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Arab Bank

SUSTAINABILITY REPORT

Responding to Unprecedented Challenges

البنك العربي
ARAB BANK



Success is a journey

Welcome to Our 2020 Sustainability Report

This report details how Arab Bank brings its commitment to sustainability to life through action and implementation. It provides information on our social, environmental and governance performance and achievements through to December 31, 2020.

We have structured this report around issues that were identified as of significant importance to our stakeholders, based on a Materiality Assessment conducted during the year (see page 11).

This report has been prepared in accordance with the GRI Standards: Comprehensive option. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

A comprehensive review of our impact and engagement is covered in the different chapters of this report, focusing on our activities in Jordan, the main operating market of Arab Bank PLC. In some cases, Arab Bank PLC Group data are used in place of Jordan-specific data in line with our reporting policies. We have also included in-depth analysis of the bank's response to the Sustainability Development Goals (SDGs).

This year, we have included extensive coverage on the impact that COVID-19 has had on our operations, customers, and our community, and how Arab Bank responded to the pandemic.

In a change from previous years of reporting, we have structured this report to focus on our sustainability commitment to key stakeholders. These commitments include supporting the ambition of our customers, working for a sustainable future, supporting our people and community, all built from a foundation of trust.

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Read more or refer to another report for further information

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A Message from the CEO



COVID-19 has tested the bank in new ways, but our ability to act strategically and decisively in times of disruptive change runs deep.

Every year, we take the time to look back and reflect upon the challenges and opportunities we have faced as a bank, against a backdrop of an ever changing national and international context. We have reported on our response to unprecedented obstacles in the past, but it is hard to think of another year in our lifetime that has seen such a profound and global shift in the way the world works.

Since its emergence at the very beginning of 2020, COVID-19 has posed a fundamental challenge to the way we live, work and interact as human beings. The impact of this global pandemic has been extensive and far reaching, causing major disruption to the global economy, environment and society, forcing us all to rethink the way we go about our daily lives.

As a business, we can plan to mitigate the impact of countless risks and create business continuity scenarios to ensure we continue serving our customers and communities. COVID-19 has tested the bank in new ways, but our ability to act strategically and decisively in times of disruptive change runs deep.

When the pandemic first reached Jordan in March 2020, we made it a priority to protect people and ensure the health and safety of our employees and our customers. Despite lockdowns and disruption, we had to find new ways of providing vital financial services, and our extensive foundation of digital channels laid down over the last few years has proved invaluable in supporting our consumer and corporate customers to continue operating.

The potential for large scale negative economic outcomes induced by the pandemic was high, and so together with the government and all stakeholders, Arab Bank was able to provide individual customers and business customers with financial relief during the worst parts of the year. We also deployed the Central Bank's special financing program for small and medium enterprises that needed it the most.

Supporting our employees has been at the core of our response to the pandemic, as they are central to communities throughout the country. This is also why we have donated USD 21 million to the Himmet Watan fund to help the national effort to combat COVID-19 and support communities affected by its impact.

Despite the pandemic, we have continued to drive forward our corporate sustainability program, continually improving the social, economic, and environmental impact we have as a bank.

In history, the biggest improvements in the way we operate as a society, often come from the greatest challenges. This time is no different, so I am heartened to see communities coming together, working in new ways to support each other. We see new businesses and opportunities for growth within our country and the energy of a new wave of digital entrepreneurship in the region emanating from Jordan.

As everyone who is part of our global community navigates a new path forward, it is hard to say what a post-COVID world will look like, or when indeed it will materialize. Things may seem uncertain,

but this has never stopped us from finding new ways to innovate and to provide the products and services that will help rebuild lives, communities, businesses and our nation for the future.

Nemeh Sabbagh
Chief Executive Officer

COVID-19 A PANDEMIC AND YEAR THAT CHANGED THE WORLD

Coronavirus Disease 2019 (COVID-19)

The Coronavirus disease, named COVID-19 by the World Health Organization (WHO), was first identified in Wuhan, China, in December 2019. A contagious disease caused by a severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) it has spread around the world causing a global health pandemic the likes has never been experienced before in our lifetime.

Global Impact

Given the interconnected nature of our modern world, every country has been impacted by COVID-19. With only a handful of confirmed cases registered at the beginning of the year, by then end of 2020, there has been over 81 million confirmed cases of the disease globally and over 1.8 million people have passed away.

The virus has not only had a devastating impact on those that test positive for the disease, but it has also had much wider implications. Public health has suffered as a result of health care capacity around the world being stretched by the pandemic, in some cases to breaking point. Efforts to contain the spread of the virus has resulted in travel restrictions, curfews and various forms of regional or national lockdown. Businesses, communities and livelihoods have been disrupted all around the world and this has had a dramatic impact on the economy and society as a whole.

The pandemic has caused one of the

deepest global economic recessions in nearly a century, with the International Monetary Fund (IMF) estimating that the global economy contracted by 3.5% in 2020, those most affected being women, youth, the poor, the informally employed and those working in contact-intensive sectors. The International Labor Organization (ILO) estimated that 8.8% of global working hours were lost in 2020, equivalent to losing 255 million full-time jobs, a figure significantly higher than during the financial crisis of 2009.

Impact on Jordan

In Jordan, the Ministry of Health confirmed the first cases of the virus on 2nd March 2020 and by 17th March the country was officially in full lockdown, with curfews in place and the airport and borders shut. Despite continued efforts throughout the year to stop the spread of the virus, by the end of 2020 Jordan had registered over 290,000 cases and 3,800 deaths.

The disruption caused by the virus has been significant and affected the lives of every single Jordanian. It is estimated that the economy of Jordan contracted by 1.6% in 2020, with tourism income down by almost 75%, a key sector supporting the livelihoods of many people. Unemployment reached 24.7% in quarter four of 2020, averaging 22.7% throughout the year. This has put a new strain on the national finances with loss of revenues and necessary spending on health and economic support, all contributing to a rising deficit and public debt.

By the end of 2020, the spread of COVID-19 was significantly reduced,

however as seen in other countries, new waves of the virus, which continues to mutate, are expected to impact Jordan and the region further in 2021. The rapid development and roll out of new COVID-19 vaccinations does provide a beacon of hope for the future and a return to some form of pre-COVID normality.

A Challenge to Businesses and Banking

Businesses all around the world have been impacted by the severity of the COVID-19 pandemic, especially those businesses that rely heavily on face-to-face interaction. Companies in these sectors have been severely affected by lockdowns and in some cases, businesses have not been able to survive the impact of the pandemic. Even when restrictions have been lifted, life has not returned to normal, and companies have had to consider how to provide what are often vital services while ensuring the safety of employees, customers and communities.

The banking sector has been in a unique position during this crisis, affected not only directly by the effects of COVID-19, but also indirectly through the effect it has had on customers, companies, the people and the communities of Jordan.

During 2020, the sector has been proactive in navigating the immediate pressures of the COVID-19 crisis. Many banks adapted their operations quickly to address the pandemic. Banking employees made a success of working from home during lockdown, with technology sustaining critical business activities from trading through to financial advice services.

Additionally, some of the banks offered their customers greater access to loan facilities while playing a crucial part in the distribution of various governments' fiscal packages.

However, challenges remain in the form of low interest rates and the continued spread of new COVID-19 waves, which means uncertainty remains. Banks are experiencing a growing tension between supporting their customers and increased concerns around the rise in non-performing loans (NPL). With some countries gradually opening but others contending with fresh outbreaks, how consumers react to these changing scenarios will correlate directly to global economic activity. Yet, it is necessary for banks to continue playing a significant role in shaping the recovery and helping customers rebuild their financial security and business health.

Arab Bank and COVID-19 – reaction, relief and recovery

The COVID-19 outbreak posed a significant challenge to the bank in 2020, and our response can be summarized in two main phases:

- **Initial reaction** – the immediate actions taken in the early days of the pandemic to protect our employees and customers, to provide vital

financial services.

- **Providing relief and supporting recovery** – being there for our employees, customers, and our communities. Providing economic support to individuals and businesses that may have fallen on hardship caused by the pandemic and contributing to the national effort through the Himmet Watan fund.

Initial Reaction

When the extent of the threat from COVID-19 became clear in early March, Arab Bank took immediate action to protect the health and wellbeing of our employees. We were also conscious to ensure that our customers could continue to access vital financial services through digital channels and the implementation of COVID-secure branches. And all of this could not have been possible without proper business continuity practices in place to ensure the bank was strong and stable throughout the pandemic.

Protecting People

Protecting our employees, especially those that interact face-to-face with customers, has been a top priority for the bank right from the start of the COVID-19 pandemic. Through strong and regular communication, the bank aimed to provide all teams with certainty and security, especially during the lock-down.

Since the lifting of lockdown, the bank adopted a flexible approach to keeping our offices and branches open in accordance with the number of cases and government recommendations. To provide maximum protection and ensure

MARCH 2020 COVID-19

reaches Jordan

REACTION

- Protecting people
- Providing vital services
- Ensuring business continuity

RELIEF AND RECOVERY

- Supporting Our Employees
- Supporting Our Customers
- Supporting Our Communities and Nation

we did not contribute to the spread of COVID-19, we implemented the following steps:

- Adapted the working environment, investing in protective equipment, enhanced cleaning and hygienic protocols, and installation of physical distancing marks throughout our offices and branches.
- Implemented a strict tracking and tracing system, so any employee that tested positive, or interacted with someone that tested positive, had to isolate at home and to only return to work after providing negative testing results.
- Conducted wide-scale PCR testing for employees in coordination with the Ministry of Health and accredited labs.
- Instituted remote working for non-branch workforce.
- Allowed flexible arrival times to avoid crowding at the entrance of the bank.
- Mandated body temperature

measurement on entering the bank's premises.

