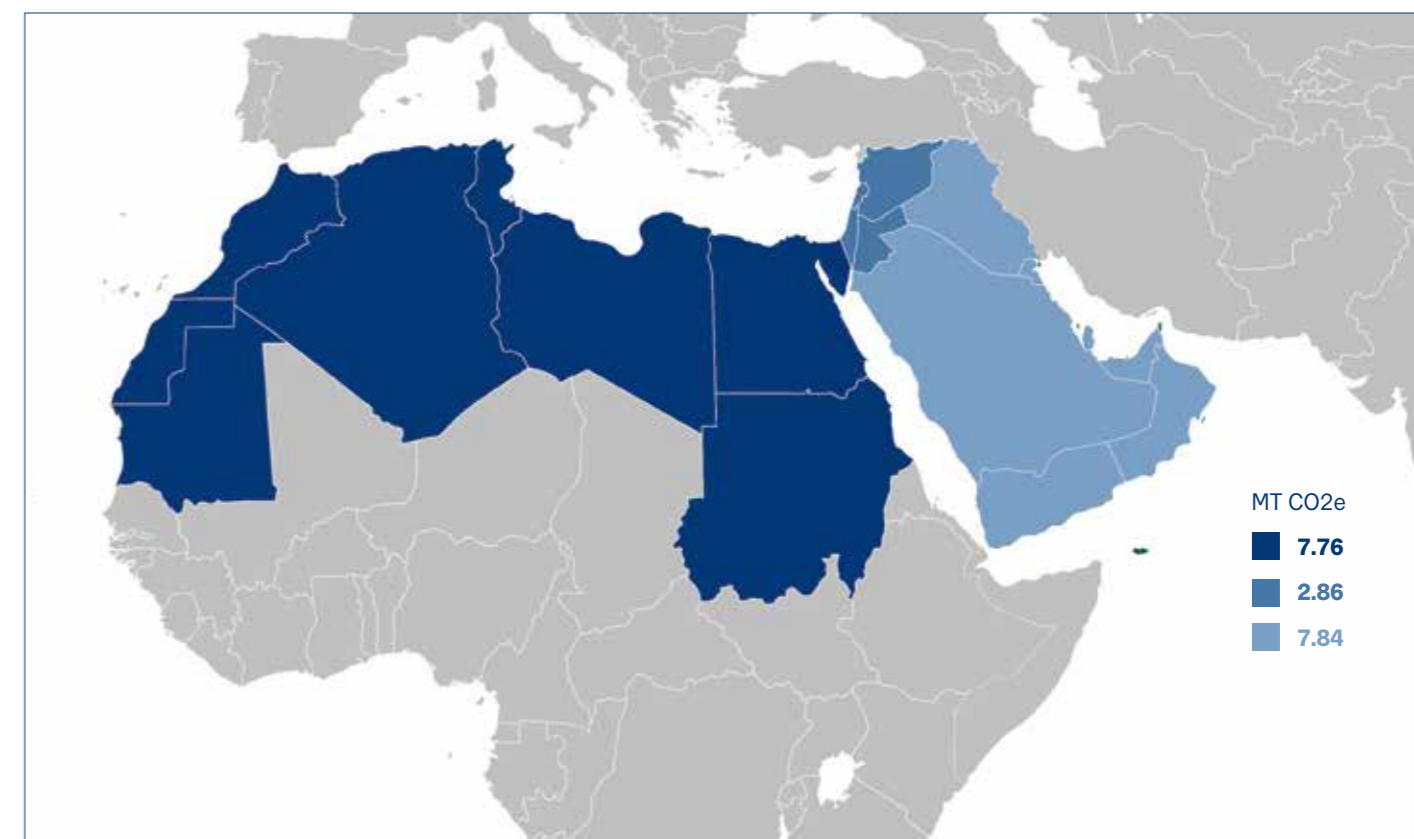
This year, we have also for the first time been able to track and measure our Scope III GHG emissions due to business air travel. For the year, we took 23 business flights, resulting in 18.46 metric tons of CO2e in GHG emissions. In our view, including both our business air travel and our leased cars begins to give a fuller picture of NBK’s specific Scope III emissions, an area that

of course has been notoriously difficult for companies to draw boundaries around and report fairly.

