

A Solid Foundation for ESG Integration

ESG Presentation

September 2023

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This presentation summarizes our sustainability strategy, material issues, opportunities, challenges, performance, and progress on the initiatives, for the reporting period January 1 to December 31, 2022, as well as achievements during the first half of the year 2023. It also brings into focus the commitments we are determined to fulfil going forward.



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NBK ESG Strategy and Approach



Our Vision, Mission and Values Underpin our ESG Strategy

For 70 years, we continue to make great strides towards achieving our vision to be the trusted bank of choice. As part of the trust in our leadership, our stakeholders have relied on NBK to continually evolve within highly dynamic business and geopolitical environments.

Our vision is built on our deep commitment to...

- ▶ Deliver world class products and the highest service quality to our customers.
- ▶ Attract, develop, and retain the best banking talent in the region.
- ▶ Support the communities in which we operate.
- ▶ Adhere to our core values of passion, integrity, conservatism and knowledge.



... influencing our ESG strategy of

Responsible Banking

Capitalizing on our Capabilities

Investing in our Communities

Governance for Resilience

We are choosing now to pursue ESG as the core strategic component of what it means for us to be a trusted leader in this dynamic new world. Building on our core values, people, and expertise, our ESG strategy focuses on promoting economic prosperity and serving as a model for sustainable development. By reinforcing our responsible banking commitments and integrating a resilient governance and risk culture, NBK strives to empower all stakeholders, drive a positive impact on society, and deliver superior returns to our shareholders.



Stakeholder Impact and Engagement

Determining what ESG-related risks, issues, impacts and opportunities are most important for NBK and its stakeholders is a critical element in formulating and defining the Group’s ESG Strategy.

NBK ESG Strategy Pillars	Material Topics Driving our ESG Strategy
Governance for Resilience	<ul style="list-style-type: none"> ▪ Risk Management ★ ▪ Governance, Ethics, and Compliance ★ ▪ Financial Performance ★ ▪ Business Continuity and Operational Resilience
Responsible Banking	<ul style="list-style-type: none"> ▪ Sustainable Finance ▪ Environmental Footprint from Operations ▪ Responsible Procurement
Capitalizing on our Capabilities	<ul style="list-style-type: none"> ▪ Diversity and Inclusion ▪ Talent Attraction, Management, and Development ★ ▪ Employee Wellbeing ★ ▪ Digital Transformation ★
Investing in our Communities	<ul style="list-style-type: none"> ▪ Customer Experience and Satisfaction ▪ Community Development ▪ Financial Inclusion, Accessibility, and Literacy ▪ Privacy and Data Security ★ ▪ Women Empowerment ▪ Nationalization

★ Note: Represents our 2022 top rated material topics by our stakeholders, based on perceived impact on decision making, and significance of economic, environmental, and social impact.



NBK Group ESG Strategy Framework





Our Ambitious 3-Year ESG Strategy Roadmap

The Group's ESG Strategy is supported by key targets and commitments in those areas we have the greatest potential, developed to support a sustainable and equitable transition to a low carbon economy and deliver a positive social impact on people and communities.

2023	<h3>Responsible Banking</h3> <ul style="list-style-type: none"> Commit to become carbon neutral by 2060. Increase percentage (%) of renewable energy sourcing. Embed ESG into procurement policies. Engage clients on climate transition plans. Develop ESG-themed consumer products. Commit to USD 10bn of Sustainable Assets by 2030. 	<h3>Capitalizing on our Capabilities</h3> <ul style="list-style-type: none"> Increase number of training hours for all employees with greater emphasis on ESG. Establish employee diversity targets. Commit to increase women in Senior Management to 35% by 2035. Increase investment spending (\$) in digitalization aimed at improving the responsible use of ESG data. 	<h3>Investing in our Communities</h3> <ul style="list-style-type: none"> Align CSR policy, focus areas, and initiatives with the Group ESG strategy and industry leading practices. Continue social responsibility contributions, strategically aligned with SDGs. Increase engagement rate (%) with consumers and the public on ESG. Support nationalization targets in line with national development plans. 	<h3>Governance for Resilience</h3> <ul style="list-style-type: none"> Sign up to the UN Global Compact (UNGC). Establish Sustainability Committee and specific Working Groups with BOD oversight. Conduct scenario analysis on loan portfolio. Develop portfolio and sector emission risk heat maps. Establish strong ESG governance measures by embedding ESG into policies and processes.
MID / LONG-TERM	<ul style="list-style-type: none"> Establish science-based targets (SBTi) for scope I, II, & III emissions. Develop scientifically-aligned strategy to lower financed emissions. Develop sectoral transition policies for key sectors. 	<ul style="list-style-type: none"> Establish ESG-driven performance KPIs for key business and support functions. Deliver Group-wide ESG capacity building and training. 	<ul style="list-style-type: none"> Develop strategic initiatives on financial inclusion and financial literacy. Increase corporate philanthropic and social responsibility spending in line with the SDGs. Incorporate ESG in consumers' journey, advise, and offerings. 	<ul style="list-style-type: none"> Link ESG to executives' balance scorecard. Establish ESRM framework and related policies. Prepare for alignment with the ISSB S1 and S2 new standards. Implement Task Force on Climate – related Financial Disclosures (TCFD) and Equator Principles frameworks. Adopt UNEPFI Principles for Responsible Banking (PRB).
SDGs				

