

## Responsible Banking Position Statement

### 1. Our Commitment

Bank of Bahrain and Kuwait (herein referred to as “The Bank” or “BBK”) is committed to fair, equitable, and responsible banking and lending practices. The Bank aims to integrate Environmental, Social, and Governance (ESG) factors in its lending activities and ensure that it does not engage in irresponsible, harmful, controversial, or illegal activities. With increasing urgency towards establishing a sustainable business, the Bank aims to increase lending for projects that focus on sustainable activities and practices.

The Bank commits to have a more competent understanding of the impacts of its lending activities. It seeks to adopt responsible banking practices that align with international standards, such as the Equator Principles and the UN Environment Programme Finance Initiative.

### 2. Purpose & Scope

All Bank’s employees shall follow the standards outlined in this Position Statement and be trained on the Bank’s guidelines and policies to ensure proper implementation.

The Bank’s Responsible Banking Position Statement applies to all the Bank’s lending operations.

This Position Statement is supported by the Bank’s senior management.

### 3. Responsible Banking Practices

The Bank commits to ensuring responsible and transparent lending practices through:

- Adhering to the Bank’s core lending principles established in the general lending policy of the Bank and ensuring compliance with the relevant national laws and regulations.
- Striving to incorporate ESG criteria in lending operations and client assessments.
- Raising awareness of employees and clients on ESG issues to enable sustainable economic practices.
- Maintaining open and transparent communication with the Bank’s clients to ensure a clear understanding of the cost of lending, including any fees and charges and the Bank’s terms and conditions.
- Enforcing inclusive and non-discriminatory lending practices that provide equal opportunity to all eligible clients regardless of race, gender, disability, cultural background, nationality and etcetera.
- Providing training for Bank employees on responsible lending practices and integrating ESG factors in lending and banking activities.
- Implement proper screening and due diligence processes that allow BBK to define the ESG risks and impacts of prospective or current clients. The Bank shall refrain from lending to any client or entity where any potential conflict of interest or reputational risks are identified.
- Monitoring the implementation of ESG considerations in high-risk cases by requesting clients to report on the ESG issues and communicating the ESG policies.
- Offering banking services to unbanked and social institutions that can have a positive social impact on the society.