*2020 Scope III Total GHG Emissions:
560.4 Metric Tons CO2e*

	2020
Scope III – rental cars	541.9 Metric Tons CO2e
Scope III – business air travel	18.46 Metric Tons CO2e
Scope III – total	560.4 Metric Tons Co2e

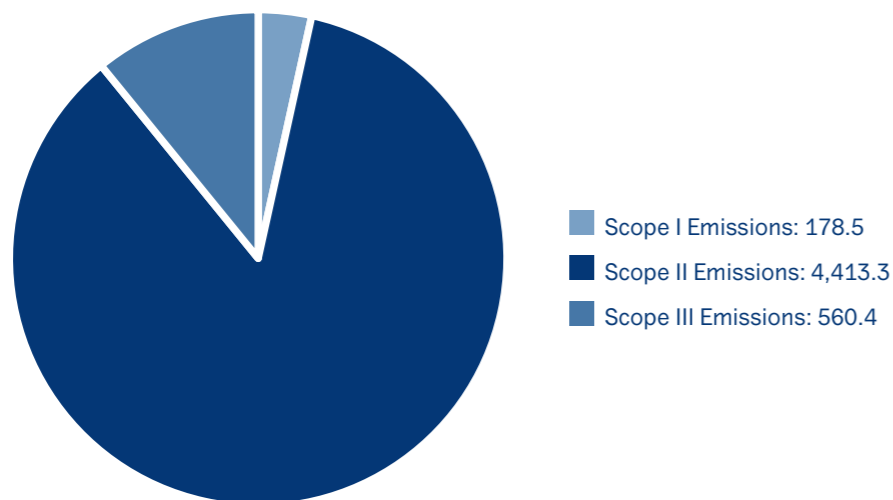
In addition, the Scope III emissions related to business air travel can be illustrated into the following map showing the emissions allocated per source region.



Total GHG Emissions (305-4)

Finally, our overall GHG emissions can be assessed in total, by combining the results of Scope I, II, and III. This can also be analyzed in terms of intensity per employee. These results are provided as follows.

TOTAL GHG EMISSIONS – MT CO2e	
Scope I Emissions:	178.5
Scope II Emissions:	4,413.3
Scope III Emissions:	560.4
Total GHG Emissions:	5,152.1
INTENSITY OF TOTAL GHG EMISSIONS – MT CO2e / Employee	
Scope I, II, III Combined:	2.27



8.4 Our Water Consumption and Intensity (303-5)

Water is a major environmental concern throughout the Middle East and for many years, NBK has been actively working to reduce our water consumption.

Our move into our new LEED-Gold office headquarters building promises to enable us to significantly reduce our water consumption. Low-flow fixtures, grey water recycling, sensor-controlled taps, and various water-smart technologies are helping produce breakthroughs in water conservation. At the same time this year, just as with our energy consumption, the COVID-19 pandemic dramatically reduced how many employees worked from our offices each day. Therefore, it is difficult for us to evaluate the effects of our water conservation strategies and practices. We know that total water consumption was reduced very dramatically – we used more than 80% less water than we have in years past. This is of course very exciting simply on

its face. But we plan to analyze this further to fully understand all the factors that caused this reduction, and then to create a new baseline year, so that going forward we will be able to accurately and fairly determine what our further conservation goals should be and how well our plans and actions are working. We will establish 2021 as our new baseline year. This is because it will be the first full year we will be in our new environmentally responsible office headquarters and it will be the first year following the pandemic in which our employees are returning to the office more and more for their work hours. For now, we are delighted to report such a significant drop in water consumption and look forward to continuing to build on our conservation efforts both in our new building and as work life returns to more typical patterns.

2020 Total Water Consumption:
1,848,277 imperial gallons (IG)

2020 Water Intensity:
815 imperial gallons (IG) per employee

8.5 Our Waste and Resource Management (301-2, 306-1)

NBK has continued our efforts to reduce our waste, increase our recycling, and decrease the material resource throughputs in our operations. In 2020, NBK invested a total of KWD 11,000 into our

waste recycling, reuse, and reduction efforts. Notably, NBK’s digital services initiatives in Consumer Banking were aimed at reducing our environmental footprint.

Digital Services In Consumer Banking Help Reduce Environmental Impact

In 2020, NBK pursued a wide range of actions to help protect the environment, with a major focus on reducing the carbon footprint.

At the most straightforward level, we reduced the number of printed brochures and flyers and relied much more on alternative digital channels to communicate with customers.