External Engagement and Recognition

ESG Ratings



NBK is at 27.5 – Medium Risk

MSCI ESG RATINGS



MSCI upgraded NBK ESG ratings to 'BBB' in August 2023

REFINITIV



Listed on Refinitiv AFE Low Carbon Select Index in the MENA



FTSE4Good

Constituent of the FTSE4Good Index Series



"C" score for 2022 for both the Climate Change and Forests Categories



NBK Headquarters awarded the Gold LEED Certification

ESG Awards

Global Finance

- Best SME Bank Award - Kuwait 2022
- Best Financial Innovation Labs 2022 - Group Digital Office
- Best Bank for Sustainable Finance - Kuwait 2022
- Best Consumer Digital Bank - Kuwait 2022
- Best Consumer Digital Bank - ME 2022
- Most Innovative Digital Bank - Kuwait 2022
- Most Innovative Digital Bank - ME 2022

Euromoney

- Best Bank for Corporate Responsibility in the Middle East 2023
- Best Bank for ESG in Kuwait 2022
- Best Bank for Diversity & Inclusion in Kuwait 2022
- Best Bank for Digital Solutions in Kuwait 2022

MEED

- Best Youth Programme Initiative - 2022

National and Global Frameworks



WE SUPPORT





Governance For Resilience

Building Robust ESG Governance

NBK is committed to robust ethical standards that are hand-in-hand with comprehensive strategic planning and effective, transparent, and reliable Governance and Risk Management structures, policies, and processes.

Our Approach

Committed to supporting the transition to sustainable economy as an integrated core of NBK business strategy.

Committed to developing formal systems to assess and manage climate and ESG-related risks and opportunities.

Committed to developing and integrating the highest standards of ESG governance and accountability across the Group.

Key Highlights

- Finalized and approved Group ESG Strategy with a three-year strategic roadmap and targets.
- Formally integrated ESG risks and metrics into the Board's and Executive Management responsibilities, oversight, and affairs to align with the Group's recently-launched ESG Strategy.
- Finalized and approved ESG Governance Structure and Framework, fundamental to promote and oversee the ESG strategy, net zero plans and culture across the Group.
- Established management-level Sustainability Committee with direct oversight from the Board, ensuring appropriate oversight of the Group's ESG agenda.
- Provided the Board with ESG training on key aspects in the ESG ecosystem.

Alignment with Global Strategies

WE SUPPORT



In January 2023, joined the UN Global Compact, committing to embed its 10 principles.



Received "C" score for 2022 for both the Climate Change and Forests Categories.

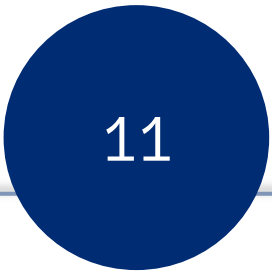


Aligned operational carbon emissions with the GHG Protocol global framework.



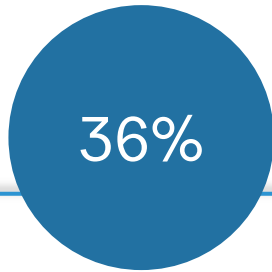
Board Composition

Number of Directors



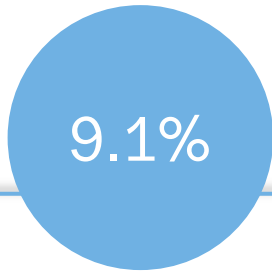
NBK Group Board of Directors is composed of (1) executive member, (6) non-executive members, and (4) independent members.

Independent Directors



Average 1.5 years on the Board.

Women on Board



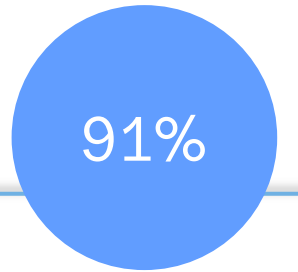
NBK elected its first female Board member in 2022.

Average Tenure (Years)



Average length of tenure on the Board.

Industry Experience



10 out of 11 Board members have extensive industry expertise.

Balanced, qualified, and diverse composition in the boardroom.

Separate and complementary roles of Chairman and Group CEO.