- For those staff that required access to vital medications, the bank ensured medication was made available during lockdown for employees at their home or in their nearby pharmacy.

Guidance and Awareness

A range of awareness campaigns were launched using different methods to disseminate health and safety information amongst employees and customers. In addition, several protocols and guidelines were prepared and published internally to govern the adherence to safety and protection measures such as handling and tracing protocols, visitors and travel guidelines.

Providing Vital Services

Providing reliable financial services during uncertain times is essential to minimizing disruption. The bank played a vital role in ensuring that individual and business

customers had as much access to financial services as possible, even during the first lockdown when branches were closed. Doing so meant leveraging our extensive range of existing contactless banking channels, all of which saw a significant increase in use, and the reopening of branches with COVID suppression procedures in place to avoid spreading the virus.

Digital Channels

The bank has been investing in digital banking for many years now, ensuring that customers have access to the latest technology for seamless, smooth and convenient banking. Arabi Online and the Arabi Mobile App have made it easy for customers to complete transactions and do business with the bank remotely, keeping them safe during the pandemic.

New sign ups and usage of these channels saw an unprecedented increase during the pandemic, and the bank ensured the infrastructure for these channels was strong and stable to account for the surge in demand. Arab Bank also expanded its online payment and transfer functions to encourage customers to continue paying their bills digitally during lockdown and help people to stay at home. New services and features were included on the Arabi Mobile app in 2020.

These included:

- Credit Card features such as online pin enquiry and spending analysis to help customers effectively plan their finances.
- Contactless options such as card-less cash withdrawal and wearables with Near Field Technology (NFC).

- Providing options for online loan installment deferments.

The introduction of Arabi MobiCash as an easy, convenient and safe payment method for the bank's customers is the first of its kind in Jordan. Downloads of the app increased by 100% and transaction by 500% as customers looked to avoid the use of cash and cards.

Arabi Pay was also launched pre-COVID and has proved extremely popular as it allows customers to make money transfers through apps such as WhatsApp, Facebook and Instagram.

Cards and E-Vouchers

Arab Bank credit and debit cards have helped customers engage in online shopping during the pandemic, helping keep more people at home and reducing the spread of the virus. We also began introducing contactless debit cards and credit cards in late 2019, and 2020 has seen them come of age with a huge increase in contactless transactions being made through the cards. Through these tap-and-go cards, customers were able to complete smaller purchases during the pandemic without the need to enter their password on a machine, to keep their transactions secured.

E-Wallets

Electronic wallets are designed to replace a physical wallet and they allow customers to shop in person, online and transfer money electronically (up to a certain limit) which has been invaluable throughout the COVID-19 crisis. Arab Bank customers have access to e-Wallets such as CliQ and JomoPay through their Arabi Mobile and

Arabi Online accounts.

Branches and Customer Care Center

It is understandable that not everyone is comfortable with digital banking as a primary option, and so finding a way to deliver services through our branches, ATMs and customer care center in a way that is safe for our employees and our customers was critical.

As soon as Jordan went into lockdown, the bank was already working on COVID suppression strategies to ensure that when the branches were able to reopen, they would be as safe as possible. This meant applying strict precautionary measures on top of the already implemented staff protection measures mentioned earlier, including:

- Operating with minimum staff capacity to reduce the number of people in a branch and having a flexible working capacity in the branches that is aligned with government recommendations.
- Mandating social distancing for employees and customers.
- The wearing of facemasks and gloves.
- Conducting frequent sanitization of the branch.
- Providing an abundance of hand sanitizers for customers and employees to use.

Our self-service branches and plug-ins have also been a major help in providing customers with access to banking services, including the ability to speak with a bank representative via video call, thus avoiding the need for face-to-face interaction, and the potential for COVID transmission.

The Arab Bank Customer Care Center

played a vital role in attending to the requests of customers, helping them to complete transactions safely, securely and at a distance during the pandemic. Calls, emails and social media correspondence increased significantly in 2020.

ArabiConnect

Through "ArabiConnect", our corporate clients have access to a single gateway to oversee their accounts, transact and constantly maintain comprehensive 360° visibility across their local and international branches. This digital channel has allowed our business clients to view in real-time their financial position, which has been vital in empowering them during the COVID-19 crisis to make critical decisions related to their liquidity and handle any expected shortages efficiently.

This digital offering has enabled businesses to make effective decision and pay salaries online throughout the pandemic, including during lockdown. Subscription rates increased in 2020 witnessing a rise of 35.5% compared to 2019, with a significant increase in corporate transactions being done digitally.

SME Digital Lending Platform

The introduction of a digital lending platform, developed internally by the bank and the first of its kind in Jordan, allows any SME in the country to apply for support loans from their home or office without the need to visit the bank or branch. Some of the benefits of the platform include:

- Encouraging clients (and non-clients) to apply no matter the size, eliminating the

fear of being rejected by allowing user to add information to the platform and get an instant eligibility score.

- Reducing the time it takes to process applications, by collecting and approving all of the required information online.
- Reducing the risk of spreading COVID-19.

Ensuring Business Continuity

During times of uncertainty the bank has a range of business continuity plans and procedures that set out critical practices to ensure the bank can continue to operate in the most adverse circumstances. These policies and procedures were tested extensively during the early days of the pandemic and have proved vital in ensuring the success of the bank's response.

The financial strength of the bank coming into the pandemic was critical. The bank was well positioned to deliver on its commitments throughout, maintaining healthy liquidity and capital ratios, resilient asset quality metrics, and scaling up digital banking initiatives and channels across the Group. Contingency arrangements and the activation of alternative locations were implemented to guarantee employee safety by distributing staff and resources to ensure continuity should any location be affected by the spread of the pandemic.

The bank's supply chain operations were relatively unaffected by the pandemic due to the comprehensive eProcurement system already in place which ensured

business continuity to all functions. The system has not only allowed the bank to complete business as usual transactions, but also electronically secure the supply of products and services triggered specifically by the pandemic, eliminating any possible risks associated with traditional manual operations.

Governance

In order to minimize gatherings and public meetings, the bank held its Ordinary and Extraordinary General Assembly meetings online, becoming the first public shareholding company in the Kingdom to adopt a digital method of conducting such meetings. The move was in compliance with Defense Law (13) of 1992, Defense Order (5) of 2020 as well as the procedures issued by H.E. the Minister of Industry – Trade & Supply.

Shareholders were able to register for the meetings electronically in advance and to attend the meetings through an advanced digital platform in line with the latest international practices. We also allowed shareholders with less than 10% of shares to send any questions they might have in advance to be answered by the Board of Directors and executive management instantly and during the meeting, in addition to the platform's electronic voting mechanism. The general assembly meeting had a shareholder participation rate of 78.13% of the bank's capital.

The bank has remained strong and stable during the COVID-19 pandemic, yet there was a lot to learn from it. During 2020, we have incorporated COVID-19 specific criteria and scenario possibilities into our stress testing framework, this will help to

ensure we can effectively assess the bank's resilience to a wider range of possible outcomes.

Providing Relief and Supporting Recovery

COVID-19 has touched the lives of every Jordanian, and many have needed assistance to get through difficult times, including our employees, customers and our communities. Throughout the pandemic, Arab Bank implemented a number of measures designed to support our stakeholders and the nation as a whole.

Supporting Our Employees

Our employees are our family, and so beyond our initial reaction to protect their health and wellbeing, the bank has also provided the following measures to help them cope with the impact of the pandemic:

- When possible, employees were allowed to work from home and continue to do so in an effort to stop the spread of the virus, while providing them with the required equipment and connectivity tools, to facilitate and ensure smooth work performance and business continuity when working remotely.
- Employees were given the opportunity to postpone their monthly staff loan installments during the lockdown and a staff loan partial settlement process became available through internet banking.
- Employees were allowed to use their entitled leave days at any point throughout the pandemic.

- All employee services continued to be provided remotely.
- We delayed the return to work of older employees or those with special medical conditions to ensure their safety.
- We launched internal campaigns to create awareness amongst staff with regards to hygiene and health protection practices.
- With the COVID-19 pandemic impact on meetings and face-to-face interactions, the bank moved most of its learning and development efforts to be delivered virtually. All refresher training for regulatory compliance and information and cyber security courses, in addition to the induction trainings continued to be offered to employees virtually.

Supporting Our Customers

Our customer base consists of individuals and businesses both big and small that in turn employ thousands more Jordanians all around the country. To help cushion against the negative economic ramifications of the COVID-19 pandemic, the bank implemented a range of government led measures, direct financial assistance, and ongoing support to our customers to help them weather the storm.

Individual Customers

Many people were unable to continue working during lockdown, reducing their income significantly. To reduce the financial burden on individuals during this time, and ensure they could support their families and communities, a pause on loan repayments was instituted. The Central Bank of Jordan issued instructions to allow banks to defer loans for all individuals in the months of March, April, May, and

June. The bank automatically postponed repayment on all loan for these months, unless a customer specifically requested not to defer repayments, of which a small percentage did. For further support, the bank also reduced the interest rates on those loans by at least 1.5%.

From June onwards, with monthly instruction from the government, the bank was also able to offer loan deferrals for individuals who work in sectors that were highly impacted by the pandemic.

Furthermore, credit card monthly payments were deferred for the months of March and April, and the bank extended debit and credit card validity for 2 months from expiry to ensure people could continue to use their cards during lockdown.