Along with this, the Bank launched Digital Account Opening, where all the processes of opening banking accounts can be completed digitally.

Once they are part of our “family,” NBK ensures effective communication with both customers and staff on a regular basis through several different digital channels, from social media accounts with 1.7 million followers, to the Bank’s website nbk.com, where they can find all the information they need about the Bank’s products and services as well as the latest campaigns, to SMS, e-mails, press releases, screens at the branches, and nationwide ATMs.

To help customers understand the value of these digitized services, when we are reaching out to our customers and leads we emphasize the environmental and customer service value of using our digital channels such as NBK.com, emails, SMS, social media, and avoiding any printed collaterals. Also, we utilize the latest technology medium to communicate effectively: staff and customers WhatsApp.

To further encourage customers to use these services, NBK’s products and services include robust processes to ensure safety and security of information. The Bank emphasized in 2020 frequent fraud awareness campaigns to give guidance to customers on how to protect their account information and avoid falling a victim of any fraudulent activity.

To further help reduce environmental impact as well as respond to the COVID-19 pandemic, the Bank also enacted several procedures to help customers avoid visiting branches by providing them instead with many online services, including:

- Increased transfer limit for NBK Quick Pay during the partial and full lockdown
- Digital Account Opening
- Applying for NBK Credit Card online
- Reporting lost or stolen NBK Card and requesting a replacement
- Branch Booking appointment, where customers can book their appointment online to visit the branch and avoid the traffic inside the branch
- A Mobile branch that reached customers in their own home to conduct any needed services.

NBK also encouraged customers to avoid using cash and was the first in Kuwait to launch contactless payment solutions like Garmin Pay, Fitbit Pay, and Samsung Pay.

Paper Reductions and Recycling

NBK decreased our paper consumption by 13,530 packets in 2020 – going from 37,530 to 24,000 packets – compared to 2019. Translated into environmental impact savings, this saved 252,627

kWh of energy, 276 metric tons of CO2e GHG emissions, and 724,000 gallons of water. In addition, this reduced our cost of paper by KWD 12,177.

The following is the Sustainability Return on Investment (S-ROI) assessed for Paper Reduction.



S-ROI	Level	Value Outcomes
Paper Reduction	Very High	*Greenhouse gas (GHG) emissions savings value *Water savings value *Energy savings value *Paper cost saving value

We also increased the amount of paper that we recycled by 32.7% in 2020, as we recycled 98.45 tons of paper over 24 tons more than the 74.2 tons we recycled in 2019. This recycling alone prevented 340 metric tons of CO2e GHG emissions, around 445

thousand kWh of energy, and nearly 2 Million gallons of water.

We recycled 98 tons of paper in 2020, a 33% improvement over last year.

The following is the Sustainability Return on Investment (S-ROI) assessed for Paper Recycling.



S-ROI	Level	Value Outcomes
Paper Recycling	Very High	*Greenhouse gas (GHG) emissions savings value *Water savings value *Energy savings value

C-Fold Tissue Paper Initiative

In addition, we switched from traditional tissue to C-fold tissue, consuming 3,049,920 tissues in 2020. This represents 30% less total consumption than the alternative tissue and resulted in saving nearly 19,000 kWh, more than 70,000 gallons of water, and 18.7 metric tons of CO2e GHG emissions.

MPS – Manage Printing Service

In efforts to make our resource consumption from printing more efficient and lean, NBK developed the Manage Printing Service (MPS) initiative. As of 2020, MPS has been implemented in 90% of the floors of our headquarters, with the remaining floors scheduled to be completed by early 2021. Currently, we have further plans to install MPS in Ras Al-Salmiya, Al-Rai data store, and Jleeb Al-Shuyoukh disaster recovery (DR). In 2020, thanks to MPS, NBK reduced paper consumption 36% from 2019, and a full 50% compared to 2018. We also reduced printer ink cartridge use slightly, and reduced the total number of printers from 2,000 in 2018 to 1,828 in 2019, with even more significant reductions expected this year.

Waste Management and Plastic Recycling

We generated 187.2 metric tons of waste at our headquarters offices and 66.0 metric tons at all our branch operations, for a total of 253.2 metric tons of waste to landfill in 2020. Specifically concerning plastic, we generated an estimated monthly amount of 110 kg of plastic from our headquarters, and 45 kg of plastic from our branches, for a total estimated monthly amount of 155 kg of plastic waste generation. Note that this plastic is recyclable.

