

# Leading with Purpose: Pioneering Sustainability in Finance

ESG Investor Presentation

July 2025

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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, 2024, as well as achievements during the first half of the year 2025. It also brings into focus the commitments we are determined to fulfil going forward.



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# Our Key ESG Highlights

# ESG at a Glance

## Responsible Banking

### Climate Action



Committed to **become carbon neutral by 2060**

Achieved a **28.3% reduction in operational emissions** compared to the 2021 baseline, surpassing 25% reduction by 2025 target

Installed **solar panels** in 18 of NBK's local branches

### Sustainable Finance



**USD 4.97 billion sustainable assets** as of 31 December 2024; 18% YOY growth

**Debut green bond issuance**, total value USD 500 million

Published first **Green Bond Allocation & Impact Report**

### Responsible Procurement



Updated the Bank's Procurement policies to **embed ESG-related principles in vendor sourcing** and management processes

Local procurement spending: **82%**

## Governance For Resilience

### ESG Governance



Finalized and approved a **Group-level ESG Policy**

### Climate Risk Management



Accounted for **climate change risks in the Pillar II Assessment** in ICAAP report

Published first standalone **TCFD Report**

In the final stages of implementing a **bank-wide ESRM framework**

Developed an **ESG risk scorecard** to assess climate change and ESG related risks on the obligor level

Conducted a **climate risk materiality assessment** on the Bank's portfolio to identify carbon intensive sectors

### International Alignment



Joined the **Partnership for Carbon Accounting Financials (PCAF)**

Submitted first **UNGC** Communication on Progress (CoP)

## Capitalizing on Our Capabilities

### Workplace Diversity



Women in:

- **Workforce: 43.2%**
- **Management: 27.6%**

Launched second cohort of **NBK RISE**, a pioneering Women Leadership Development Program

### Employee Development



**Total training hours:** more than 113,950

Average **training hours per employee:** 46.7 hours

1,392 training hours dedicated to **ESG topics**

### Employee Wellbeing



Finalized and approved **Staff Grievance Policy**

Introduced an annual **3-day well-being leave** for all employees

### Digital Transformation



Introduced **end-to-end digital credit card**

Weyay launched Jeel, **Kuwait's first transactional banking app** tailored for **children** aged 8 to 14.

## Investing in Our Communities

### Financial Inclusion



Expanded **"Bankee" financial literacy program in 61 of Kuwait's schools:** 32,250+ students, 7,230 teachers

2024 SME lending: **USD 81.27 million, 23.5% YOY growth**

### Community Engagement



2024 community investments: **USD 98 million, 9.13% YOY growth**

### Women Empowerment



Launched **"She's Next"** initiative in partnership with VISA for the second year

### Customer Experience



2024 **Net Promoter Score:** 57%

2024 **Customer Satisfaction Index:** 93%

85% of customer interactions occurred online

### Privacy and Data Security



**Zero incidents** of data leaks or breaches

# NBK ESG Strategy and Approach

# 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.**

In 2024, NBK updated its materiality assessment based on the double materiality concept, in alignment with emerging global best practices and the recently introduced International Financial Reporting Standards (IFRS) S1 and S2, which emphasize financial materiality. The double materiality approach enables the Bank to evaluate the inside-out impact of NBK's operations on people, the environment and the economy as well as the outside-in impact of ESG issues on NBK's financial performance.

As a result, two topics were added to the 2024 materiality prioritization:

1. Tax Transparency and Anti-Corruption, and
2. Diversity and Inclusion.

In addition, NBK consolidated certain material topics to enhance clarity and focus:

1. Human Capital Development: encompasses wellbeing, management and development, talent attraction, and nationalization.
2. Women Empowerment is integrated within Diversity and Inclusion, reinforcing NBK's commitment to gender equality within its workforce and in the broader societies it serves.
3. Environmental Footprint from Operations was expanded to Climate Change and Decarbonization, reflecting the Bank's increased focus on mitigating climate risks.

## Our Key Stakeholders:

Internal: Employees, Management

External: Customers, Shareholders, Investors, Regulators, ESG Raters, Suppliers, Community Partners, NGOs, Standard-setters, Policy-makers

NBK ESG Strategy Pillars	Material Topics Driving our ESG Strategy
<b>Responsible Banking</b>	<ul style="list-style-type: none"> <li>▪ Sustainable Finance</li> <li>▪ Climate Change and Decarbonization</li> <li>▪ Responsible Procurement</li> </ul>
<b>Governance For Resilience</b>	<ul style="list-style-type: none"> <li>▪ Risk Management</li> <li>▪ Business Continuity and Operational Resilience</li> <li>▪ Governance, Ethics, and Compliance</li> <li>▪ Financial Performance</li> <li>▪ Tax Transparency and Anti-Corruption</li> </ul>
<b>Capitalizing on Our Capabilities</b>	<ul style="list-style-type: none"> <li>▪ Digital Transformation</li> <li>▪ Diversity and Inclusion</li> <li>▪ Human Development</li> </ul>
<b>Investing in Our Communities</b>	<ul style="list-style-type: none"> <li>▪ Privacy and Data Security</li> <li>▪ Financial Inclusion, Accessibility, and Literacy</li> <li>▪ Customer Experience and Satisfaction</li> <li>▪ Community Development</li> </ul>