Getting a COVID-19 test is important to help stop the spread of the disease, but it can also be costly. To support the take up of COVID-19 testing by our customers, the bank also provided 50% cash back on tests when paying via Arab Bank's "Arabi MobiCash" payment application.

Small to Medium Sized Enterprises (SMEs)

SMEs are the lifeblood of any economy, providing jobs and helping communities to thrive. They are also particularly vulnerable in times of crisis due to their size and often limited financial resources, so we made it a priority to facilitate SMEs access to the Central Bank's soft loans program. Access to these support loans, was not only provided to all of the bank's SME customers, but also to any non-Arab Bank SME via a digital platform that was

launched in April of 2020.

Corporate Customers

The bank's Corporate and Institutional Banking (CIB) division ensured there was a strong support mechanism in place to give our clients highly tailored, sector specific support during the lockdowns and subsequent periods. Corporate clients rely heavily on the bank's digital services and appreciated their engagement with the Corporate Business Center and Business Teams, which helped to ensure business continuity and effective processing of service requests.

Supporting Our Communities and Nation

The private sector, and especially the banking community, has, and will continue to play a vital role in supporting the nation and its people to recover from the adverse effects of the COVID-19 pandemic.

For Arab Bank, this means focusing on doing what we do best; providing services that help our customers to achieve their financial goals and ambitions in life. At the same time, as an enabler of growth and prosperity, we have also provided significant financial resources to support the nation's efforts to recover through the Himmet Watan Fund. And finally, work is ongoing to continue evolving our bank to ensure it continues to be fit and relevant in a post-COVID world.

Himmet Watan Fund

The Bank, its board members, employees and customers have all contributed directly to the national efforts fund "Himmat Watan"; established by the

government of Jordan to receive donations in support of national efforts to combat the COVID-19 crisis in Jordan and mitigate its repercussions.

The bank donated a total of JOD 15 million to the fund, including JOD 3 million to the Ministry of Health. Donations from our employees raised JOD 1.25 million and the Board of Directors donated JOD 150,000 to the fund. The bank also enabled customers to donate directly to the "Himmat Watan" fund and other official government accounts related to COVID-19 efforts through our digital channels.

In Palestine, the bank donated USD 2 million to the national effort to combat COVID-19. The "Wakfet Izz" fund was established by the government to face the ramifications of the pandemic in Palestine with the aim to focus all national efforts towards contributing to enhancing the economic, social and health sectors impacted by the crisis. Additionally, our employees in Palestine donated JOD 200,000 to the same fund.

We continue to support initiatives to combat the consequences of the COVID-19 Pandemic in other countries where we operate.

CSR Program - Together

Despite facing the COVID-19 challenge, the bank did everything possible to continue delivering a comprehensive package of community interventions spearheaded by our Together program, a wide-ranging CSR platform. You can read more about the initiatives implemented on page 25 of the report.

The Abdul Hamid Shoman Foundation

The Abdul Hamid Shoman Foundation (AHSF), set up and funded by Arab Bank, has the goal of achieving Arab scientific and cultural excellence through initiatives focused on creativity and the arts, reading and education, innovation and scientific research. After the initial lock-down, the foundation worked on resuming its activities and initiatives within the permissible limits, shifting towards virtual and digital delivery of programs and activities to ensure their continuity. A good example of this is the growth in the electronic content offered by the foundation's public library. The library was equipped with numerous E-books to enable its patrons and readers to reach and access the information resources easily.

More information about the AHSF can be found in this report, page 27.

Banking in a post-COVID world

It is not yet clear what a post-COVID world will look like, however, we are continuing to innovate our products and services, and the way we operate internally to ensure that we are ready for whatever the future may hold. In 2020, we have focused on accelerating the expansion of our digital channels and ensuring business continuity plans are up to date to factor in the experience over the last 12 months.

Much has been learned in 2020 regarding the bank's strength and ability to react to new scenarios that challenge every aspect of the bank, the economy and society. Many positives can be taken forward together with those lessons to ensure we remain fit and resilient for the future.

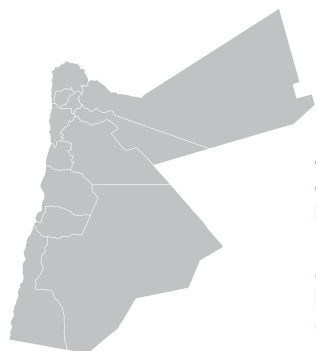
SUSTAINABILITY AT ARAB BANK

OUR GLOBAL PRESENCE

Established in 1930, Arab Bank, headquartered in Amman, Jordan, has one of the largest global Arab banking networks with over 600 branches spanning five continents.

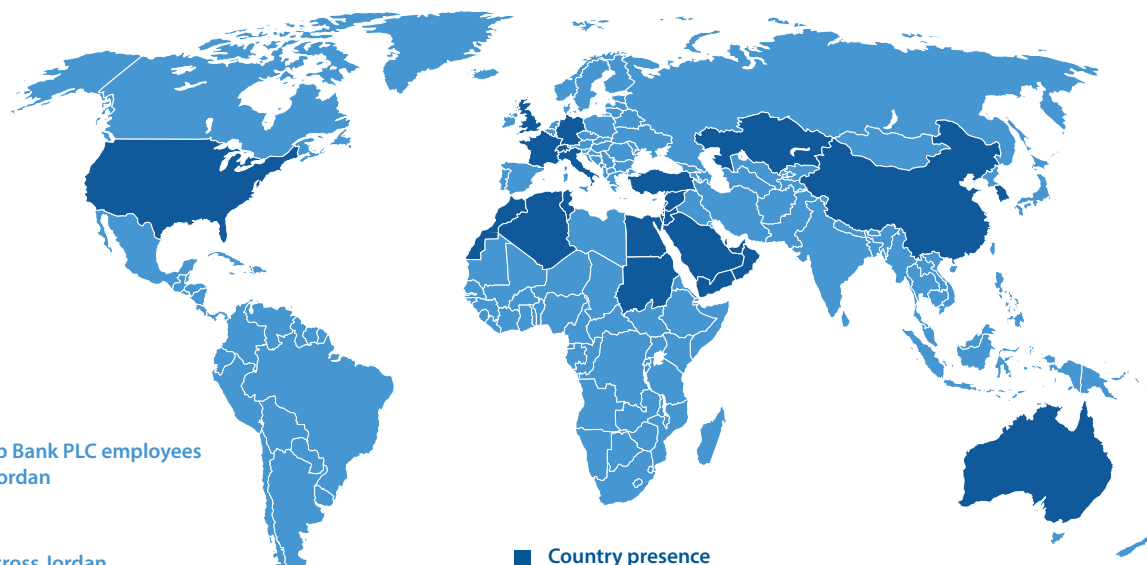
5
continents

+600
branches



47.3%
of total Arab Bank PLC employees
located in Jordan

82
branches across Jordan
(Including the Head Office)



Arab Bank Presence in Key Financial Markets and Centers



GENEVA



LONDON



PARIS



FRANKFURT



SYDNEY



SINGAPORE



DUBAI



BAHRAIN



SHANGHAI

PRODUCTS AND SERVICES

CONSUMER BANKING

Offering individuals an extensive range of feature-rich value propositions through a vast branch network and integrated digital banking channels, both locally and regionally. We provide a comprehensive range of programs that are specifically designed to cater to the needs of a diverse consumer base.

CORPORATE AND INSTITUTIONAL BANKING

Manages the Group's corporate and institutional client base, providing access to a full range of financial solutions through an extensive branch network and electronic channels.

TREASURY

Manages the bank's liquidity and market risks, and provides expert advice and dealing services to Arab Bank's customers globally.

We have adopted a holistic approach that is fully integrated into our daily operations and addresses the social, economic and environmental challenges at a local, regional, and global level.

This approach is based on comprehensive engagement with our stakeholders enabling us to identify their needs and expectations, and then aligning them with our business case for sustainability, thereby shaping an approach that ensures value for all stakeholders.

Our Sustainability Strategy

Our sustainability strategy, which is illustrated by the sustainability framework (see image), is built on 'our values' which in turn underpin 'our foundation' of stable and principled banking practices. This forms the basis for integrating sustainability into the core business operations.

This sustainability strategy helps us to adopt effective and immediate actions that contribute positively to the community and create value for our stakeholders, addressing the growing socio-economic and environmental challenges that face them today and in the future.

We aim to achieve a 'sustainability advantage' by integrating social and environmental aspects, in addition to the economic and ethical perspectives, beyond our strong foundations. These are represented by our sustainability focus areas, which include: responsible financing, employee empowerment, transparent reporting, system optimization and community cooperation.

For each of the sustainability focus areas, a clear strategic objective has been established to drive our efforts forward, thus optimizing our economic, environmental and social impacts and aligning the business conduct with our strategic sustainability approach.