Furthermore, the sidebar below describes NBK’s partnership with Omniya to remove plastic from the waste stream, which is considered as an additional environmental initiative concerning plastic.

NBK’s Partnership With Omniya Continues To Pull Plastic Out of the Waste Stream

NBK has collaborated with Omniya on an initiative to help remove plastic bottles from the waste stream and ensure they are recycled. At both NBK facilities and at a number of community locations, collection boxes have been established. NBK and Omniya have also created a competition program in the schools, and have awarded the schools that have collected the most bottles special prizes. All the bottles collected are sent on for recycling.

At 64 various NBK branches and locations, NBK collected 840 kg of plastic (from February 2020 to November 2020). The schools have gone far beyond that strong showing. In 113 schools throughout Kuwait, NBK sponsored Omniya recycling containers, through which the schoolchildren have collected an astounding 58,670 kg of plastic from December 2019 to February 2020 (after which the schools closed).

The result has been enormous in terms of saved space in landfills and the prevention of GHG emissions and water consumption – but perhaps more than anything, the environmental awareness this partnership has stimulated throughout an entire generation in Kuwait will produce environmental benefits for decades to come.

Plastic Recycled through Omniya:

We recycled 840 kg of plastic bags from NBK branches through partnership with Omniya, between February to November 2020.

that is conducted by a third party. In 2020, 3,604 electronic devices, including hard disks, tapes, media boxes, and memory hardware were recycled in this way, saving 61 metric tons of CO2e emissions. Note that a main reason behind this significant amount of e-waste in 2020 is due to the re-location of three head-offices to the new HQ building.

Electronic Waste (E-waste)

NBK safely disposes and recycles electronics through shredding

The following is the Sustainability Return on Investment (S-ROI) assessed for E-waste Management.



S-ROI	Level	Value Outcomes
E-waste Management	High	*Greenhouse gas (GHG) emissions savings value

8.6 Relocation to Our New Green Headquarters Building

In keeping with NBK’s commitment to reduce our environmental impact through major design changes, in August 2020, we moved into our new green headquarters building that we have been designing and building for several years. The new iconic National Bank of Kuwait (NBK) Headquarters building in the heart of Kuwait City and the growing financial district stands a colossal 300 meters tall and is built in line with LEED Gold requirements. Our new headquarters embodies a wide range of exciting environmental benefits and design elements, including 34% energy saving and 40% lower water consumption.

Key features include:

- A large amount of open space, accounting for 60 percent of the tower’s land footprint
- 100% energy-saving light-emitting diode (LED) lighting

- Thermal shading through a system of exterior vertical fins
- Thermal energy storage, chilling ice overnight for use in the tower’s air conditioning during the day
- Under-floor air conditioning on all floors
- A Grey water recycling system for EWC flushing
- An energy-saving light management system
- A refrigerant-management system to prevent ozone-damaging and other emissions
- 20% of all material used is recycled material
- The use of low-emission materials, including paints
- A building waste management system

It is our expectation that this new headquarters building will significantly reduce our environmental footprint. We look forward to establishing our new performance baseline beginning with the year 2021 and are excited about staking out a leadership position in environmental responsibility throughout the Middle East and beyond.

Appendices



9.1 GRI Context Index

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page Number
General Disclosures:			
102-1	Name of the organization	National Bank of Kuwait	
102-2	Activities, brands, products, and services		13, 58
102-3	Location of headquarter	Kuwait City ,Kuwait	10
102-4	Location of operation		10-11
102-5	Ownership and legal form	Established by a group of leading Kuwaiti merchants, NBK has retained its core shareholder base since inception. Its shares have been listed on the Kuwait Stock Exchange since 1984, with a single shareholder (the Public Institution for Social Security) owning more than 5% of the share capital (5.60% as at 31 December 2020). NBK's market capitalisation as at 31 December 2020 was USD 19.0 billion.	
102-6	Markets served		10-11
102-7	Scale of the organization	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
102-8	Information on employees and other workers		75-95
102-9	Supply chain		70
102-10	Significant changes to the organization and its supply chain		30
102-11	Precautionary Principles or approach	Integrated within risk management approach	30, 34, 46-48
102-12	External initiatives	Kuwait National Development Plan (KNDP) · United National Sustainable Development Goals (UNSDGs)	
102-13	Membership of associations	Kuwait Bank Association · Loan Market Association (LMA) · International Project Finance Association (IFPA)	
Strategy			
102-14	Statement from senior decision-maker		8-9
102-15	Key impacts, risks and opportunities		30,46-48
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior		12
Governance			
102-18	Governance structure		35
102-20	Executive-level responsibility for economic, environmental, and social topics	Management-level sustainability committee	
102-21	Consulting stakeholders on economic, environmental, and social topics		20-22