# 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.

2024	<h3>Responsible Banking</h3> <ul style="list-style-type: none"> <li>▪ Increase percentage (%) of renewable energy sourcing.</li> <li>▪ Embed ESG into procurement policies and processes.</li> <li>▪ Develop interim targets for sustainable financing.</li> <li>▪ Engage clients on climate transition plans.</li> <li>▪ Develop ESG-themed consumer products.</li> </ul>	<h3>Governance For Resilience</h3> <ul style="list-style-type: none"> <li>▪ Conduct scenario analysis on loan portfolio.</li> <li>▪ Develop portfolio and sector emission risk heat maps.</li> <li>▪ Establish strong ESG governance measures by embedding ESG into policies and processes.</li> </ul>	<h3>Capitalizing on Our Capabilities</h3> <ul style="list-style-type: none"> <li>▪ Increase number of training hours for all employees with greater emphasis on ESG.</li> <li>▪ Establish employee diversity targets.</li> <li>▪ Enhance digital capabilities and systems aimed at improving the responsible use and management of ESG data.</li> </ul>	<h3>Investing in Our Communities</h3> <ul style="list-style-type: none"> <li>▪ Align CSR policy, focus areas, and initiatives with the Group ESG strategy and industry leading practices.</li> <li>▪ Continue social responsibility contributions, strategically aligned with SDGs.</li> <li>▪ Increase engagement rate (%) with consumers and the public on ESG.</li> <li>▪ Cultivate and retain local talent by providing career development opportunities.</li> </ul>
MID / LONG-TERM	<ul style="list-style-type: none"> <li>▪ Establish science-based targets (SBTi) for scope I, II, &amp; III emissions.</li> <li>▪ Develop scientifically-aligned strategy to lower financed emissions.</li> <li>▪ Develop sectoral transition policies for key sectors.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Link ESG to executives' balance scorecard.</li> <li>▪ Establish ESRM framework and related policies.</li> <li>▪ Prepare for alignment with the ISSB S1 and S2 new standards.</li> <li>▪ Implement Task Force on Climate – related Financial Disclosures (TCFD).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish ESG-driven performance KPIs for key business and support functions.</li> <li>▪ Deliver Group-wide ESG capacity building and training.</li> <li>▪ Accelerate digital transformation and responsible technological advances across the Group.</li> <li>▪ Finalize and implement NBK-Kuwait Diversity and Inclusion strategy, approach, and targets.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop strategic initiatives on financial inclusion and financial literacy.</li> <li>▪ Increase corporate philanthropic and social responsibility spending in line with the SDGs.</li> <li>▪ Incorporate ESG in consumers' journey, advise, and offerings.</li> </ul>
SDGs				

# External Engagement and Recognition

## ESG Ratings\*



Upgraded to “A” from “BBB”



Significantly improved to 19.4 – Low Risk, up from 27.4



Scored “C” for 2024 for FS Climate Change Category



Listed on FTSE Arab Federation of Capital Markets Low Carbon Select Index



FTSE4Good

Constituent of the FTSE4Good Index Series

**S&P Global**

Scored 39/100 in S&P Global rating



NBK Headquarters awarded the Gold LEED Certification

\*Note: ESG ratings are updated to date.

## ESG Awards & Partnerships

### Global Finance 2024

- Best in Innovation – Global
- Best Bank for ESG-Related Loans – Middle East
- Best SME Bank Award – Kuwait

### Euromoney 2024

- Best Bank for SME – Kuwait
- Best Bank for Diversity and Inclusion – Kuwait

### MEED – MENA Banking Excellence Awards 2024

- Best Innovation Programme
- Excellence in Sustainable Investment

### Society for Human Resource Management (SHRM) Awards 2024

- Best Bank for Employee Health and Well-being

### Forbes 2024

- Vice Chairman and Group CEO recognized as Kuwait's Top Sustainability Leader and ranked third in the Middle East

### Partnerships 2024

- NBK participated in COP29 in Baku, Azerbaijan as well as took part in the 16th UNCCD Conference in Riyadh

## National and Global Frameworks



**PCAFA** Partnership for Carbon Accounting Financials



# Responsible Banking

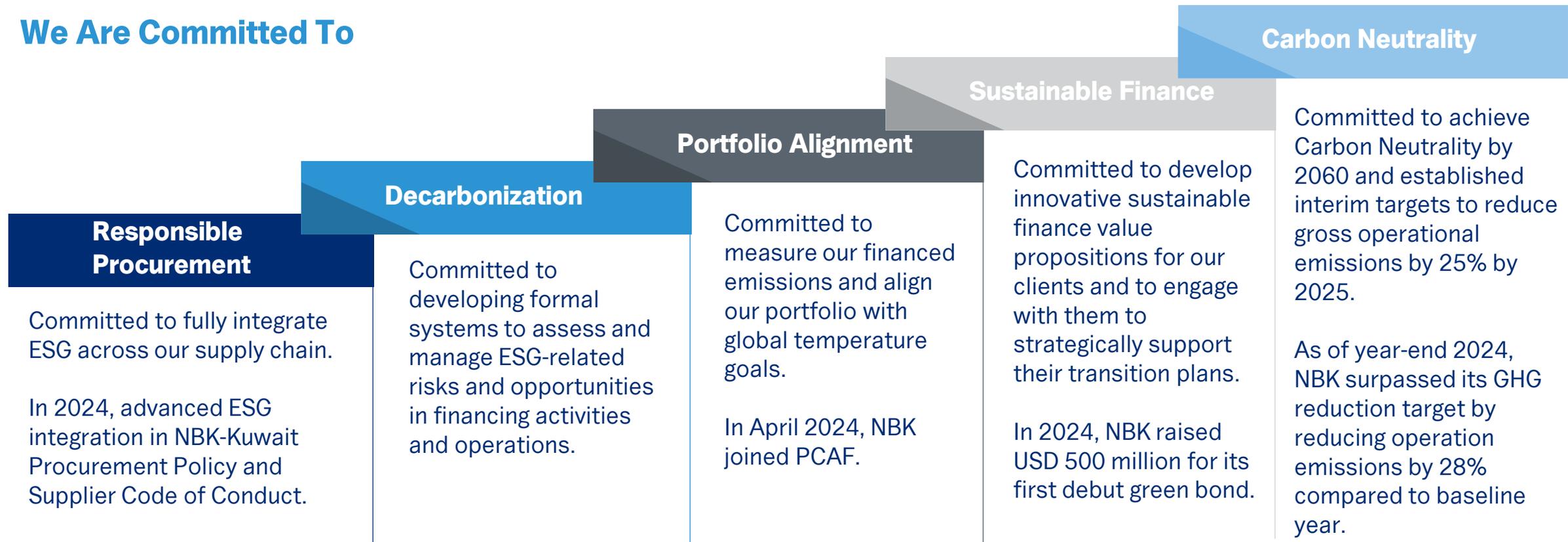




# Transition to Low Carbon Economy

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





# NBK's Outlook of a Climate Transition Pathway

In January 2023, NBK committed to achieving carbon neutrality by 2060 and has taken significant steps since to reduce and manage its impact on the environmental as a result of its operations and business activities, including setting an interim operational target to reduce emissions by 25% by 2025 and joining PCAF to measure and manage its financed emissions. We committed to deliver a transparent, credible, and effective climate transition approach that focuses on climate mitigation.