ESG Governance Structure



- The Board has the ultimate responsibility to implement the Group's ESG direction and strategy.
 - The Board's charters and responsibilities were updated in 2022 to include ESG-specific mandate.
 - In conjunction with strategy oversight, the Board approved the establishment of S&CC Committee and its five sub-committees to formalize and implement the mandate.
-
- The S&CC Committee has the highest authority at management-level for decisions on ESG-related matters across the Group.
 - The S&CC Committee is chaired by the Vice Chairman and Group CEO with direct Board oversight.
 - The S&CC Committee has been assigned with ESG-specific KPIs to establish alignment and steer decision-making in line with the Group's ESG strategy.
-
- The five sub-committees comprise of members of the Executive Management, assigning them with ESG roles within their relevant areas.
 - The committees operate under the delegated authority of the Sustainability & Climate Change Committee and convene at least quarterly.
 - ESG-specific KPIs were developed and formalized for the Executive Management.
 - The committees are responsible for monitoring the progress of our net zero emission pathways, establishing ESG governance and risk management controls across operations and portfolios, cultivating an ESG culture across the Bank, maximizing social impact and community engagement, as well as evaluating and endorsing all new proposed use of proceeds of green bonds and other sustainable finance transactions.



Climate Risk Management

NBK is committed to developing economic, environmental, and social risk resilience across the Group. Building an ESG risk culture across the Bank is equally important for setting an effective and robust ESG governance structure.

NBK Kuwait

Formally integrated ESG risks into the Board's and Executive Management responsibilities, and oversight.

Solidified the role of Board Risk and Compliance Committee in managing climate-related risks and opportunities.

Established management-level ESG Governance and Risk Committee.

Introduced ESG scoring into corporate clients' credit assessments and creditworthiness evaluations.

In 2023, accounted for climate change risks in the Pillar II Assessment presented in the ICAAP report.

In the planning phase of developing a bank-wide Environmental & Social Risk Management (ESRM) Framework.

NBK International Branches and Subsidiaries

NBK - Egypt

In line with Central Bank of Egypt Sustainable Finance Regulations:

- Incorporated sustainable financing principles within the Bank's credit and investment policies.
- Effective August 2023, engaged with an accredited environmental expert by Egypt's Ministry of Environment to assess the environmental risks of large corporate projects.

NBK - International London

- In compliance with the Bank of England's Supervisory Statement (SS3/19) for managing financial risks from climate change, has established appropriate policies and processes to manage climate-change risks.
- Undertakes stress testing and scenario analysis to test the resilience of the Bank's strategy to climate change risks. Results were presented in the 2022 ICAAP report.

NBK - Singapore

- In response to the regulatory guidelines issued by Monetary Authority of Singapore (MAS) on the "effective governance, robust risk management, and meaningful disclosure of environmentally-related risks", has developed an Environmental Risk Management Framework.



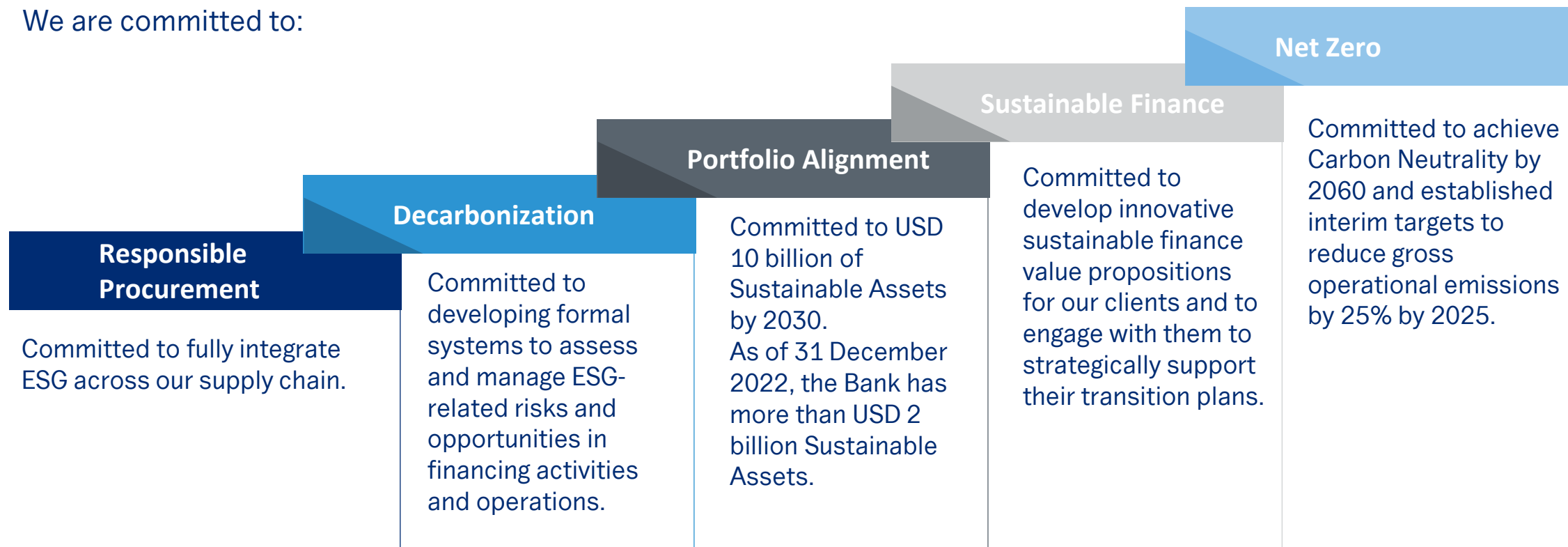
Responsible Banking



Transition to Low Carbon Economy

Contributing to economic, social and environmental development, whether through our operations or engaging with our clients to adopt sustainable practices by financing their transitions, has always been one of NBK's strategic focuses. Responsible Banking outlines NBK's approach to the Net Zero transition by channeling capital into the low-carbon economy while reducing our environmental impact from operations.