102-22	Composition of the highest governance body and its committees	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	35-41
102-23	Chair of the highest governance body	Chairman of the Board of Directors: Nasser Musaed Abdulla Al-Sayer Group Chief Executive Officer: Isam Jasem Al-Sager	36-37
102-24	Nominating and selecting the highest governance body	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
102-26	Role of highest governance body in setting purpose, values, and strategy	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
102-27	Collective knowledge of highest governance body	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
102-29	Identifying and managing economic, environmental, and social impacts		22-24
102-30	Effectiveness of risk management processes		46
102-31	Review of economic, environmental, and social topics	Throughout all sustainability report	
102-33	Communicating critical concerns	Throughout sustainability report	
102-35	Remuneration policies	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
102-38	Annual total compensation ratio	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
Stakeholder Engagement			
102-40	List of stakeholder groups		20-21
102-41	Collective bargaining agreements	Labor Unions Are Not Relevant As Per Kuwait Law	
102-42	Identifying and selecting stakeholders		21-22
102-43	Approach to stakeholder engagement		21
102-44	Key topics and concerns raised		23
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Financial Statements in Annual Report. There is No Consolidation As We Are Reporting on NBK Kuwait Only.	
102-46	Defining report content and topic Boundaries		4
102-47	List of material topics		23
102-48	Restatements of information		4
102-49	Changes in reporting	No changes	N/A
102-50	Reporting period	1st January 2020 – 31st December 2020	
102-51	Date of most recent report	April 2020	

102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Sustainability@nbk.com PO Box 95, Safat 13001, Kuwait	
102-54	Claims of reporting in accordance with the GRI Standards	This Report Has Been Prepared in Accordance with The GRI Standards: Core Option	
102-55	GRI content index	The GRI Content is Provided Here	
102-56	External assurance	This Report Did Not Undergo External Assurance, but all financial data is subject to external assurance	
Management Approach – Material Topics			
103	Management Approach: NBK’s Digital Transformation	In materiality and throughout report	23, 64-67
103	Management Approach: NBK’s Customer Experience	In materiality and throughout report	23, 55-63
103	Management Approach: NBK’s Investor Relations	In materiality and throughout report	23, 50
103	Management Approach: Impact on Workplace - NBK’s Regulatory Compliance	In materiality and throughout report	23, 76-79
103	Management Approach: NBK’s Workforce Wellness and Healthcare Program	In materiality and throughout report	23, 80-81
103	Management Approach: NBK’s Customer Health and Safety	In materiality and throughout report	23, 62-63
103	Management Approach: NBK’s Business Resiliency	In materiality and throughout report	23, 30, 46-49
103	Management Approach: Community Impact	In materiality and throughout report	23, 97-111
103	Management Approach: NBK’s Human Resource Management	In materiality and throughout report	23, 75-95
103	Management Approach: NBK’s Kuwaitization	In materiality and throughout report	23, 85-86
103	Management Approach: Human Rights at NBK	In materiality and throughout report	23, 51
103	Management Approach: NBK’s Environmental Performance	In materiality and throughout report	23, 113-121
103	Management Approach: NBK’s Data Security and Privacy	In materiality and throughout report	23, 69-70
103	Management Approach: Women Empowerment at NBK	In materiality and throughout report	23, 84-85
103	Management Approach: ESG Rating and Indices	In materiality and throughout report	23, 26
103	Management Approach: NBK’s Advanced Information Technology (IT)	In materiality and throughout report	23, 68
103	Management Approach: NBK’s Corporate Governance	In materiality and throughout report	23, 34-42
103	Management Approach: NBK’s Learning and Development	In materiality and throughout report	23, 86
103	Management Approach: NBK’s Retention and Turnover	In materiality and throughout report	23, 88
Topic Specific Standards			
GRI 200: Economic			
201: Economic Performance			
201-1	Direct economic value generated and distributed		71
201-2	Financial implications and other risks and opportunities due to climate change	No Financial Implications and Other Risks and Opportunities Due to Climate Change	
201-4	Financial Assistance Received From Government	No Financial Assistance Received from Government	
202: Market Presence			
202-2	Proportion of senior management hired from the local community		85
203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	Throughout sustainability report	
204: Procurement Practices			
204-1	Proportion of spending on local suppliers	77%	70