The below approach represents our outlook of an action-oriented climate transition pathway which aligns with climate science and leading practices. By joining PCAF and aligning with the TCFD recommendations, we will further assess the roadmap we propose to ensure it accurately reflects our operations, business, the economies we support, and the communities we serve.

## 1. Baseline Measurement

### NBK aims to:

- Continue to assess current state operational carbon footprint for Scopes 1, 2, and 3 by referring to the GHG Protocol Global Framework.
- Following NBK's commitment to PCAF in April 2024, measure Scope 3 financed emissions associated with the Bank's portfolio by referring to the PCAF methodology and appropriate data partners to ensure adequate data quality scores (*subject to data availability*).

## 2. Transition Pathways & Scenario Analysis

### NBK aims to:

- Conduct a scenario analysis and assessment of our portfolio in line with global temperature goals.
- Based on the trajectories determined from the scenario analysis, identify sectorial transition pathways to further support our commitment to align our portfolio with climate science.

## 3. Target Setting

### NBK aims to:

- Based on the climate scenario analysis of the portfolio, set scientifically aligned GHG reduction targets consistent with global temperature goals.

## 4. Steering Mechanisms & Transition Strategies

### NBK aims to:

- Define steering mechanisms necessary to achieve reduction targets, this includes:
  - Ensuring an appropriate governance structure.
  - Integrating targets in business strategy and financial planning.
  - Establishing adequate internal controls, policies, procedures.
  - Investing in capacity building and upskilling.
  - Setting up effective data governance and management processes.
  - Developing client engagement plans to support sustainable financial flows and investments.



# Financing the Transition

NBK defines sustainable finance as the process of taking into consideration environmental and social factors in the bank's various activities. This includes designated financing and lending to our clients to support them achieve their environmental and social goals, investments in sustainable financing instruments, facilitating green, social, and sustainable issuances, in addition to investing in the bank's physical assets that have an environmental or social impact.

## Capitalizing on New Business Through Sustainability...



To Channel Sustainable and Green Capital...

- USD 4.97 Sustainable Assets as of 31 December 2024, approximately 50% progress towards 2030 USD 10 billion target.
- In June 2024, successfully priced USD 500 million its debut green bond under NBK's Sustainable Financing Framework.
- Published first Green Bond Allocation & Impact Report. Eligible green assets reached USD 625 million as of 31 March 2025.



Align Portfolio with Decarbonization Targets...

- Through developing enhanced climate risk management capabilities. In 2024, NBK joined PCAF to manage and mitigate its emissions from financing activities.
- Aims to comprehensively assess our clients' environmental impacts and contribution to climate change.
- Aims to enhance advisory capabilities to support and finance our clients' transition plans through dedicated awareness sessions. In January 2025, delivered training and capacity building on Sustainable Finance to key stakeholders from Corporate Banking Group – Kuwait and IBG.



Expand Retail Business...

- Provided exclusive discounts on customers' purchases of eco-friendly products.
- NBK retains its sustainable product offering of eco-friendly electric vehicles (EVs) and housing loans in partnership with prominent car dealers and sustainable product suppliers in Kuwait. Expanded our offerings to Eco-friendly EV Loans and Eco-friendly Housing Loans.
- Aims to advance ESG integration into retail offerings which provide customers with innovative solutions that promote sustainable adoption.



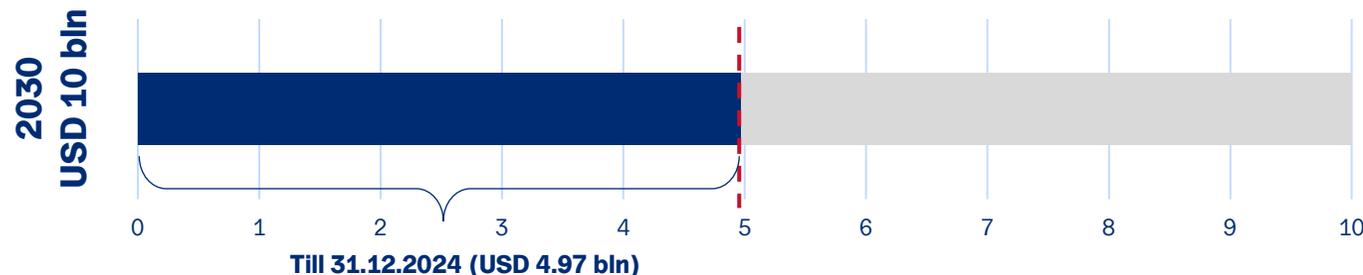
# Sustainable Finance Triumphs

NBK has identified a portfolio of sustainable assets amounting approximately USD 4.97 billion sustainable assets as of 31 December 2024 at the Group-level, monitoring its progress towards its sustainable finance target. This is further broken down as follows:

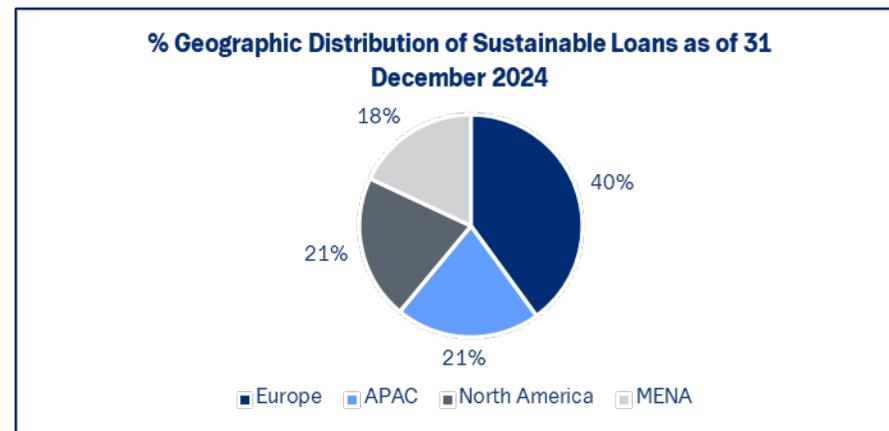
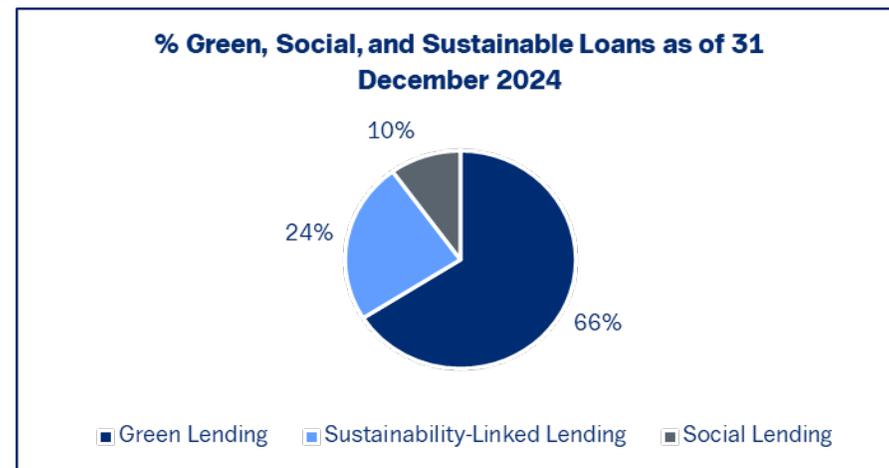
Asset Type	Approx. Value (USD Billion)		YOY Growth
	2023	2024	
<b>Sustainable Loans</b>	2.00	<b>2.52</b>	<b>26%</b>
Fixed Assets (Green Building)	0.55	0.55	0%
Sustainable Investments	1.67*	1.90	14%
<b>Total Sustainable Assets</b>	<b>4.22</b>	<b>4.97</b>	<b>18%</b>