We are committed to:





Financing the Transition

Capitalizing on New Business Through Sustainability...

» To Channel Sustainable and Green Capital...

- Launched Sustainable Financing Framework, and received Second Party Opinion (SPO) by S&P.
- Committed to USD 10 billion of Sustainable Assets by 2030.

» Align Portfolio with Decarbonization Targets...

- Through developing enhanced climate risk management capabilities. In 2022, introduced ESG-related metrics to corporate clients' credit assessments.
- By 2024, aims to comprehensively assess our clients' environmental impacts and contribution to climate change.
- By enhancing our advisory capabilities to support and finance our clients' transition plans.
- In 2022, delivered training and capacity building on Sustainable Finance and Transition Opportunities to Relationship Managers.

» Expand Retail Business...

- Developed a roll out plan for the launching of sustainable retail products for 2023.
- Provided exclusive discounts on customers' purchases of eco-friendly products.
- Expanded our offerings to Eco-friendly EV Loans and Eco-friendly Housing Loans.

NBK Sustainable Financing Framework

Expanding our sustainable financing activities in line with industry leading practices and standards.

NBK established a Sustainable Financing Framework to support and advance NBK's goal to integrate critical ESG issues into the business, culture and operations, thereby advancing the transition to a sustainable and low carbon economy and contributing to achieve New Kuwait 2035 vision.

Use of Proceeds

- Under this framework, an amount equivalent to the net proceeds from NBK's sustainable financing instruments will be used to finance or re-finance, in part or in full, Eligible Assets with social or environmental benefits:
 - [Green Assets](#), including but not limited to: Renewable Energy, Energy Efficiency, Sustainable Water, Green Buildings.
 - [Social Assets](#), including but not limited to: Healthcare & Education, Access to Essential Services, Affordable Housing.

Management of Proceeds

- NBK's Finance and Treasury teams will manage the allocation of an amount equivalent to the net proceeds of its Sustainable Financing Instruments to Eligible Assets using a portfolio approach.
- NBK will follow the process described in the Sustainable Financing Framework along with its professional judgement, discretion, and sustainability expertise when identifying the Eligible Assets.

Project Evaluation & Selection

- NBK has established a Sustainable Financing Working Group to govern the selection and monitoring of the Eligible Assets in accordance with the eligibility criteria defined by the Sustainable Financing Framework.
- The Sustainable Financing Working Group will be chaired by a member of Senior Management and consist of senior members from Finance, Treasury, Risk Management, Sustainability, and Investor Relations.

Reporting

- NBK commits to publish an allocation and impact report annually, and until full allocation of the proceeds, and in the event of any material changes until the relevant maturity date.
- NBK will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of the Sustainable Financing Instrument proceeds to eligible assets, provided by its external auditor.

NBK Sustainable Financing Framework has been externally verified with a Second Party Opinion (SPO) by S&P Global to confirm alignment with the ICMA 2021 Green Bond Principles, ICMA 2021 Social Bond Principles, ICMA 2021 Sustainability Bond Guidelines, LMA 2021 Green Loan Principles and LMA 2021 Social Loan Principles.

Use of Proceeds

Strong

Project Evaluation & Selection

Aligned

Management of Proceeds

Aligned

Reporting

Aligned



Transitioning our Operations

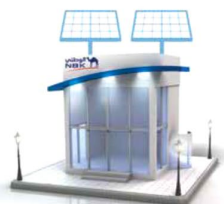
Established 3 key targets to magnify our reduction in energy consumption:

1.



Convert most branches and other NBK buildings to LED lighting by 2025.

2.



Install solar power systems in 24 of local branches by 2025.

3.



Implement a Building Energy Management System (BEMS) in standalone local branches by 2025.

Managing energy, water, and materials consumption:

Obtained third-party verification to GHG emissions data for the year ended 2022, in line with the GHG Protocol.

In 2022, reduced both total electricity consumption and electricity intensity by 11%, saving more than 6.4 million kWh.

Achieved a 6% reduction in Scope 1, 2, and 3 (excluding financed emissions) carbon emissions in 2022.

Reduced both total water consumption and water intensity by 9%, saving more than 3.5 million Imperial Gallons (IG) of water.