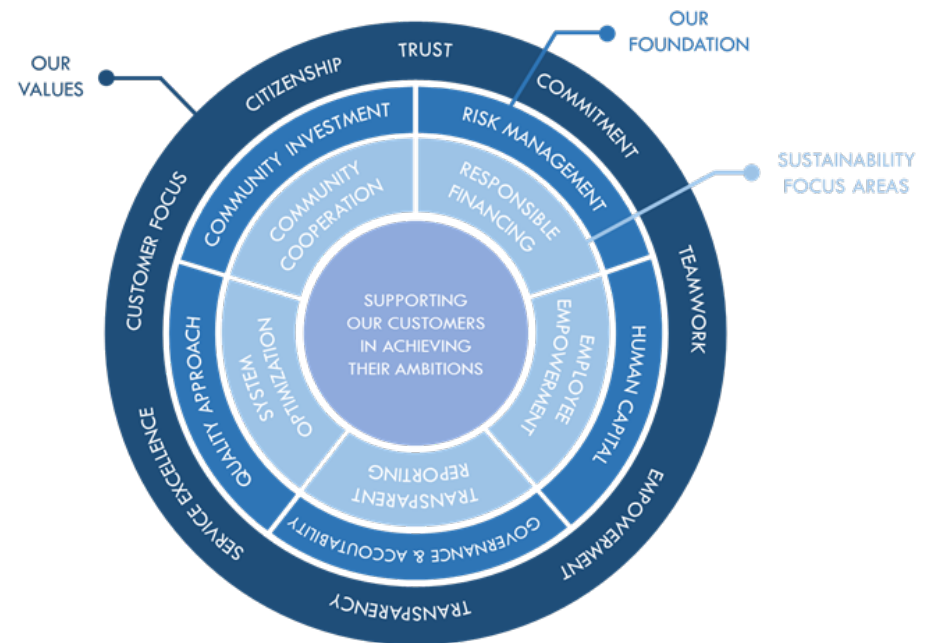
Our Sustainability Promise

We have framed this report around our sustainability commitments to our stakeholders. These commitments revolve

around delivering on our promise to the stakeholders by:

- supporting their ambitions through our products and services,
- working for a sustainable future by providing financial services that enable better environmental and social outcomes,
- supporting our people and community; and
- building a foundation of trust through internal controls, good governance and a robust risk management approach.

GRI: 102-44



Arab Bank Sustainability Framework

Deliver for Our Stakeholders

We continue to engage regularly with our stakeholders as a way of understanding their needs, ambitions and expectations of the bank. This enables us to effectively respond to their continually evolving priorities, by using it as the cornerstone of our sustainability strategy.

To achieve this, we regularly map our key stakeholder groups, review our methods of engagement, identify priority issues for both the bank and the stakeholders, and track our response to these issues. The results guide our efforts in fulfilling stakeholders' needs through the strategic objectives and initiatives we implement.

CUSTOMERS

How we deliver

Addressing the needs of consumers, businesses and institutions by offering seamless, innovative and safe financial services



SHAREHOLDERS

How we deliver

Providing an appropriate return on investment over the long-term, in an ethical and well-governed manner



EMPLOYEES

How we deliver

Creating an inclusive work environment where the best talent can thrive



GOVERNMENT

How we deliver

Maintaining good governance and business conduct practices, adherence to regulations, and transparent reporting



COMMUNITY

How we deliver

Supporting local communities where we operate to address local social, and environmental issues



SUPPLIERS

How we deliver

Sourcing goods and services responsibly, providing suppliers with stability and fairness



THE ENVIRONMENT

How we deliver

Supporting the transition to climate resilient future



+ A full description of how we engage our stakeholders can be found in Appendix B.

Focusing on What Matters

Our sustainability efforts and priorities are informed by the wider social and environmental context around us. We use a materiality assessment process to identify topics that are important to our stakeholders and are strategically significant to our business. Establishing prioritization among a wide range of sustainability topics helps to provide focus and relevance to our strategic priorities.

In 2020, our assessment revealed a list of 10 material sustainability issues.

Some of the material issues that have been included in the list can be attributed to COVID-19, including; customer safety and access, customer hardship, workforce wellbeing and talent retention, and supporting local communities.

Arab Bank's approach to identifying material sustainability issues is aligned with GRI Standards (2016).

+ A full explanation of our materiality approach and boundaries of the material issues can be found in Appendix C.

GRI: 102-40

GRI: 102-42

GRI: 102-43

GRI: 102-44

GRI: 102-46

GRI: 102-47

GRI: 102-49

CYBER SECURITY AND DATA PRIVACY

Why it is material

As individuals and companies perform more transactions online, the risk of a data breach increases daily. Therefore, the importance of securely maintaining customer information is crucial to the bank's success

GOVERNANCE, RISK MANAGEMENT, AND TRANSPARENCY

Why it is material

Strong governance system, transparency and enhanced risk management capability are critical to the reputational and financial strength of the bank.

LEGAL AND REGULATORY COMPLIANCE

Why it is material

Supervision and regulation in the financial services sector continue to evolve. Strict compliance with all local and international policies and regulations is key to maintaining a license to operate.

CUSTOMER EXPERIENCE AND SATISFACTION

Why it is material

Providing our customers with seamless and more efficient services, will help the bank address complex and evolving expectations, and enable us to attract new customers

CUSTOMER SAFETY AND ACCESS

Why it is material

Maintaining an environment where customers can safely and conveniently access financial products and services, especially considering the COVID-19 Pandemic, is at the core of the bank's responsibilities

CUSTOMER HARDSHIP

Why it is material

Building trust and loyalty is only achieved by supporting customers during good times as well as in times of hardship, such as during the COVID-19 pandemic.

DIGITAL PRODUCT AND SERVICE TRANSFORMATION

Why it is material

Digitization is reshaping the value proposition of existing financial services; the bank looks at it as an opportunity to improve efficiency and deliver new and improved services

WORKFORCE WELLBEING AND TALENT RETENTION

Why it is material

Providing a safe, flexible and supportive work environment helps to attract, retain and develop the best people.

CLIMATE CHANGE AND ENVIRONMENTAL FOOTPRINT

Why it is material

Finance has an important role to play in managing the risks and opportunities associated with climate change. We also have a responsibility to limit the impact from our internal operations as part of our business sustainability.

SUPPORTING LOCAL COMMUNITIES

Why it is material

The success of the bank is directly linked to the strength of our local communities, so we must support them in good times and during times of emergency











SUSTAINABLE DEVELOPMENT GOALS

At Arab Bank, we believe that the success of realizing the SDGs depends on the mobilization of all parties, including the private sector. We are actively embedding these global goals into our sustainability approach and daily operations to maximize the positive impact our business can have on society and the environment.

On this page, we outline how our activities and sustainability approach contributes to the SDGs. While our work covers almost all the SDGs, we focus our efforts on 12 SDGs in which we believe we can have the greatest impact.

The United Nation 2030 Sustainable Development Agenda outlines 17 goals and 169 targets in areas of critical importance for the sustainability of humankind. The SDGs represent a universal call for action that all countries and companies should contribute to.



Goal	Our Contribution	Page Number
	<ul style="list-style-type: none"> Using digital innovation to advance financial inclusion by expanding financial services to the unbanked and supporting innovation and entrepreneurship, especially among youth. Supporting local NGOs to work on elevating community members from poverty through our community investments and Corporate Social Responsibility (CSR) activities. Enabling the SME sector to grow and deliver economic and social value, lifting people out of poverty. 	15, 16, 24-26
	<ul style="list-style-type: none"> Collaborating with reputable NGOs to advance medical coverage reach, especially for the under-privileged, through our community investments and Corporate Social Responsibility (CSR) activities. Promoting the benefits of a healthy lifestyle among employees, enhancing their wellbeing and ensuring a safe work environment. 	23, 26
	<ul style="list-style-type: none"> Collaborating with NGOs to invest in the development of educational infrastructure and access to quality education in Jordan, through our community investments and Corporate Social Responsibility (CSR) activities. 	24-26
	<ul style="list-style-type: none"> Supporting gender equality and the empowerment of women by ensuring women's full and effective participation at the bank, and equal opportunities for leadership at all levels. Supporting equality and jobs creation among females in the community in collaboration with local NGOs. 	22, 26
	<ul style="list-style-type: none"> Investing in climate resilient projects that help reduce GHG emissions emitted into the atmosphere. Reducing the environmental impact of our operations and associated climate impacts. 	19, 20
	<ul style="list-style-type: none"> Using digital innovation to help advance financial inclusion by expanding financial services to the unbanked and supporting innovation and entrepreneurship, especially among the youth. Enabling the SMEs to grow and deliver its economic and social value that helps grow the economy, and build sustainable economy. 	15, 16
	<ul style="list-style-type: none"> Using digital innovation to help advance financial inclusion by expanding financial services to the unbanked and supporting innovation and entrepreneurship, especially among the youth. Ensuring the bank's infrastructure investments are environmentally sensitive and respond to social concerns. 	16, 19
	<ul style="list-style-type: none"> Using digital transformation to develop innovative products and services for the unbanked to advance financial inclusion. Enhancing social inclusion and reducing inequalities among community members through our community investments and Corporate Social Responsibility (CSR) activities. Enabling SMEs to grow and deliver economic and social value that helps reduce inequality within the community. 	15, 16, 24-26
	<ul style="list-style-type: none"> Providing the platform to develop innovative products and services that incentivize sustainable living, and to create more efficient and effective operating and distribution models for new markets. Supporting our customers shift to a more sustainable lifestyle by offering sustainable products and services that also help reduce their energy consumption. 	16, 19
	<ul style="list-style-type: none"> Investing in climate resilient projects that help reduce GHG emissions emitted into the atmosphere. Reduce the environmental impacts of our operations and associated climate impacts. 	19, 20

SUPPORTING THE AMBITION OF OUR CUSTOMERS

Our customers are at the core of our business, so we continually align our operations to meet their evolving needs and expectations, through an extensive range of banking services and solutions. Ultimately this enables us to attract new customers in line with our mission of becoming the leading financial institution in the Arab world.

Alignment with the SDGs



SERVICE LEADERSHIP

Our philosophy revolves around providing our customers with 360° responsive banking solutions. This philosophy is manifested through offering a comprehensive range of value propositions supported by extensive offline and online channels to ensure that they enjoy a seamless banking experience all day, every day.

Seamless Banking Experience

As one of the leading financial institutions in the region, we continue to deliver on our promise to our customers; providing an excellent and seamless banking experience that meets their evolving needs at every stage of their life cycle. We have introduced a number of products and services designed to address the evolving needs of our corporate and individual customers.