\*Note: outstanding sustainable investments value has been restated from USD 1.1 billion (previously reported in 2023) to USD 1.67 billion, mainly due to data reconciliation and enhanced data reporting internally.

**Sustainable Assets as of 31 December 2024**



The **USD 2.52 billion sustainable loans** are identified at the Group-level and are categorized as follows:





# 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 Sustainability, 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**



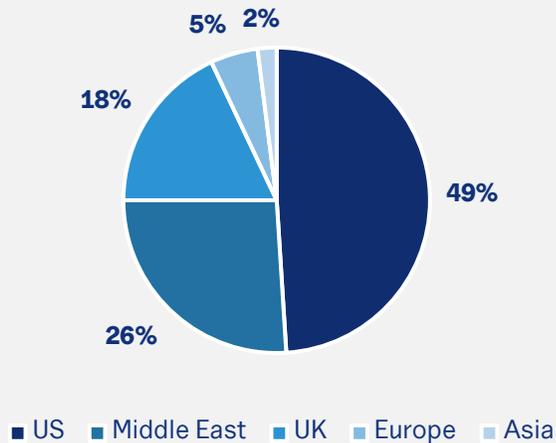
# Debut Green Bond

In June 2024, NBK successfully issued its debut 6NC5 green bond, raising USD 500 million to support the financing of low-carbon initiatives; the first of its kind out of Kuwait. By issuing this green bond, NBK strengthens its dedication to environmental stewardship and climate action, aiming to channel and mobilize capital towards a low-carbon economy by focusing on green projects. The issuance further supports NBK’s ESG ambitions; including achieving carbon neutrality in line with Kuwait’s national commitment by 2060.

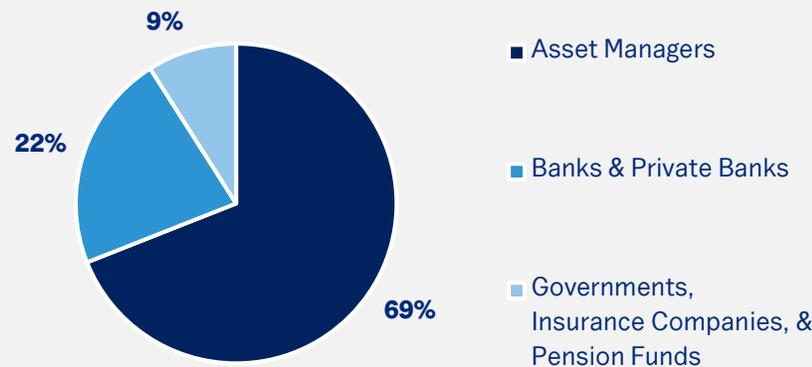
## Strong Investor Interest

NBK’s issuance saw strong reception from a diverse array of global investors and financial institutions:

Geographic Distribution (%) of Investors



% Interest by Investor Type



## Key Highlights

**USD 500 million** Green Bond

**5.5%** Coupon Rate

**+95 bps** over US Treasuries

**3x** Oversubscribed

**First green issuance** out of Kuwait

# Green Bond Allocation Progress & Impact

In May 2025, NBK published its first Green Bond Allocation & Impact Report, providing its investors and key stakeholders with clear and traceable information of the use of the green bond proceeds in eligible green projects in line with the ICMA guidance and principles. NBK's inaugural green bond helped finance 18 green projects across the Middle East, Europe, North America, and Asia-Pacific.

Eligible Green Asset Portfolio by Category	Funded (USD million)	Green Asset Portfolio (%)
Green Buildings	474.06	76%
Renewable Energy	105.08	17%
Clean Transportation	46.30	7%
<b>Total Green Eligible Assets (EGA)</b>	<b>625.44</b>	<b>100%</b>

Asset Category	Portfolio Output
Green Buildings	LEED Platinum LEED Gold BREEAM Excellent HQE Excellent EPC A
Renewable Energy	Onshore Wind Offshore Wind Solar Photovoltaic
Clean Transportation	Infrastructure: Railway Electric Vehicles (Buses)

Key metrics	(%)
Net proceeds of green bond allocated to eligible green assets	100%
Eligible Green Assets funded by green bond	80%
Eligible Green Assets not funded by green bond (additional buffer)	20%
New green assets added to the EGA portfolio / total EGA portfolio	14%
New green assets added to the EGA portfolio / green bond nominal value	17%

Impact Metrics	Value
<b>Top Financed Category</b>	Green Buildings
<b>Highest Emission-Saving Category</b>	Renewable Energy
<b>Total Renewable Energy Generated (MWh) p.a.</b>	3,808,759
<b>Total Annual Financed Emissions Avoided (tCO<sub>2</sub>e)</b>	85,026.40
<b>Total Annual Financed Emissions Avoided per mln Invested (tCO<sub>2</sub>e/USD mln)</b>	138.10
<b>Annual Emissions Avoided from Renewable Energy Projects per MWh (tCO<sub>2</sub>e / MWh)</b>	0.67
<b>Annual Emissions Avoided from Green Building Projects per GBA (tCO<sub>2</sub>e / m<sup>2</sup>)</b>	0.06

For more information, visit: [NBK | Sustainable Finance](#)

# Responsible Operations and Supply Chain

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

1.