Recycled 127.1 metric tons of paper, a 50% increase from the 84.5 metric tons of paper recycled in 2021.

Embedding ESG in procurement and supply chain practices:

- NBK follows ESG-related criteria in procurement decisions and vendor sourcing.
- Our Human Rights Statement, published on NBK's Group website, addresses forced labor and human trafficking, child labor, labor rights, and non-discrimination.
- All (100%) of our outsourcing contracts operate under Kuwaiti Labor Law.
- Zero suppliers identified as having significant actual or potential negative social impacts such as child labor or forced labor.
- 71% of total suppliers are local.
- 84% local procurement spending.



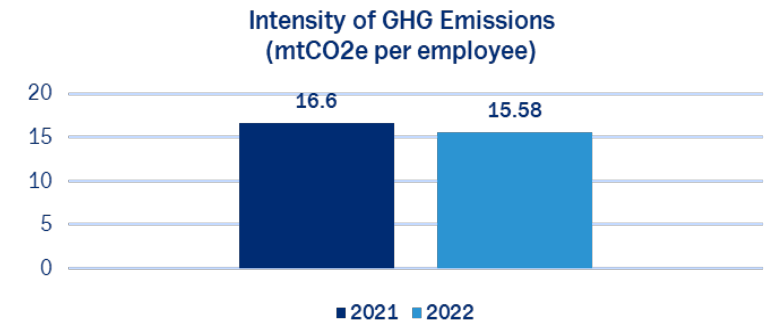
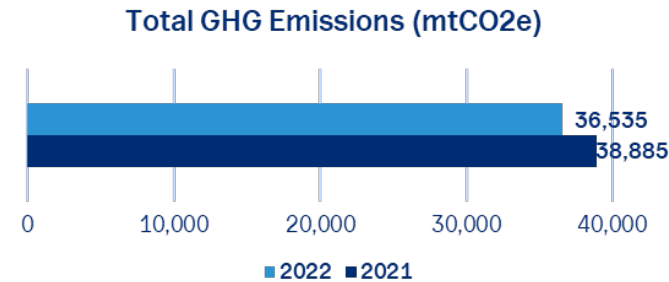
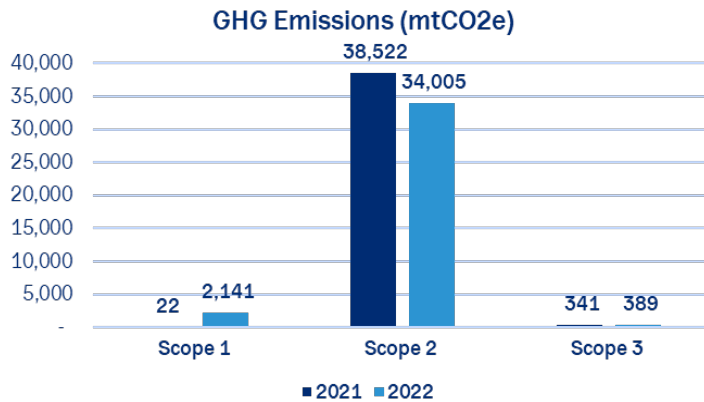
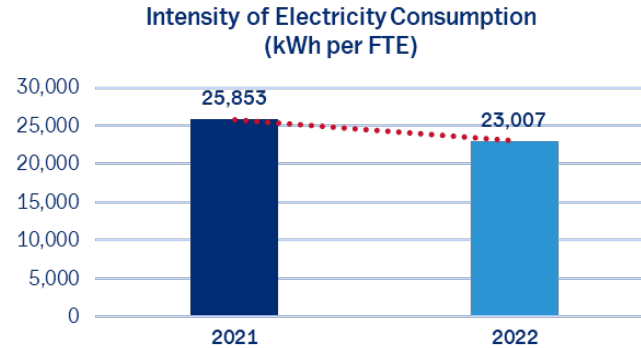
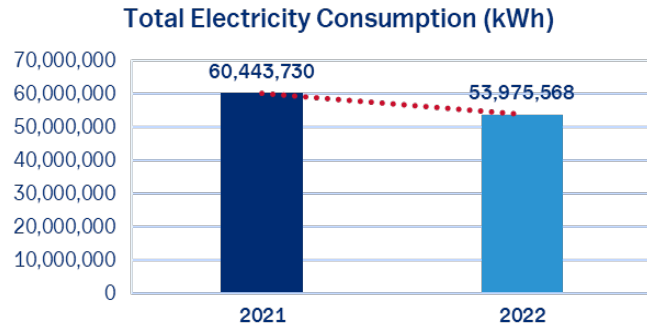
Commitment to Reduce our Carbon Footprint

Green Building: LEED Gold Certified Headquarters

In conjunction with the Group’s commitment to protect the environment and sustain resources for future generations, NBK’s HQ was awarded the LEED Gold Certification in 2022. Receiving this certificate reflects the Group’s commitment to placing environmental protection at the heart of its future agenda.