205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	No Significant Risks Were Identified to Corruption	
205-2	Communication and Training About Anti-Corruption Policies and Procedures		87
205-3	Confirmed Incidents of Corruption and Actions Taken		49
206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No relevant legal actions to report	N/A
207: Tax			
207-2	Tax governance, control, and risk management	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	
GRI 300-Environmental			
301: Materials			
301-2	Recycled input materials used		120-121
302: Energy			
302-1	Energy consumption within the organization		114
302-2	Energy consumption outside of the organization		N/A
302-3	Energy intensity		114
303: Water and Effluents			
303-5	Water consumption		118
304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not relevant for NBK	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	Not relevant for NBK	N/A
304-3	Habitats protected or restored	Not relevant for NBK	N/A
305: Emissions			
305-1	Direct (Scope 1) GHG emissions		116
305-2	Energy indirect (Scope 2) GHG emissions		116
305-3	Other indirect (Scope 3) GHG emissions		116-117
305-4	GHG emissions intensity		118
305-5	Reduction of GHG emissions	Omitted due to lack of comparability due to special case of COVID-19	N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		116
306: Waste			
306-1	Waste generation and significant waste-related impacts		119-121
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	There Were No Instances of Non-Compliance With Environmental Laws and Regulations	
308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Not relevant for NBK	N/A

GRI 400: Social			
401: Employment			
401-1	New employee hires and employee turnover		88
402: Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	Integrated in HR management	N/A
403: Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		80-81
403-3	Workers with high incidence or high risk of diseases related to their occupation	Not relevant for NBK	N/A
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		80
404: Training and Education			
404-1	Average hours of training per year per employee		86-87
404-2	Programs for upgrading employee skills and transition assistance programs	Training Courses Appendix	86-88
404-3	Percentage of employees receiving regular performance and career development reviews	All NBK Employees	93-94
405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	2020 Annual Report: https://www.nbk.com/nbkgroup/investor-relations/Latest-Annual-Report.html#Latest-Annual-Report	36
405-2	Ratio of basic salary and remuneration of women to men	No relevant gender pay gap in NBK to report	
406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	There Were No Incidents of Discrimination in The Bank during the Reporting Period	
407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	Not relevant to NBK	
408 Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	NBK Follows All Local Regulations Relating to Human Rights in Areas Where it Operates. NBK Neither Condones nor Permits Child Labor, and No Instance of The Practices Have Been Reported	
209: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	NBK Follows All Local and Regulations Relating to Human Rights in Areas Where it Operates. NBK Neither Condones Nor Permits Compulsory Labor, and No Instance of The Practices Have Been Reported	
410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	Not relevant for NBK	N/A
411: Rights of Indigenous People			
411-1	Incidents of violations involving rights of indigenous peoples	Not relevant for NBK, and no incidents of violations accrued	N/A

412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Not relevant for NBK	N/A
412-2	Employee training on human rights policies or procedures	Not relevant for NBK	N/A
413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs		97
413-2	Operations with significant actual and potential negative impacts on local communities	NBK Has No Negative Impact on Local Communities	
414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Not relevant for NBK	N/A
414-2	Negative social impacts in the supply chain and actions taken	Not relevant for NBK	N/A
415: Public Policy			
415-1	Political contributions	No political contribution	
416 Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No non-compliance incidents	
417: Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	No non-compliance incidents	
417-3	Incidents of non-compliance concerning marketing communications	No non-compliance incidents	
418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		69
419: Socioeconomic Compliance			
419-1	Non-Compliance with Laws and Regulations in The Social and Economic Area	NBK follows CBK regulations especially for Social and Economic Areas	