Consumer Banking (CB)

Consumer Banking continued to make progress with its digital strategy by enriching the customer experience through digital onboarding and engagement, products and programs development, and revamped customer journeys.

Consumer Banking - 2020 Highlights

- Launching the ability to open an account digitally through the Arabi Mobile application in Jordan was a key objective that was achieved during the year.
- The introduction of cross-border account opening also enabled customers to open accounts in Jordan, Palestine, Egypt, and the UAE.
- The bank revamped its program for children and teens up to the age of 17 years. Under the "Arabi Junior" program, the bank is providing a host of comprehensive banking and non-banking services specially designed to encourage parents to save for

their children's future, while offering children an exciting and educational financial experience at an early stage. Instant digital account opening for children and enrolment in the "Arabi Junior" program was also added. It gives parents mobile access to their children's accounts, provides an instant saving feature, offers a new card design for ATM and eCommerce access. Also included is a free subscription to digital learning platforms, "I Read Arabic" and "Abwaab".

- Many of our customers needed to use our services during lockdown or use our services with minimal in person interactions. The bank introduced and enhanced already existing digital solutions to make it easier for customers to do business with us remotely.



For more on the bank's efforts towards service continuation during the pandemic, see page 5 on this report.

- Tie-ups with different business partners were introduced to give Arab Bank customers lifestyle benefits and special offers, such as digital eVouchers, beIN subscription, Uber, Al-Tibbi, Wafii, Total Gas, Toghi.com, Noon, Shahid.net, Rentalcars.com, and reports on the latest weather conditions, among others.
- Special services for the e-wallet were launched, enabling customers to withdraw and deposit from their accounts without the need for a card.
- We have also added many personalized real time alerts to the Arabi Mobile application in Jordan, helping direct customers to offers and let them know

that their transactions have gone through.

- Arab Bank successfully launched a social payment app "Arabi Pay" in Jordan, which allows customers to make payments through social networking and messaging apps such as WhatsApp, Facebook Messenger and Instagram via a special keyboard designed specifically for smartphones.

Corporate and Institutional Banking (CIB)

Arab Bank remains a prominent financier for major corporations involved in trade and projects related to power, electricity, water treatment, desalination, and road infrastructure across the MENA region.

Over the past year, we have focused on solidifying our product and service offerings and strengthening our digital proposition. We have adopted a client-centric strategy that serves the needs of both multinational corporations and corporate clients, nationally and regionally. The bank provides corporate clients with comprehensive well-rounded products and services that complement their business cycle, size, and industry specialization. These solutions span jurisdictions and have helped our clients to meet the challenges of a diversified region and the COVID-19 pandemic.

The Corporate and Institutional Banking (CIB) division successfully navigated the challenges of the COVID-19 pandemic in a manner that enabled continuity of business and customer support. The division also deployed robust portfolio management across the network.

CIB Digital Offerings

The bank continued its strategy to accelerate digital transformation. Our CIB digital product offerings, such as ArabiConnect; cash management and trade finance corporate platform, and the ArabiSync host-to-host solution, allow clients to manage their liquidity, conduct their business and trade operations, and carry out their day-to-day financial transactions, locally and across borders. These solutions have helped ensure business continuity while making financial services accessible to the bank's customers.

Supporting SMEs

Small and medium-sized enterprises (SMEs) are considered the backbone of the global economy, and this is especially true for Jordan. Many SMEs face difficulties accessing the financing and capital that they need to thrive and grow. Thus, we have created a multi-dimensional approach to supporting SMEs, including tailored products and financial offerings to meet their needs, while also providing them with training to support their growth.

As part of our support for SMEs, we have collaborated with several stakeholders in loan guarantee programs. These programs opened new prospects for SMEs, allowing them to obtain facilities from us to expand and grow their businesses.



More information on financing programs we offer SMEs can be found in the 2019 Sustainability Report, pages 27.

We also provide tailored business services for SMEs, through 10 specialized SME business service centers. These centers have been established to provide a full range of banking solutions to develop and expand the business horizon of our SME customers.

Arab Bank held a series of workshops for its SME customers to provide them with the needed business management expertise and financial knowledge to help develop and grow their businesses. These initiatives come as part of the bank's keenness to maintain effective communication with its SMEs customers and build their capacity.

SMEs Lending Platform

During 2020, Arab Bank was one of the first banks in Jordan to launch a full digital lending platform accessible by Arab bank and non Arab Bank SME clients. Through this platform, SME clients can fully apply for lending.

By launching the platform, the bank has reduced the time needed for processing the applications and encouraged current and potential SMEs clients to apply for loans. Additionally, the platform served as the best communication platform with SME clients during the COVID-19 pandemic, reducing the risk associated with face-to-face interaction.



For more details on the role of this platform during the COVID-19 pandemic, please refer to page 6.

Service Excellence

Great customer service starts with having empowered, motivated and professional employees who can meet and exceed the customers' needs and expectations. Our approach to achieving this is through empowering our employees and training them to raise their knowledge and experience to deliver on our promise, and monitor this interaction to ensure that the highest levels of customer satisfaction are achieved.



DIGITAL TRANSFORMATION

We see digital transformation as critical to developing products and services that are driven by clear customer need and enhance service experience. As lifestyles change, digital banking is important in order to remain relevant for generations to come.



The shift to digital services accelerated during the COVID-19 pandemic, as remote banking capabilities became more important to those staying at home or practicing social distancing.

Our early adoption to digital transformation has positioned the bank at the forefront of meeting the growing digital expectations of our customers.



For more on how our digital services helped our customers during the pandemic, see page 6 on this report.

Our Approach to Digital Transformation

We see digital innovation in the context of enhancing our customers' experience, therefore, a collaboration between us and an external Fintech ecosystem was needed to be able to develop innovative solutions for Arab Bank customers. Thus, we have shaped our approach to innovation and product development through a three-staged business model of explore, accelerate, and scale-up.

At iHub, our approach is based on our

Innovation Hub - iHub

We established AB "iHub" as a dedicated co-creation space that allows our employees to connect with FinTech startups and foster new innovative ideas, prototype and experiment together. It is also an awareness and education center to bring the staff up to speed with new technologies, debate use cases and reflect on how to exploit new technologies, debate use cases and reflect on how to exploit new technologies, debate use

cases and reflect on how to exploit new technologies and wider ecosystems.

At iHub, our approach is based on our belief that innovation starts from within and so we are committed to embracing the future of digital innovation through our employees.



For more on the iHub approach to engaging our employees to discover, educate and experiment in innovation, see our 2019 Sustainability Report, page 15.

iHub - 2020 Highlights

- Conducted two speaker sessions with around 150 attendees at the beginning of 2020, before the COVID-19 pandemic.
- Conducted five webinars with distinguished speakers in areas of innovation.
- Through the iHub "Intrapreneur Program", the bank empowered two female employees' to have their innovative ideas designed, prototyped and launched to the bank's customers.
- Established two new innovation hubs in Egypt and UAE.



Arabi Junior Application is a new engagement and financial digital platform addressed to existing and new Arabi Junior customers from the age 12-18



Arabi Pay is a payment keyboard that provides instant access to the bank's money transfer service within ANY messaging application (i.e. WhatsApp, FB messenger, Instagram, etc.).



AB Accelerator

The AB Accelerator is a specialized program that is product-centric, applying a lean approach to product launch and integration development. It provides startups with the opportunity to test their solutions through a proof of concept and the possibility of moving into a pilot deal with real enterprise customers.

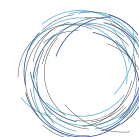
The program aims to help the bank adopt emerging technology solutions that enhance, improve, and reimagine the way we add value for our customers.



For more on the AB Accelerator, see our 2019 Sustainability Report, page 17.

AB Accelerator - 2020 Highlights

- A portfolio of five innovative startups across North America, Europe, and Middle East and North Africa.
- AB Accelerator latest investments in 2020 were in "Tabby", a payment solution that offers customers payment installments up to 3-6 months with a zero interest rate. AB Accelerator also invested in "InvestSuite", a suite of white-label B2B Wealthtech products.



ABVENTURES

ABVENTURES

A key pillar in Arab Bank's Digital Innovation Strategy, ABVENTURES was set up in 2018 as our independent corporate venture capital arm. ABVENTURES demonstrates the bank's commitment towards embracing digital innovation by investing directly in the next wave of innovative financial solutions, and integrating them, where relevant, into the bank's financial services' value chain across multiple markets.



For more on ABVENTURES, see our 2019 Sustainability Report, page 18.

ABVENTURES - 2020 Highlights

- Even though 2020 witnessed COVID-19 travel restrictions, ABVENTURES successfully managed to build working relationships with 17 investors across multiple geographies.
- Around 90% of the investments witnessed healthy growth during 2020, despite the COVID-19 effect on the global economy.
- ABVENTURES most recent investments was VEEM, a global payments network built for small and medium size businesses.



WORKING FOR A SUSTAINABLE FUTURE

We are committed to providing financial services that enable a better and more sustainable future. We also follow this commitment into our internal operations through reducing our environmental impact.

Alignment with the SDGs



FINANCE FOR IMPACT

As one of leading financial service institutions in the region, we are well positioned to help address complex societal and environmental issues. Whether we are providing lending to large green infrastructure projects, or to small business owners, we see these activities as potential solutions to issues that matter to our stakeholders and impact our communities. We believe that by addressing the challenges of today, we can find greater opportunities for tomorrow.