Carbon Footprint YOY Change





Capitalizing on Our Capabilities



Developing a Diverse, Inclusive, and Agile Workforce

The essential ambition of NBK's Capitalizing on our Capabilities strategy pillar is to drive sustainable business growth achieved through organizational resilience. This starts with our workplace management, our policies, culture, practices and programs that enable bank-wide ESG transformation through enhanced employee engagement and development programs. NBK is strongly committed to promoting diversity, equity and inclusion (DE&I), ensuring health, safety and wellbeing, and establishing a digital and agile work environment through innovative digital solutions.

Diversity, Equity, and Inclusion

44.0% females in the workforce, 29.3% females in managerial positions.

39.4% of new hires are female.

Launched 'NBK RISE' global leadership initiative for women.

143 total STEM employees. Women hold 20.0% of the STEM positions.

A diverse workforce which represents 37 nationalities, in NBK Kuwait alone.

Awarded "Best Bank for Diversity and Inclusion in Kuwait" from Euromoney.

Talent and Development

Provided key Sustainability Champions across the Bank with a Global Reporting Initiative (GRI) Standards training.

Maintains a Succession Plan that is reviewed annually by the Board Nomination and Remuneration Committee and Board of Directors.

325 new employee hires, of which 132 are fresh graduates.

In cooperation with IE Business School in Madrid, launched the seventh cohort of the "High Fliers" leadership development program.

21,729 hours total training hours. On average, each employee received 5.7 training hours.

Digitalization at the Core

In line with NBK's ESG strategy pillar of 'Capitalizing on our Capabilities' and its commitment to "establish a digital and agile work environment", and driven by the Group's Digital Transformation Strategy, developing innovative digital solutions is key for the seamless integration between NBK's core business strategy and its ESG Strategy.

Recorded 46 million digital transactions. 14% YOY growth in digital transactions in 2022.

As of December 2022, total active customers doing their banking digitally, including MOB and WOL was 442,587.

Group Digital Office named "Best Financial Innovation Lab in Kuwait 2022" by Global Finance.

Named "Most Innovative Digital Bank 2022" in the Middle East by Global Finance.

Case Studies

Customer 360



C360 is a multi-phase project that provides a state-of-the-art enhanced Customer Relationship Management (CRM). C360 delivers a holistic view of our relations with our corporate clients, further enhancing our relationship management.

Corporate Online Banking



This enhanced digital initiative replaces NBK's current online Corporate Banking services with an improved front-end interface and provides regional integration with other entities under the NBK Group.

Digital Investment Engagement in the NBK Mobile Application



Launched Digital Investment Engagement in the NBK Mobile App in collaboration with SmartWealth by NBK Capital to provide NBK mobile customers with integrated banking and investment services.

New Mobile Banking Application



The new NBK Mobile Banking Application is an innovative value proposition for our customers, enhancing their user experiences and adding new banking features.