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

**Progress till date:**  
80% completion



2.



Install solar power systems in 18 of local branches by 2025.

**Progress till date:**  
99% completion



3.



Implement a Building Energy Management System (BEMS) in 41 standalone local branches by 2025.

**Progress till date:**  
100% completion



## Embedding ESG in procurement and supply chain practices:

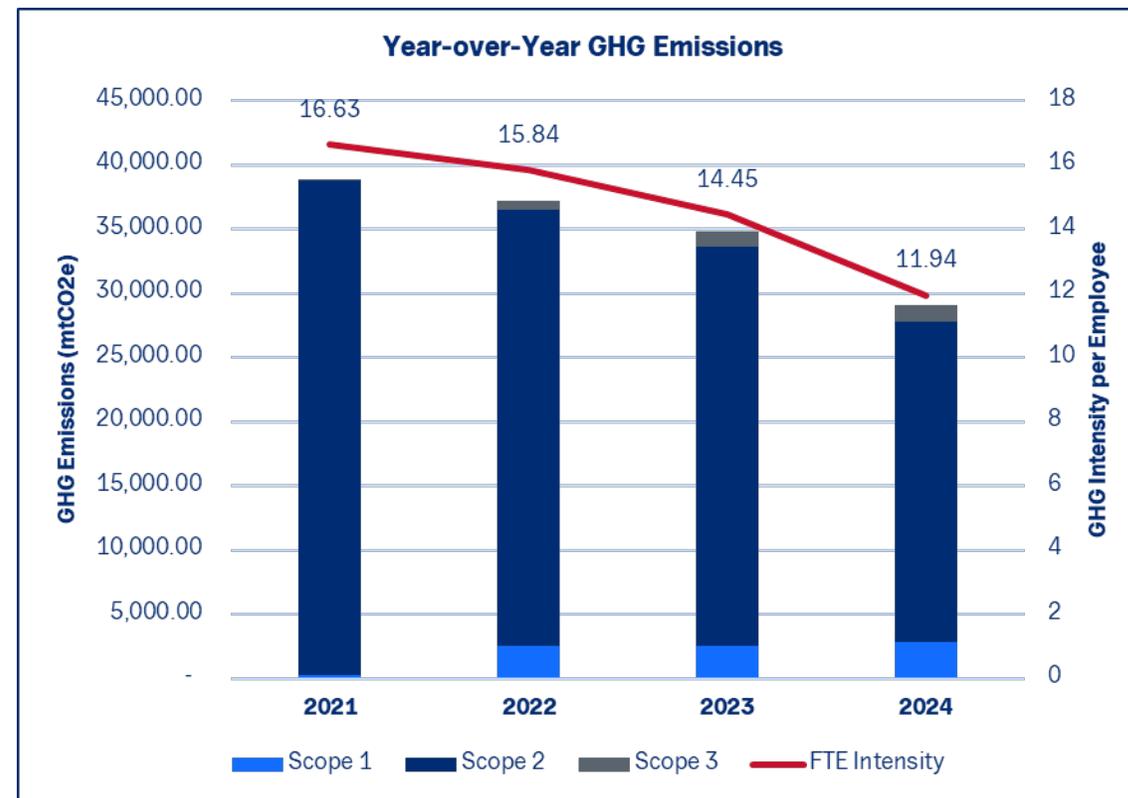
- Integrated ESG factors into NBK-Kuwait Procurement Policy as well as the Supplier Code of Conduct.
- Introduced the “Go Green” function under the E-Purchasing system to encourage sustainable purchases.
- Entered into a strategic partnership with DHL to adopt DHL GoGreen Plus. As of April 1, 2024, 100% of NBK’s shipments transitioned to SAF.
- Our Human Rights Statement, published on NBK’s Group website, addresses forced labor and human trafficking, child labor, labor rights, and non-discrimination. The Human Rights Statement applies to all NBK’s suppliers.
- 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.
- 65% of total suppliers are local.
- 82% local procurement spending.

# Environmental Footprint from Operations

NBK has consistently demonstrated its commitment to environmental sustainability by diligently measuring and managing its Greenhouse Gas (GHG) emissions. This commitment is reflected in our comprehensive GHG emissions inventory, which provides a detailed account of the emissions generated from our operations.

2024						
Scope	GHG Emissions (mtCO <sub>2</sub> e)	% of Total Emissions	Emission Source	GHG Emissions (mtCO <sub>2</sub> e)		
Scope 1	2,847.92	9.78%	Stationary Combustion	100.47		
			Mobile Combustion	545.06		
			Fugitive Emissions	2,202.39		
Scope 2	24,969.08	85.73%	Purchased Electricity	24,969.08		
Scope 3	1,307.65	3.5%	Category 5 – Waste generated in operations	20.44		
			Category 6 – Business travel	1,287.21		
<b>Total</b>				<b>29,124.65</b>		
GHG Emissions (mtCO <sub>2</sub> e)	2021	2022	2023	2024	Change	% Change from Baseline (2021)
Scope 1	276.00	2,510.81	2,537.11	2,847.92	Increase	931.85%*
Scope 2	38,522.00	34,005.00	31,072.16	24,969.08	Decrease	-35.18%
Scope 3	87.00	646.07	1,219.45	1,307.65	Increase	1403.05%*
<b>Total GHG Emissions</b>	<b>38,885.00</b>	<b>37,161.88</b>	<b>34,828.72</b>	<b>29,124.65</b>	<b>Decrease</b>	<b>-25.10%</b>
<b>Intensity / FTE</b>	<b>16.63</b>	<b>15.84</b>	<b>14.45</b>	<b>11.94</b>	<b>Decrease</b>	<b>-28.23%</b>
<b>Operational Emissions</b>	<b>38,798.00</b>	<b>36,515.81</b>	<b>33,609.27</b>	<b>27,817.00</b>	<b>Decrease</b>	<b>-28.30%</b>

\*Note: The significant increase in Scope 1 and Scope 3 compared with the baseline year is explained by NBK's return to normal operations after COVID-19 in 2021 and the expansion of emissions sources which were previously limited in data.