Managing Environmental, Social and Governance (ESG) Issues

We recognize that our lending activities can have an impact on the environment and society. As such, we use sound risk management practices to identify, evaluate and mitigate, to the extent practical, the impact of our lending and financing activities. We also avoid dealing with borrowers who have poor environmental and social risk management track records.

The bank has a robust system in place for identifying and managing lending and financing risks, by addressing environmental and social risks within the bank's credit policies.

Green Financing

We play a major role in financing a more sustainable economy, and our green infrastructure finance activities represent a growth opportunity for our business and our clients. By investing in projects that have a tangible positive environmental impact, such as renewable energy, we are adding to the global effort to combat climate change and contribute to the Sustainable Development Goals (SDGs).

Financing Green Infrastructure Projects

Since 2012, the bank has provided over USD 267 million in loans and facilities for green infrastructure project.



Over 1,350 MW

Annual renewable energy capacity added to the Jordanian grid



Approximately

905,000 tons CO₂e

GHG emissions avoided

Sustainable Financial Products and Services

Responsible financing demonstrates a financial institution's commitment to contribute to broader environmental and social issues. At Arab Bank, we work on achieving our customers' ambitions by offering them a range of sustainable products and services.

Through our Easy Payment Plan (EPP), customers can purchase renewable energy equipment and environmentally friendly products with a repayment period up to 12 months with 0% interest rate when using a credit card at selected outlets. Additionally, customer will benefit from a repayment period of up to 24 months at a 1% interest rate when using a credit card at any outlet inside or outside Jordan. Additionally, we continue to work on helping our customers reduce their environmental footprint resulting from our services. This is done mainly through the digital transformation of our services and products, which reduces the material consumption associated with these services.

Financial Empowerment

By creating opportunities for financial inclusion for under-served segments of our community, and enhancing their financial knowledge will contribute to improving the overall well-being of our communities and economy as a whole.

We are helping people from different segments of society feel empowered with the knowledge, skills and confidence they need to make smart, everyday financial decisions. We offer a variety of services, support, information and tools; online and in person, to cater to individual needs, considering how, when and where they need our services.

National Financial Educational Program

We continue to support the national financial educational program, initiated by the Central Bank of Jordan, to increase financial literacy among school students and to teach them how to develop smart saving habits and make sound financial decisions. The bank also supported this initiative through the Abdul Hameed Shoman Foundation (AHSF). The program aims to bridge the gap between financial knowledge and behavior, while acquainting students with basic economic and financial concepts, targeting students from grade 7 to grade 12.

REDUCING OUR ENVIRONMENTAL IMPACT

We embrace our responsibility to minimize the environmental footprint of our operations to maintain natural resources for future generations and combat global warming.

Paper Consumption

Due to the nature of our business, paper continues to be the natural resource most utilized in our offices and branches, including operations, contracts and correspondence, services offered to clients and promotional materials. Thus, we are focused on reducing paper use for our customers and optimizing our internal operations.

Our approach to reducing paper consumption is twofold; optimizing our internal operations and moving to a paperless environment; and introducing digital products and services that reduce and eliminate paper consumption by our customers.

During 2020, we continued to follow our approach in creating a paperless operational environment. Several initiatives have been developed to eliminate paper use through harnessing the benefits of digitalization. Those include automating several forms like HR travel desk, overtime and shifts requests, transportation requests, and over time requests. These efforts helped to eliminate the use of 500,000 sheets of paper in 2020.

We continue to focus on introducing green banking solutions through digitalization in order to reduce the environmental footprint stemming from paper-based services, while offering our customers seamless banking experience.



For more on the bank's digital transformation, see page 16 of this report.

Energy Consumption and GHG Emissions

Although our operations are not highly energy intensive, we continuously seek to reduce our energy consumption. Our main source of energy is electricity purchased from third-party suppliers and heating fuel for the Head Office and all branches across Jordan. In addition, energy is consumed in the form of transportation fuels for our fleet and business-related travels. These also form the main sources of greenhouse gases (GHG) emission from our operations.

Renewable Energy for our Operations

Since 2019, the bank has been sourcing 97.7% of its electricity for its operations in Jordan from renewable energy projects, thus reducing the amount of harmful GHG emissions released into the atmosphere.

This change has also reduced the banks cost of electricity by JOD 2.5 million.

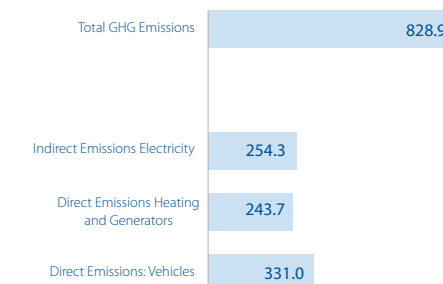
97.7%

of the bank's electricity consumption comes from renewable resources

93.4% reduction

in the bank's GHG emissions since 2019

GHG Emissions (Tons CO₂e)
73.6% Reduction Compared to Previous Year



Water Consumption

Although our water consumption is minimal, we are aware of the importance of responsible water consumption in Jordan. Our activities in terms of water use are related mainly to employee usage and use for cleaning purposes. We have continued to work on reducing our water consumption by installing water saving devices.

SUPPORTING OUR PEOPLE AND COMMUNITY

As one of the biggest organizations in Jordan, we are in a position to help support the economic, social and environmental wellbeing of Jordan. We do that as an employer of choice and through our community investments and interventions.

Alignment with the SDGs



OUR PEOPLE

At Arab Bank, people matter, and so we strive to create an environment where our employees can align their efforts with the bank's values and vision; to deliver our promise to our customers, shareholders, and the community. We do this by creating a diverse and inclusive environment for our employees, where they can find the opportunities for personal and professional growth that allows them to release their potential.

Inclusion and Diversity

At Arab Bank, we believe that building and maintaining an inclusive and diverse workplace is essential for creating a sustainable, future-ready organization, reflective of the broader community that it serves. Maintaining a diverse and fair working culture is key to encouraging diversity of thought and perspectives, which will drive innovation and enable our people to produce better value to our stakeholders.

We encourage the success of our employees by providing them with equal opportunities, competitive benefit packages and a safe and nurturing work environment.

Commitment to Nationalization

In 2020, the bank's total workforce reached 3,244 in Jordan, with 99.6% being Jordanian nationals. This reflects the bank's strong commitment to invest in and develop national talent.

We aim to foster a culture that is fully supportive of females in the workplace, because attracting, developing, and retaining top female talent continues to be important to us. Over the years, female employees have continued to grow and progress throughout the bank, supported by our fair process, where women are given every opportunity to showcase and utilize their skills and talent.

We also care for our working mothers, offering them maternity leave, with around 100 female employees on maternity leave during 2020. The return to work and retention rates of female employees that took maternity leave also reached 81%. Additionally, the bank helps working mothers secure proper childcare while they are at work by contracting with nurseries to take care of children under the age of five. At the end of 2020, around 90 of our female employees benefited from this program, sending 104 children to those nurseries.

39.6%

female participation from total workforce in 2020

12.8%

female participation from total senior management positions in 2020

Beyond gender diversity, we also seek to support people with different life experiences, ages, abilities, thoughts and perspectives. This accessibility strategy supports the employability and integration of those who are physically less able. At the end of 2020, the bank had 86 less able employees.



Competitive Benefits

Our complete rewards and remuneration program ensures we secure the right knowledge, competencies, and behaviors necessary for business success. We provide market competitive rewards and remuneration to our employees through a fair and flexible compensation and benefits programs designed to attract, retain and motivate them.

Our approach to compensation ensures that salaries are determined independently of gender, and so pay is determined based on key elements, including market and business alignment, internal relativities, job value and demands, individual competence, and performance.

Despite the economic slow-down due to the COVID-19 pandemic, the bank remained committed to the welfare of our employees by adopting critical measures to protect their health and financial wellbeing.



For more on our support for our employees during COVID-19, see page 5 of this report.

During 2020, 104 students were awarded a university scholarship under the Employees' Children University Scholarship Program, setup to assist employees' children to pursue a university education. The total amount of support in 2020 reached JOD 237,410.

Employees Engagement and Wellbeing

We believe that proactive engagement with all employees creates commitment to the goals and values of the bank, helps motivate them to contribute to our combined success, and provides an enhanced sense of wellbeing.

We use a range of channels to engage our employees, including annual performance reviews, internal newsletters, and an intranet platform called "Arabina". Employee feedback, including complaints, is gathered through an Employee Relations Committee that is dedicated to processing internal grievances, comments and suggestions. During 2020, there were no incidents or complaints escalated to the Employee Relations Committee related to discrimination or human rights.

We are committed to providing a working environment that is safe, secure, and productive, where all employees are treated fairly and with respect. We have a dedicated Occupational Health and Safety Committee which comprises of six members from different departments and focuses on advancing health and safety systems and plans. All occupational health and safety related queries and complaints are tracked by the committee and the results of any inspections, including incident reports and action plans which are all documented.



For more information on maintaining the safety of employees during COVID-19, see pages 5 and 7 of this report.

Throughout the COVID-19 pandemic, our teams worked hard to support our customers and maintain the delivery of services. Meanwhile, our internal response focused on protecting our people and providing them with a working environment that supports their safety and wellbeing.

Collective Bargaining

In compliance with internal regulations, any employee that is part of a union should declare it to his/her manager and the Human Resources Division. The bank does not have a system to track the percentage of total employees covered by collective agreements.

Building Skills for the Future

We operate in a fast moving, skill-centered industry, where our strongest competitive advantage lies in the knowledge and capabilities of our employees. Therefore, we continually encourage employees to consider learning new skills throughout their whole career, in a culture of life-long learning that enables the bank to address the continuous evolution of the financial sector.