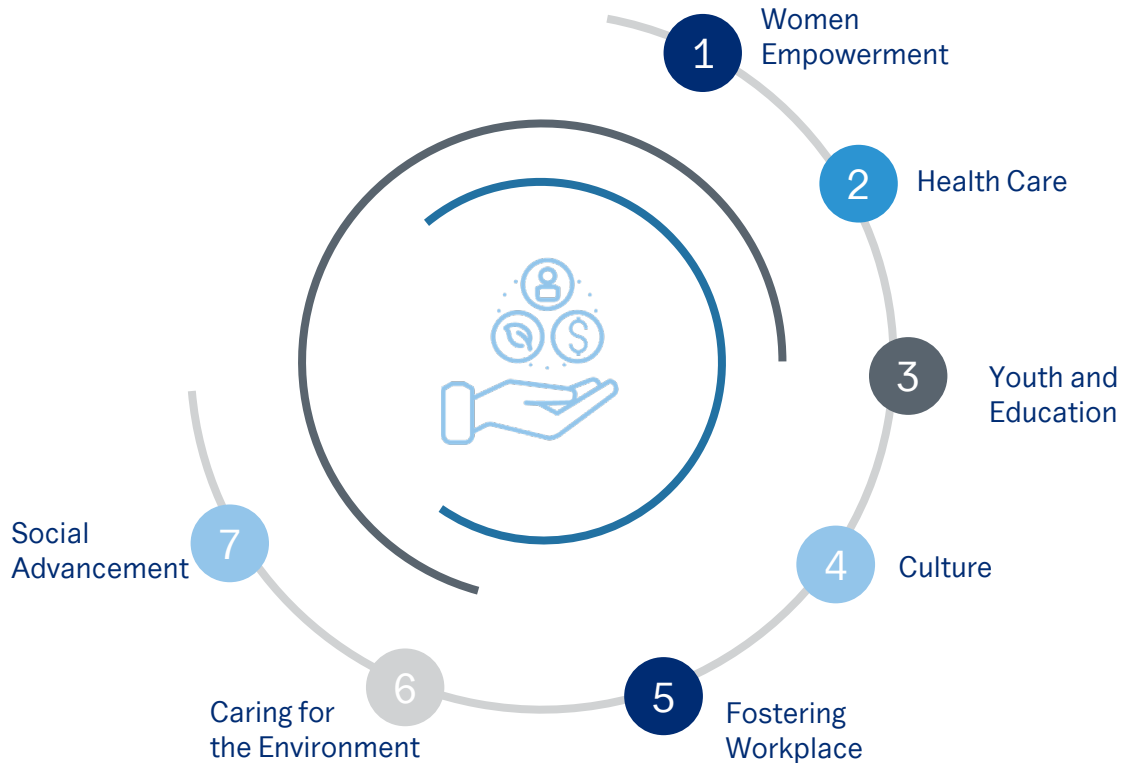
Investing in Our Communities



Our Approach to Community Development

Investing in our Communities is one of the four key strategic pillars of NBK’s ESG Strategy. NBK’s community investment focuses on providing optimal customer service and advocacy, increasing financial inclusion, accessibility and literacy, and ensuring customer protection and data privacy and security. NBK intends to uphold its strong legacy of maximizing the social impact of our businesses and operations while creating shared value in the communities where we operate.

NBK CSR Focus Areas



Key Community Partners

Lothan Youth Achievement Center (LOYAC)	Creative Confidence
Kuwait Association for the Care of Children in Hospital (KACCH)	Bayt Abdullah Children’s Hospice (BACCH)
Kuwait Red Crescent Society (KRCS)	Center 21 for Special Needs

Making a Positive Impact on our Communities

Our goal is to optimize our social impact and prioritize our ongoing substantial commitment to community development. NBK intends to uphold its strong legacy of maximizing the social impact of our businesses and operations while contributing actively to the communities where we operate.

Corporate Responsibility

KD 23 (USD 75) million total community investments, a 45% increase from 2021.

Committed KD 13 (USD 42) million for the expansion of NBK Kuwait Hospital.

Partnered with Visa on 'She's Next' initiative, a global advocacy program that supports women-owned small businesses.

Supported the Kuwait Dive Team project to protect coral reefs. In 2022, removed 19 tons of plastic waste from Kuwait's ocean.

Awarded "Best Bank for Corporate Responsibility in the Middle East 2023" by Euromoney.

Financial Literacy, Inclusion, and Accessibility

- Launched 'Bankee' financial literacy program in Kuwait's private and public schools.
- KD 18.17 (USD 59.32) million SME lending, a 17% increase from 2021.
- Launched new designs for all our cards with design themes especially for the visually impaired.
- Committed to expand Al Amil low-wage employees' card segment. In 2022, recorded 26,898 active cards.
- Actively involved in the Central Bank of Kuwait's "Let's Be Aware" campaign, which is focused on raising awareness on critical financial and data security matters.

Data Security and Privacy

Zero incidents of data leaks or breaches.

Maintained ISO 27001 Certification and is compliant with Central Bank of Kuwait (CBK) Cybersecurity Framework.

NBK employees received Data Security Training and Awareness. This training is conducted annually.



Nurturing Local Talent

A significant cornerstone of our 'Investing in our Communities' strategic pillar is to support national development plans to promote and nurture local talent. We continue to deliver on the Central Bank of Kuwait efforts to increase nationalization in the financial services sector by developing and implementing a tailored and dynamic approach to talent attraction and development.

Tailored Initiatives

Tamakan:
Sponsored 'Tamakan' program for the fourth consecutive year. 'Tamakan' is a hands-on training experience for young Kuwaiti graduates that provides them with self-development and growth opportunities.

NBK Academy:
Continued to offer NBK Academy since 2008, a training program specifically created for hiring young Kuwaitis and providing them with required skillsets to operate in different areas of the Bank.

Key Highlights

- 75.1% Kuwaitization rate in 2022.
- 85.5% of new hires are Kuwaitis.
- 42.3% Kuwaitization of Senior Management.
- 34 participants graduated from 'Tamakan' 2022 cohort.
- 28 candidates were hired through NBK Academy in 2022.

Prominent Recognition



NBK Academy named "Best Youth Programme Initiative" by MEED MENA Banking Excellence Awards.



'Tamakan' received the "The Social Work Pioneer Project Award" from the GCC Council of Ministers of Social Affairs and Labor.



Received the "Job Replacement and Nationalization Award" on the GCC level.