By joining PCAF, NBK is working towards expanding its scope 3 carbon emissions accounting to include **financed emissions**, which we consider as the most material part of our environmental footprint.

# 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-level ESG Policy.
- Institutionalized alignment with the recommendations of Taskforce on Climate-related Financial Disclosures (TCFD) and published first standalone climate risk report.
- Conducted a climate risk materiality assessment on the Bank's portfolio to identify high impact and carbon intensive sectors.
- Developed an ESG risk scorecard to assess climate change and ESG related risks on the obligor level.
- In the final stages of implementing a bank-wide Environmental & Social Risk Management (ESRM) Framework and integrating ESG factors in the bank's credit and investment policies.

## Alignment with Global Frameworks

In April 2024, joined the Partnership for Carbon Accounting Financials (PCAF).



Established alignment with the recommendations of the TCFD framework.

WE SUPPORT



A signatory of UN Global Compact (UNGC) since January 2023. Submitted first COP in July 2024. To view our disclosure: [NBK | UNGC COP](#).



Maintained a "C" score in 2024 from CDP for the FS Climate Change and Forests Categories.

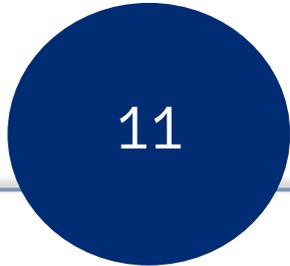


Aligned operational carbon emissions with the GHG Protocol global framework.



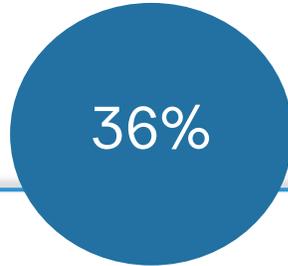
# Board Composition

## Number of Directors



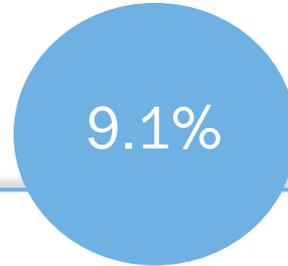
NBK Group Board of Directors is composed of (6) non-executive members, (4) independent members, (1) executive member.

## Independent Directors



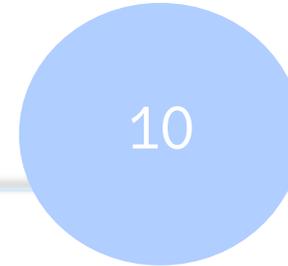
4 out of 11 Board members are independent with average tenure of 3.5 years on the Board.

## Women on Board



NBK elected its first female Board member in 2022.

## Average Tenure (Years)



Average length of tenure on the Board.

## Industry Experience



11 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.



# A Modular ESG Governance Framework



- The Board has the ultimate responsibility to implement the Group’s ESG direction and strategy.
  - The Board’s charters and responsibilities were updated 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.

# Sustainability Committees: Overview

In developing our ESG Governance Model we adopted a modular approach, bringing together a diverse group of stakeholders across the Bank. We believe developing a modular governance model can be more effective and efficient. It allows our identified ESG material topics to be assigned to Business units that have expertise on the topic and will be primarily responsible for leading NBK's response to it. Presented below are our Sustainability Committees and their high-level purpose:

Committee	Committee Purpose
Sustainability & Climate Change (S&CC) Committee	The S&CC Committee has the highest authority at management-level for decisions on ESG-related matters across the Group. It is responsible for overseeing and governing the implementation of the Group ESG Strategy.
Sustainable & Transition Finance Committee	To supervise, manage, and approve the development of sustainable finance value propositions and realization of business opportunities presented by the transition to a low carbon economy.
Sustainable Financing Working Group (SFWG)	To govern the selection and monitoring of eligible projects in line with NBK Sustainable Financing Framework.
ESG Governance & Risk Committee	To supervise and manage the integration of ESG matters into the Group's overall governance and risk activities. In addition to governing the alignment of the Group's activities with international sustainability frameworks.
Social & Community Development Committee	To oversee and govern the Group's efforts in expanding community engagement and investment, in line with the Group's ESG Strategy and UN SDGs.
Responsible Operations & Corporate Culture Committee	To supervise, manage, and approve the integration of ESG matters into the Group's own operations, including environmental footprint (operational), supply chain, human capital management, and digital transformation elements, in line with the Group's ESG Strategy.

The Sustainability & Climate Change Committee and its five Sustainability Sub-Committees convened several times during FY 2024-2025 to establish mandate and formalize the ESG Strategy Roadmap for FY 2023-2025. The key outcomes from the committees' meetings include:

## Key Decisions



- Approved institutionalizing the development of a Group-wide ESG Policy.
- Endorsed the integration of ESG and climate-related considerations in the Bank's risk management framework as well as risk and credit policies.
- Approved joining the Partnership for Carbon Accounting Financials (PCAF) in order to measure and assess NBK's carbon emissions associated with its financing activities
- Endorsed the development of client engagement plans to increase ESG awareness among consumers and support corporate clients in designing and implementing their transition plans.
- Reviewed and approved the Bank's first Green Bond Allocation & Impact Report.
- Approved the CSR Budget for FY 2025 aligned with the Group ESG Strategy and the UN SDGs.

# 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

In April 2024 NBK joined PCAF, committing to robust and transparent disclosure of financed emissions in order to ultimately provide us with a baseline assessment of climate-related risks in our portfolio.

Aligned with CBK's circular no. (2/BS, IBS/500/2022) by including Pillar 2 Climate risk capital charges in its ICAAP process, and ESG & climate-related financial risks key elements in its risk policies and standards.

Three risk officers were offered ESG and climate risk training (3 training hours per each). In addition, relationship managers and senior executives from IBG Business Group, Domestic Corporate and Foreign Corporate were provided with training on identifying ESG risks.

Conducted a climate risk materiality assessment on the Bank's portfolio to identify high impact and carbon intensive sectors.

Developed an ESG risk scorecard to assess climate change and ESG related risks on the obligor level.

Published first standalone TCFD report.

## 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.
- Since 2023, engaged with an accredited environmental expert by Egypt's Ministry of Environment to assess the environmental risks of large corporate projects.
- Developed an Environmental and Social Risk Management Framework.