Our training programs include internal and external training opportunities. Training courses are designed and developed internally or in collaboration with training vendors based on an assessment of employees' training and development

needs. Employee career development is also promoted through tools including talent management and succession planning.

With the COVID-19 pandemic impact on meetings and face-to-face interactions, the bank moved most of its learning and development efforts to be delivered virtually. All refresher training for regulatory compliance and information and cyber security courses, in addition to the induction trainings continued to be offered to employees virtually. This has impacted the total number of trainings and training hours completed in 2020, however, it maintained the safety of our employees which is the number one priority. Total training hours provided reached 13,137 hours, with an average of 4.05 hours per employee.

OUR COMMUNITY

As one of the leading financial institutions in the region, we can play an active role in creating a positive impact among the communities we work in. With this strategic focus, we apply our expertise, skills and resources to create value in many different ways.



For additional information on our operating expenses, cash dividends and tax expense, visit our 2020 Annual Report

Generating Direct and Indirect Economic Value

The generation and distribution of economic value is the central way we contribute to the socio-economic development of the Kingdom. It is a simple equation: we generate revenue from providing vital products and services; we then distribute those revenues to those we rely on for our business. That distribution is seen in the compensation and benefits we provide our employees, in the commercial transactions we have with our suppliers, in meeting our tax obligations at all levels of government, in the dividends paid to our shareholders, and in the investments we make through our CSR program. This is defined as "economic value generated and distributed" and is used to measure the impact of a company on the economy.



Arab Bank Community Investments

Our multifaceted community investment approach is to focus on causes aligned with the bank's sustainability strategy. It involves direct charitable donations, CSR based sponsorship, community interventions and initiatives, and employee volunteering. This is also complemented by the bank's substantial contribution made through The Abdul Hameed Shoman Foundation (AHSF); Arab Bank's social and cultural responsibility arm.

COVID-19 has had a profound impact of our society in 2020, including; higher unemployment, deep economic impacts, and elevated infection rates.

As one of the major private sector actors, Arab Bank has played a significant role in overcoming the impact of the pandemic, by contributing directly to the national fund to combat the economic, social, and health implication of COVID-19.



Additional information on our community efforts towards fighting the implication of COVID-19, see this report page 8.

Over USD 26.2 M

Arab Bank's community investment in 2020



Arab Bank CSR Program - "Together"

Our Corporate Social Responsibility (CSR) program, "Together", focuses on enabling our employees, customers and NGOs to become proactive members of the community through a range of strategic activities.

The Together program's activities focus on investment in areas that are aligned with community needs and priorities: health, poverty alleviation, environmental protection, education, and orphan support. In line with the identified focus areas and our strategic approach towards CSR, the "Together" program includes the following aspects:

- Employee volunteering
- Collaboration with NGOs
- Customer donations through existing banking services

125,234

Number of community members impacted by the "Together" program in 2020

Employee Volunteering

We encourage our employees to donate their time, effort and experience to carryout initiatives and programs that are aligned with our five main community causes.

We work with partner NGO's to deliver impactful volunteering opportunities for our employees and their families, enabling them to give back to their communities while at the same time increasing their

awareness on local social and environmental issues.

Due to the COVID-19 pandemic, the bank switched all volunteering activities to become virtual in 2020. This has impacted the total number of volunteering hours completed, but maintained the safety of our volunteers and our beneficiaries, which is the number one priority. Our employees were involved in around 57 volunteering opportunities in 2020, contributing over 204 hours through 11 different community programs, including virtual training and courses.



Capacity Building for NGOs

We like to utilize our employees' skills and experience to train NGO staff in order to increase their effectiveness and overall performance.

The Capacity Building Program has been running since 2012 utilizing the expertise of our internal trainers to deliver courses that focus on strengthening the functional, technical, and interpersonal skills of the NGO staff. During 2020, the various courses benefited 87 employees from our partner NGOs, completing 369 training hours.

Customers Donations

We have integrated donation functionality into a range of banking channels, enabling our customers to support the local community in a seamless and convenient manner.

Donation channels include: Internet banking, ATMs, branches and the Together Platinum Credit Card, in addition to the eFAWATEERCOM payment method.

These channels provide our customers with the opportunity to donate to the Together program's group of trusted NGOs in Jordan covering the areas of health, poverty alleviation, environmental protection and Education/orphan support.

Over

JOD 1,789,000

Arab Bank customer donations during 2020

Customers' Donation 2020

Total Donations	1,789,168
eFawateercom	1,484,307
Internet Banking	269,384
ATMs	25,215
"Together" Card	6,262

During 2020, we worked with reputable NGOs that have established track records in each of our CSR focus areas. The engagement included developing and implementing initiatives and intervention programs through our community investments. Below is a list of the key programs we supported in 2020.

Program	Program Objective
Back to School with King Hussein Cancer Foundation	Supporting cancer patients to resume their education, a key part of providing comprehensive cancer care that deals with the physical, social and emotional needs of patients.
Jordan Air Ambulance Center (JAAC)	Supporting the transfer of patients with medical emergencies from remote parts of the country to hospitals in the capital, Amman.
Healthy Schools with Royal Health Awareness Society (RHAS)	Implementing the healthy schools program in eight schools, building capacity to influence student and teacher physical and social growth, as well as their academic performance.
INJAZ Courses	The bank's employees supported students through the delivery of technical and interpersonal programs at public schools and universities.
Children's Museum	Supporting the Community Connection program and the Science and Art Festival online workshops.
Queen Rania Foundation - Karim and Jana Application	Supporting the launch of an application to encourage socio-emotional development of children aged 3-7 years, as well as parents to increase their personal, social and emotional, and physical development.
Queen Rania Foundation - The Parent Education Program	The program focused on transforming parenting practices to be supportive of their children's development and learning in the early years.

Program	Program Objective
Madrasati – School Renovation	Sponsoring the renovation of facilities and infrastructure at four schools, making them healthier, safer, more stimulating and more appealing to students.
EDRAAK Online Courses	Supporting three online MOOCs.
Jordan River Foundation - Women Empowerment Program	Training vulnerable Jordanian women to then become employed at JRF, empowering them to have sustained income.
Jordan River Foundation - Child Safety Program	Tackling the issue of child safety through activities that address both prevention and intervention measures.
Tkiyet Um Ali – Family Adoption	Supporting underprivileged families that are living below the poverty line by providing them with monthly food packages.
Al-Aman Fund	Equipping orphaned students with the education and skills necessary to become self-reliant, productive members of society and therefore, to secure a better future for themselves.
Royal Society for the Conservation of Nature – Fifi Eco-village Development Program	The project aims to create socio-economic development opportunities for households in the village in an environmentally friendly manner.

Sponsorships and Donations

We support community-based organizations (CBOs), nongovernmental organizations (NGOs) and other foundations and initiatives. Additionally, we were involved in many conferences, aimed at supporting economic growth and development in Jordan.



For additional information on Arab Bank donations, sponsorships and other conferences, visit our 2020 Annual Report.

THE ABDUL HAMEED SHOMAN FOUNDATION

The Abdul Hameed Shoman Foundation (AHSF) is a non-profit pioneering initiative that was established by Arab Bank in 1978, to support cultural and social responsibility initiatives in the Arab World.

The foundation aims to serve as a beacon of light in Jordan and the Arab World by laying the groundwork to foster a society that encourages reading, caters to scientific research, cultural enlightenment, and innovation.

The foundation was built on three pillars: thought leadership, literature and arts, and social innovation. In 2020, the foundation persisted with its mission by working with communities to advance Arab scientific and cultural standards through a focus on education, innovation, scientific research, and creativity, in addition to strengthening and instilling the culture of reading in society.

To counteract the repercussions of the COVID-19 pandemic, the foundation transitioned to digital and online delivery of its programs and activities, ensuring their continuity.

Abdul Hameed Shoman Foundation Innovation Award

The foundation launched the second edition of the Abdul Hameed Shoman Foundation Innovation Award in 2020 to support projects that have a wide social impact. The award aims to foster a society of culture, knowledge, and creativity, drive economic growth, and accelerate social gains, which will encourage job creation and the introduction of projects that can improve quality of life and uplift communities.

In 2020, the award themes were: green technology and environmental sustainability, agriculture, health care, biomedical technology, labor market and economic productivity solutions, education solutions, and arts and culture.

The award was open from June 23rd to August 4th and attracted more than 1,200 applications, out of which 207 met all application criteria. The winning projects will be selected in early 2021 and will receive approximately JOD 1 million. This award program is considered the largest award for innovative projects in the Kingdom.

The Abdul Hameed Shoman Creativity Award for Children and Youth (Abde')

The Abdul Hameed Shoman Creativity Award for Children and Youth (Abde') targets people aged 8 to 18 from across

the Kingdom. This award aims to highlight the pivotal role young people have in shaping the future.

In 2020, the foundation invited children and youth to unleash their creativity in seven fields: drawing, Arabic calligraphy, article writing, poetry, music, dancing, and scientific innovation. It succeeded in attracting 745 eligible applications from Jordanian and Arab students from across the Kingdom. Finalists will be honored and awarded the amount of USD 1,000 each, at a special award ceremony in 2021.

Scientific Research

In 2020, the foundation honored the winners of its 37th annual Abdul Hameed Shoman Arab Researchers' Award at a virtual award ceremony. A total of 447 male and female researchers of various Arab nationalities have won since the award was launched in 1982.

The foundation also supports applied research in Jordanian universities, institutions, and research centers through the Abdul Hameed Shoman Scientific Research Support Fund, considered to be the first private sector supported fund. In 2020, the foundation signed 14 grant agreements with 14 researchers in 10 research organizations, for approximately JOD 200,000. Moreover, a special call soliciting research proposals related to the COVID-19 pandemic was announced during the year.