Data Performance Tables



Environmental

Metric	Calculation	2022	2021
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	2,141 mtCO2e	22 mtCO2e
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	34,005 mtCO2e	38,522 mtCO2e
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	389 mtCO2e	341 mtCO2e
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	15.58 mtCO2e per employee	16.6 mtCO2e per employee
	E2.2) Total non-GHG emissions per output scaling factor	N/A	N/A
Energy Usage	E3.1) Total amount of energy directly consumed	53,975,568 kWh	60,443,730 kWh
	E3.2) Total amount of energy indirectly consumed	N/A	N/A
Energy Intensity	Total direct energy usage per output scaling factor	23,007 kWh per employee	25,853 kWh per employee
Energy Mix	Percentage: Energy usage by generation type	N/A	N/A
Water Usage	E6.1) Total amount of water consumed	38,223,713 Imperial Gallons (IG)	41,929,918 Imperial Gallons (IG)
	E6.2) Total amount of water reclaimed	N/A	N/A
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	No	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	Yes	Yes
	E7.3) Does your company use a recognized energy management system? Yes/No	Yes	Yes
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	Yes, the BOD and Board Sub-Committees' charters were formally revised during 2022 to reflect key ESG-related responsibilities to steer the Board's decision-making in line with NBK's ESG Strategy. The Board acknowledges its duty to manage how emerging ESG and climate change risks and opportunities should be addressed.	NBK is increasing its focus on the climate change challenge in its risk management processes.
	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes	Yes



Social

Metric	Calculation	2022	2021
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	In 2022, NBK reported mean and median salaries per Grade/Level. There is an almost 1-to-1 parity between female and male compensation (median and mean) when examining it on a per grade/level basis.	Median gender pay ratio is not disclosed, though other gender pay matters are reported.
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	1%	12.3%
	S3.2) Percentage: Year-over-year change for part-time employees	Percentage of part-time employees in 2022 is 0.17%. This represents a 70% decrease from 2021.	Percentage of part-time employees in 2021 is 0.56%.
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	N/A	N/A
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Percentage of Males in workforce: 56% Percentage of Females in workforce: 44%	Percentage of Males in workforce: 55% Percentage of Females in workforce: 45%
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Percentage of Males in stated positions: 52% Percentage of Females in stated positions: 48%	Percentage of Males in stated positions: 51% Percentage of Females in stated positions: 49%
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Percentage of Males in stated positions: 76% Percentage of Females in stated positions: 24%	Percentage of Males in stated positions: 77% Percentage of Females in stated positions: 23%
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	In 2022, NBK workforce had 4 part-time employees, representing 0.17% of total workforce.	In 2021, NBK workforce had 13 part-time employees, representing 0.56% of total workforce.
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	N/A	N/A
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes	Yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Zero	Zero
Global Health and Safety	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	Yes	N/A
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Yes, Human Rights Statement	Yes, Human Rights Statement
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes, Human Rights Statement	Yes, Human Rights Statement
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes, Human Rights Statement	Yes, Human Rights Statement
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes, Human Rights Statement	Yes, Human Rights Statement
Nationalization	S11.1) Percentage of national employees	75.1%	74.6%
	S11.2) Direct and indirect local job creation	325 new hires, of whom 86% are Kuwaitis.	378 new hires, of whom 89% are Kuwaitis.



Governance

Metric	Calculation	2022	2021
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	91% male representation 9% female representation	100% male representation
	G1.2) Percentage: Committee chairs occupied by men and women	100% occupied by males	100% occupied by males
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	Yes	Yes
	G2.2) Percentage: Total board seats occupied by independents	36%	20%
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	Yes	No
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	The nature of NBK's operations do not require collective bargaining agreements.	The nature of NBK's operations do not require collective bargaining agreements.
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	Yes	Yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%	100%
Ethics and Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes	Yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%	100%
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	Yes	Yes
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	N/A	N/A
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No	Yes	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	N/A	N/A
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	Yes	No
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No	Obtained: - External Verification to 2022 GHG emissions - Independent Assurance to GRI alignment	No

NBK 2022 Sustainability Report



The 2022 Sustainability Report marks NBK's seventh consecutive report. NBK's 2022 Sustainability Report summarizes the Bank's material ESG and Sustainability-related issues, risks, and performance data, as well as our Group-wide ESG policies, strategy, and commitments, for the reporting period January 1 to December 31, 2022.

Our 2022 Sustainability Report is organized based on the four pillars of NBK's evolved ESG Strategy Framework. Additionally, our report is informed by a number of national and international Sustainability and ESG reporting standards and frameworks, including Global Reporting Initiative (GRI) standards, Sustainable Accounting Standards Board (SASB), GHG Protocol, UN Sustainable Development Goals (UN SDGs), and others. Furthermore, NBK externally verified both its Greenhouse Gas (GHG) emissions data for the year ended 31 December 2022, and its alignment with the GRI standards.

The report summarizes what we view as a pivotal turning point in our commitment to ESG, including:

- Resilient and accountable governance and risk culture anchored in stakeholder engagement;
- Responsible banking aimed at supporting the transition to a sustainable, lower carbon economy;
- Organizational excellence through diversity, equity, and inclusion, enhanced employee engagement and development programs, and innovative and agile digital solutions; and
- Positive impact on the communities we serve through SDG-linked community investments, optimal customer experience and service excellence, strengthened customer privacy and data security, and enhanced focus on financial literacy and accessibility.





Thank You.

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