### 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, e.g., in credit assessments.
- Undertakes stress testing and scenario analysis to test the resilience of the Bank's strategy to climate change risks. NBKI's London Board/BRC and EMC have been assigned oversight over credit approvals and annual reviews.

### 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.

### NBK - France

- In the process of embedding climate-related and environmental risks in its business strategy and governance, and risk management framework, in line with EBA's guidelines on environmental and climate risks.
- In February 2024, approved including climate-related and environmental risks in its Risk Appetite Statement.
- Considers climate-related and environmental risks in its credit-granting process, in particular for its residential and commercial real estate activities.

# 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

43.2% females in the workforce, 27.6% females in managerial positions.

37.9% of new hires are female.

Launched second cohort of ‘NBK RISE’ women leadership program.

347 total STEM employees. Women hold 28.8% of the STEM positions.

A diverse workforce which represents 39 nationalities, in NBK Kuwait alone.

Initiated development of a DEI strategy, with the aim of rolling it across the Group.

## Talent and Development

311 new employee hires, of which 68% are aged between 18 and 29.

Maintains a Succession Plan that is reviewed annually by the Board.

Development training programs achieved an average satisfaction score of 90%, indicating tangible impact on employee professional growth.

113,950 total training hours. On average, each employee received 46.7 training hours.

1,392 total training hours on ESG topics: Sustainable Finance, Climate Risk, Corporate Sustainability.

Launched NBK Pioneers program targeting high-performing employees in customer-facing divisions.

## Employee Wellbeing



In 2024, NBK had zero reported injuries and safety violations.



Partnered with WARA Hospital to establish an in-house clinic at NBK’s HQ.



Maintained 2.4% absenteeism rate from preceding year.



Introduced annual 3-day well-being leave for all employees.



Finalized and approved Staff Grievance Policy.



Launch of Al Jawhara Employees Savings Account.



# 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.

Named “Best in Innovation Global 2024” – Global Finance

Awarded “Best Mobile Banking App 2024” – Global Finance

Achieved a 6% year-on-year growth in the number of digitally registered customers

90+ new features added to NBK’s Mobile Banking App for a seamless mobile banking experience

## Case Studies

### “Fikrah” Innovation Platform



Launched “Fikrah” – a digital innovation platform designed to harness collective intelligence across the Bank. The platform enables employees to submit ideas that focus on innovation and continuous improvement.

### Digitization of Traditional Banking Services



Digitized multiple banking services in 2024, including accessing digital statements, completing KYC updates, directly contacting relationship managers, enabling account linking, and introducing fully digital onboarding for select cards.

### Weyay – Redefining Digital Banking



Introduced impactful initiatives designed to drive meaningful and impactful progress including “Weyay Jeel”, Kuwait’s first transactional banking app tailored specifically for children aged 8 to 14, as well as offering digital prepaid cards, with an option for a recyclable physical card.

### Enhancing NBK’s Mobile Banking Application



Further integrated branch and online banking services into a seamless digital experience, including instant access to transfer receipts and customizable monthly statements, bill splitting, account loading, instant transfers, as well as Strengthened 3D Secure Payment Service for enhanced fraud protection.

# Investing in Our Communities

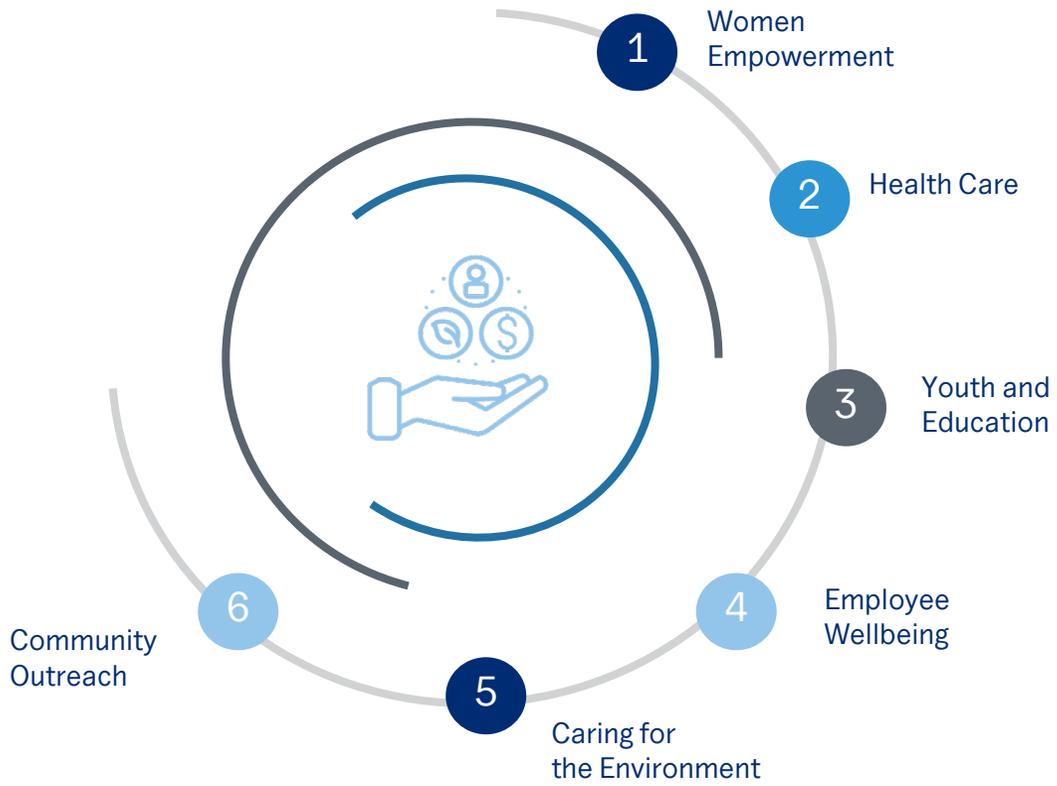




# Our Approach to Community Development

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
Omniya	Kuwait Diving Team

# 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 30 (USD 98) million total community investments, a 9.13% increase from 2023.

Reviewed and updated the CSR Policy to further align our approach with the Group ESG Strategy and the UN SDGs.

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

Continued strategic partnership with the Kuwait Dive Team project to protect coral reefs. In 2024, removed 124 tons of waste from Kuwait's ocean.