9.2 Kuwait Boursa Index

Sustainability Dimensions	Sustainability Topics	Sustainability Indicators	Disclosure	Pg.	
Economy	• Market efficiency	1. Annual report	Yes	Annual Report	
		2. Sustainability report	Yes	All	
	• Economic contribution	3. Local procurement spending (%)	Yes	71	
		4. Full time employees	Yes	82	
	• Local economy	5. Employee wages and benefits (KWD)	No	N/A	
Environment	• Workforce	6. Environmental policy	No	N/A	
		7. Energy use	Yes	114-116	
	• Environmental management	8. Carbon emission	Yes	115-118	
		9. Water use	Yes	119	
		10. Waste generated	Yes	119-121	
	• Energy management	11. Waste recycled (%)	Yes	119-121	
					• Atmospheric emissions
	• Water management				
	• Waste management				
	Social	• Kuwaitization	12. Kuwaitization (%)	Yes	85
		• Employment	13. Youth employment (%)	Yes	83, 94
14. Injury rate			Yes	80	
• Health and Safety		15. Women in the workforce (%)	Yes	82	
• Diversity and inclusion		16. Training hours per employee	Yes	86-87	
		17. Employee turnover (%)	Yes	64	
• Training and development		18. Human rights policy	Yes	50	
• Human rights		19. Code of ethics	Yes	49	
• Business integrity		20. Community investment	Yes	100	
• Community initiatives					
Governance	• Board of directors	21. Board independence (%)	Yes	Annual Report	
		22. Risk management committee at the board level	Yes	40	
	• Audit and internal controls	23. Non-audit fees (%)	Yes	Annual Report	
		24. Voting results	Yes	Annual Report	
	• Shareholder rights	25. Links between executive pay and performance	No	N/A	
	• Executive remuneration	26. Compliance with the CMA's Corporate Governance regulatory requirements	Yes	49	

9.3 Training Courses

#	Course Name
1	1st YW-DBD
2	2nd YW-CC
3	Induction Program G1
4	Induction Program G2
5	RO Workshop G1
6	Induction Program - Seniors
7	3rd YW-DBD
8	Induction Program Jan - Aug 2020
9	PBO Workshop G1
10	RO Workshop G2
11	SO Workshop G2
12	RO Workshop G3
13	SO Workshop G3
14	Induction Program Sep 2020
15	9th YW-CC
16	SHRM NxT20
17	Customer Experience (CX) Competencies (Train The Trainer Approach)
18	Team Work and Collaboration
19	Planning, Managing Tasks and Achieving Goal
20	Building a Performance Driven Culture
21	SO Workshop G1
22	Lean Six Sigma Green Belt - Crash Course
23	Assertiveness and Decision Making
24	Creativity and Innovation
25	Strategic and Decision Making
26	4th YW-DBD
27	5th YW-CC
28	6th YW-DBD
29	7th YW-CC
30	Financial Modeling
31	Certified Bank Branch Manager - G1
32	Certified Bank Branch Manager - G2
33	Certified Bank Branch Operations Manager
34	Effective Presentation

35	Technical Security Audit
36	Managing conflict
37	Advanced Presentation and Public Speaking
38	Customer Satisfaction and Loyalty
39	Strategic Management Performance Systems
40	Branch Manager Workshop
41	Certified Professional Internal Auditor
42	AOO Workshop G1
43	Annual IFRS Update Seminar Virtual
44	Moody's Credit Lens" System Training
45	Oracle Performance Management - Campaign
46	Middle Management Program -Cohort 18 - P1
47	Certified Training and Development Professional
48	Risk Management Certificate
49	Middle Management Program Part 2
50	Middle Management Program -Cohort 19 - P1
51	Wealth Management Awareness Session
52	MS Excel for Business- Beginner Level
53	English for E-mails
54	Certified Manager
55	Certified Internal Auditor
56	Arabic for Non-Arabs
57	English Report Writing
58	Certified Internal Auditor

9.4 NBK's Products and Services

Below is a list of the various products and services offered by NBK:

Cards

1. Credit and Prepaid Cards, Visa, Mastercard and Diners
2. NBK-Kuwait Airways (Oasis Club) Visa Cards
3. Report Lost or Stolen Debit Cards

Liabilities

4. Range of Current Account, Savings Account, Al Jawhara (Prize Account) and Term Deposit Products

Loans

5. Loans to Both Kuwaiti Nationals and Expatriates for Housing, Consumer Goods and Auto

Segments

6. Family Banking
7. NBK Direct Remit - Ripple
8. Concierge Service
9. NBK Home Banking
10. SmartWealth Lite by NBK Capital
11. Business Banking Plus
12. Business Concierge Service

Mobile Banking App

13. Kuwait Fight Corona Donations – Quick Transfer
14. Changing NBK Quick Pay, Cash Advance and e-Payments Limits
15. Digital Customer Onboarding With Public Authority for Civil Information (PACI)
16. "Dark Mode" on NBK Mobile Banking App
17. WhatsApp integration with NBK Quick Pay
18. NBK Mobile Banking App on Your Smartwatch
19. Apply for a Loan – Ci-Net Integration
20. Apply for a Credit Card
21. Request Credit Limit Increase
22. Opening NBK Partial Withdrawal Deposit on NBK Mobile Banking App
23. Enhancements on the Term Deposit Account Opening
24. Ability to Book NBK Term Deposits
25. Enhancements on the NBK Rewards Points
26. Display Rate When Making Transfers Across Currencies
27. Ability to Transfer to NBK Capital Online Trading Accounts and International Online Brokerage

28. Display Watani Money Market Funds and NBK Investment Funds
29. Establish Standing Orders
30. Enhancements on NBK Geo Alerts
31. Show OTP in Keyboard
32. Sharing Summary of Money Transfers With the Beneficiaries
33. Buy or Sell Currency
34. Improvements on International Money Transfers and Loans Features
35. Security Improvements
36. Transfer to NBK Capital SmartWealth
37. Controls Over Jail Broken Devices (Grace Period Started)
38. NBK Push Notifications
39. NBK Bill Splitting

Branches

40. Bulk Deposit Corebanking Integration Machine
41. Mobile Branch
42. Cash Deposit Limits of KWD 5,000 per Day and KWD 40,000 per Month for Retail Customers
43. Stopped Printing ATM Receipts for Successful Withdrawal Transactions

9.5 Material Topics Alignment With Frameworks

Alignment with UNSDGs

The following table illustrates the alignment of our 2020 Material issues with the UNSDGs.

Material Topics	Sustainable Development Goals																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Business Resiliency								8	9								
Customer Health and Safety			3			6		8									
Workforce Wellness and Healthcare Program			3			6											
Human Resource Management				4	5					10							
Digital Transformation								8	9								
Corporate Governance								8									
Regulatory Compliance								8								16	17
Investor Relations								8									
Data Security and Privacy									9								
Advanced Information Technology (IT)									9								
Customer Experience						6		8									
Environmental Performance							7					12	13	14	15		
Community Impact	1	2	3	4						10	11						
Learning and Development				4													
Kuwaitization								8		10							
Retention and Turnover					5			8		10							
ESG Rating and Indices								8								16	17
Women Empowerment					5					10							
Human Rights								8		10						16	



Alignment with KNDP

Material Topics	Kuwait National Development Plan (KNDP)						
	1 - Global Position	2 - Human Capital	3 - Healthcare	4 - Living Environment	5 - Infrastructure	6 - Economy	7 - Public Administration
Business Resiliency	1 - Global Position	2 - Human Capital	3 - Healthcare			6 - Economy	
Customer Health and Safety	1 - Global Position		3 - Healthcare			6 - Economy	
Workforce Wellness and Healthcare Program	1 - Global Position	2 - Human Capital	3 - Healthcare				
Human Resource Management	1 - Global Position	2 - Human Capital					
Digital Transformation	1 - Global Position			4 - Living Environment		6 - Economy	
Corporate Governance	1 - Global Position						
Regulatory Compliance	1 - Global Position						7 - Public Administration
Investor Relations	1 - Global Position					6 - Economy	
Data Security and Privacy	1 - Global Position					6 - Economy	
Advanced Information Technology (IT)	1 - Global Position			4 - Living Environment		6 - Economy	
Customer Experience	1 - Global Position					6 - Economy	
Environmental Performance	1 - Global Position			4 - Living Environment			
Community Impact	1 - Global Position	2 - Human Capital					
Learning and Development	1 - Global Position	2 - Human Capital					
Kuwaitization	1 - Global Position	2 - Human Capital					
Retention and Turnover	1 - Global Position	2 - Human Capital					
ESG Rating and Indices	1 - Global Position						
Women Empowerment	1 - Global Position	2 - Human Capital					
Human Rights	1 - Global Position	2 - Human Capital				6 - Economy	