261 total number of employee volunteering hours in 2024.

## Financial Literacy, Inclusion, and Accessibility

- Expanded 'Bankee' financial literacy program to 60 Kuwaiti schools, with 32,250+ students and 7,200+ teachers participating.
- KD 25.04 (USD 81.27) million SME lending, a 23.5% increase from 2023.
- Committed to expand AI Amil low-wage employees' card segment. In 2024, recorded 110,086 active cards, a two-fold increase from 2023.
- 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.
- 12 employees equipped to communicate in sign-language and serve NBK's six special need friendly branches.

## 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.

To uphold high standards, independent external audits of our Information Security Policies and Systems are conducted annually.



# Data Performance Tables



# Environmental

Metric	Calculation	2024	2023
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	2,847.92 tCO2e	2,537.11 mtCO2e
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	24,969.08 tCO2e	31,072.16 mtCO2e
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	1,307.65 tCO2e	1,219.45 mtCO2e
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	11.94 mtCO2e per employee	14.45 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	147,165,491 Megajoules	183,136,478 Megajoules
	E3.2) Total amount of energy indirectly consumed	N/A	N/A
Energy Intensity	Total direct energy usage per output scaling factor	60,313.7 Megajoules per employee	75,990.2 Megajoules per employee
Energy Mix	Percentage: Energy usage by generation type	100% purchased electricity	100% purchased electricity
Water Usage	E6.1) Total amount of water consumed	37,124,265 Imperial Gallons (IG)	46,901,692 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	Yes
	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes	Yes



# Social

Metric	Calculation	2024	2023
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	N/A	In 2023, 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.
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	1.3% increase YoY	2.7% increase YoY
	S3.2) Percentage: Year-over-year change for part-time employees	66.67% decrease YoY	25% decrease YoY
	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: 56.8% Percentage of Females in workforce: 43.2%	Percentage of Males in workforce: 56% Percentage of Females in workforce: 44%
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	In 2024, NBK workforce had 1 part-time employee, representing 0.041% of total workforce.	In 2023, NBK workforce had 3 part-time employees, representing 0.12% 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	Yes
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Yes, <a href="#">Human Rights Statement</a>	Yes, <a href="#">Human Rights Statement</a>
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes, <a href="#">Human Rights Statement</a>	Yes, <a href="#">Human Rights Statement</a>
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes, <a href="#">Human Rights Statement</a>	Yes, <a href="#">Human Rights Statement</a>
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes, <a href="#">Human Rights Statement</a>	Yes, <a href="#">Human Rights Statement</a>
Nationalization	S11.1) Percentage of national employees	78.0%	76.7%
	S11.2) Direct and indirect local job creation	There are 311 new hires in 2024. 89.1% were Kuwaiti nationals	399 new hires, of whom 84.5% are Kuwaitis.



# Governance

Metric	Calculation	2024	2023
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	91% male representation 9% female representation	91% male representation 9% female 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%	36%
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	Yes	Yes
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A. The nature of NBK's operations do not require collective bargaining agreements.	N/A. 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	Yes
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No	Yes	Yes



# NBK ESG Disclosures



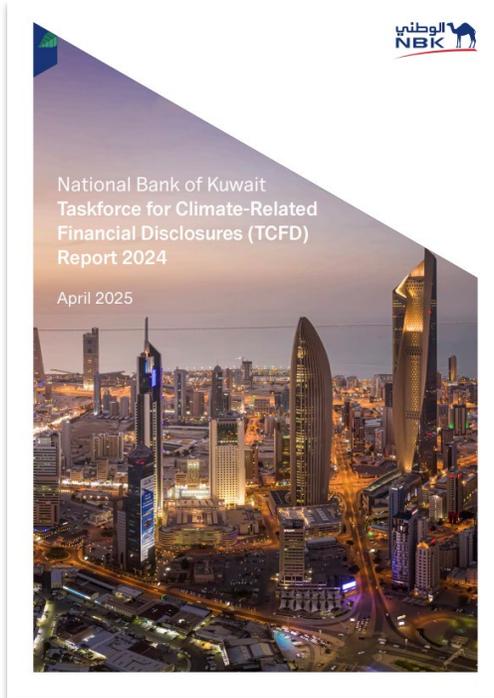
# ESG Disclosures & Publications

## 2024 Sustainability Report



[Click to Access the Report](#)

## 2024 TCFD Report



[Click to Access the Report](#)

## 2025 Green Bond Allocation & Impact Report



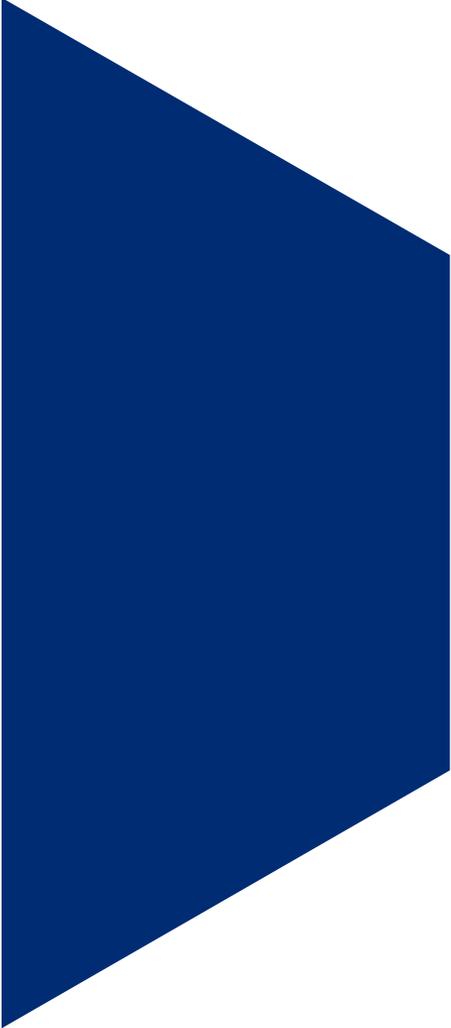
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To view our latest Sustainability Policies, visit:

[NBK | Sustainability Policies](#)

To view our Sustainable Financing Framework & SPO, visit:

[NBK | Sustainable Finance](#)



# Thank You.

For more information, please visit [nbk.com](https://nbk.com) or contact:

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