As part of the foundation's mission to invest in scientific research, a new support fund for scientific research was launched in cooperation with the Massachusetts Institute of Technology MISTI program. Its purpose is to provide backing to early-stage joint research projects between researchers from Jordan and their counterparts at MIT. The foundation will support five to seven joint research projects annually with a total of JOD 100,000.

The Abdul Hameed Shoman Award for Children's Literature

The Abdul Hameed Shoman Award for Children's Literature was launched in 2006 to elevate the quality of Arabic Children's literature, and to encourage children to read, thus stimulating their imagination and creativity.

At the end of 2019, a new committee was established for the award and it chose fiction stories for children (aged 4-7) as the theme of the 2020 award. The award received 1,436 eligible applications, out of which 814 were female applicants, and 622 were male applicants. The applicants were from 19 different Arab nationalities, distributed among 35 countries across the world. The foundation is currently in the process of editing the winning literary works before publishing the first edition, both in print and electronically.

The Abdul Hameed Shoman Public Library/ Jabal Amman and Al-Ashrafieh Branches

The public library, as with the rest of the foundation's operations, witnessed a transformation due to the limitations imposed by the pandemic. During the first quarter of the year (up to mid-March), the library remained open and received more than 68,000 visitors in the Jabal Amman branch and 12,400 visitors in the Ashrafieh branch. Despite a full lockdown during the second phase of the year, the library continued to operate online through the launch and activation of its e-library platform.

The fifth library symposium was held virtually with a special edition on operating during COVID-19 titled "The Library as an Engine of Change in the New Normal". The symposium hosted experts from the US, Netherlands and Britain to share their experiences in managing libraries during the crisis and the lessons learnt.

Some libraries decided to close-down to develop their services and create new opportunities for sharing and transferring knowledge, while delivering their programs and events remotely. Others chose to reopen their libraries and adopt a hybrid approach to their work, taking into consideration all the necessary health measures. The experiences of both the foundation's public library and the Knowledge Path children's library were presented during the symposium,

which attracted 336 participants from 28 different countries.

This year, the foundation also launched "The Internal Innovation Program" within the public library, encouraging staff to come up with new solutions to some of the challenges the library is facing, such as a decline in the numbers of readers and library visitors in Jordan. As a result, a variety of activities were identified and launched in the library, such as chess, training programs, classes on artistic photography using mobile phones, sign language, first aid, the basics of drawing, and Open Space. The Library also held a one-day reading marathon with 82 participants covering a total of 11,404 pages. Lastly, the Library started "The Shoman Book Club" an internal initiative to promote reading, which hosted 14 reading sessions during the year.

Library in Numbers

Despite the challenge of the pandemic and repeated closures, the total number of library visitors reached 131,514 in 2020, out of which 20,359 visited the Ashrafieh branch, a 66% drop compared to the previous year. The library received 1,376 new members, 245 of which were in Ashrafieh. The number of visitors borrowing printed books reached 19,255, an 85% decrease compared to the previous year, while 1,128 visitors borrowed e-books. The library also lent out 41,148 printed books and 2,054 e-books.

Knowledge Path Library for Children and Youth/Jabal Amman and Al-Ashrafieh

The Knowledge Path Library's goal is to revive the role of books in a child's upbringing. Its mission is to promote reading as an essential skill in children's lives, by offering a friendly and fun environment for reading and creative activities to raise a generation of gifted children.

Since the beginning of the pandemic in Jordan, the Knowledge Path Library suffered immensely from the continuous closures and need for social distancing. This led the library to transition its services online to avoid interruption while continuing with some of its programs as follows:

- Conducting five specialized workshops that target parents and address child-related issues around creativity, staying engaged during the lockdown, the value of reading, and how to foster a reading household.
- Offering 323 storytelling and reading activities in person and virtually, and hosting 8 Jordanian and Arab children book authors to launch their new publications online.
- Holding several programs that strengthen critical thinking, problem-solving, and stimulate scientific curiosity in children and youth during COVID-19. Among these programs is the Scientific Film Festival, which was held for the seventh consecutive year in cooperation with the Goethe Institute.
- Launching an updated version of the reading competition (Sixteen

before Sixteen) for children and youth, combining in-person and online to extend its reach to all governorates.

- Organizing field trips before COVID-19 to children's hospitals and schools.
- Launching its Adolescents Forum aimed at strengthening critical and creative thinking, philosophy skills among youth, and encouraging reading.
- Designing a financial literacy program with Nahji Company that will target the 7 to 11 age group.

The Knowledge Path Library in Numbers

Despite the challenges of 2020, the Knowledge Path Library was visited by 34,052 children (17,010 in the Jabal Amman branch, and 17,042 in the Al-Ashrafieh branch). A total of 34,602 books was borrowed (20,859 from the Jabal Amman branch and 13,743 books from the Al-Ashrafieh branch). The number of books read inside the library reached 52,244 (25,060 in the Jabal Amman branch and 27,184 books in the Al-Ashrafieh branch). Around 1,216 e-books were borrowed by children nationwide through the foundation's e-library. Extended closures of the Al-Ashrafieh branch led to an 80% drop in the number of library patrons, and a 60% decrease in the number of books borrowed.

The Young Innovators Lab

In 2020, the foundation's Knowledge Path library completed its fifth yearlong cycle of the Young Innovators Lab, which was held in both Amman and Zarqa in cooperation with Thinking Oasis. The program targets children aged 10 to 13 years who are passionate about science and innovation and focuses on developing their critical thinking skills and nurturing their love for science through practical projects and scientific experiments. This year, the projects' theme was COVID-19.

The Innovation Studio

The Innovation Studio is an inclusive space that aims to develop solutions to advancing critical thinking skills in young people. It does this by offering training workshops and providing the tools and resources needed for research and experimentation. The studio strengthens participants' knowledge of science and technology, by linking its training with sources of knowledge at the Abdul Hameed Shoman Public Library and the Knowledge Path Libraries. Six innovation workshops were held during the year with 70 young people taking part.

The foundation also signed a three-year memorandum of understanding (MOU) with "Techworks", an initiative of the Crown Prince Foundation, to provide young people with access to experts and professionals to accelerate their skills and knowledge and boost the creative environment in Jordan.

The Cultural Forum

The Cultural Forum continued to hold events during the year with the participation of a group of prominent Arab and foreign thought-leaders. As part of the forum's weekly Monday meeting, eight events were held at the foundation between January and March 2020, attended by more than 1,296 people.

In response to the pandemic, the forum began to offer its activities virtually through Facebook and Zoom. Thirty-one online discussions and dialogue sessions were held around the pandemic and its impact. Over 11,120 individuals attended these events.

Despite the lockdowns and interruptions, a total of 42 cultural events were held in 2020 and were attended by 12,424 individuals, an increase of 11% over the previous year. Through these cultural events, the forum hosted several Arab, international, and local prominent figures.

The Forum also organized a seminar entitled "The Pandemic and its Impact on the Cultural Scene". Twelve speakers were selected to discuss the extent of damage inflicted by the pandemic on different cultural sectors, and to explore successful work models developed within the cultural field to offset the damage, or at least alleviate its negative impact.

Cinema Program

The cinema section at the AHSF continued its weekly film screenings of Arab and International films in 2020. The screenings were followed by a discussion, review, and analysis of the film. The cinema

section also continued to enrich its film library with new international films (with Arabic subtitles), in addition to holding specialized cinema workshops. Before the onset of the pandemic, the cinema section held 10 film screenings, attended by 1,131 people. It also conducted an educational workshop entitled "How Do You Read the Film?" presented by Lebanese film critic Mohamed Reda and attended by 68 people.

When movie theaters closed due to the pandemic, the cinema section merged its film weeks and the weekly screening into one program called "The Online Weekly Screenings". These online screenings were carried out in cooperation with several film distributors, including Mad Solutions in Egypt, Mec Film in Germany, and a selection of Arab producers and moviemakers who allowed the foundation to screen their films through its website. In total, 25 film screenings were held online, with each one preceded by a promotional video presented by the foundation's cinema consultant.

To highlight the importance of the culture of cinema, the cinema section created a weekly post called Creative Scenes, featuring a memorable scene from a film, accompanied by a description explaining the aesthetics of the scene and its technical and narrative ingenuity. The posts were shared with the public via social media channels and were an instant success, with over 30,000 views.

The Abdul Hameed Shoman Musical Evenings

In 2014, the foundation launched a music program to showcase promising Jordanian talent, celebrate local musicians, and introduce Arab and international music to a wider audience. The Abdul Hameed Shoman Musical Evenings are held once a month and are free to enter. The program also celebrates notable Arab and international musicians and encourages collaboration between them and Jordanian musicians during Music Festival Evenings held in downtown Amman.

At the beginning of 2020, two musical evenings were held at the foundation with young, local Jordanian performers in cooperation with the Amman Jazz Festival and professional Jordanian artists. More than 500 spectators attended these performances.

The pandemic lockdown brought an end to live musical evenings and instead a live-streamed musical event was launched called Music in the Library. The foundation held six live-streamed performances through social media platforms that attracting 98,000 online attendance.

Grants and Support Program (2014-2020)

In line with its strategy to invest in intellectual, cultural, and social creativity, the Abdul Hameed Shoman Foundation offers annual grants amounting to JOD 2 million for Innovative projects in Jordan and Palestine. The grants program is split into two categories:

(1) **The Arts and Literature Grants**

Program, which has supported more than 147 projects between 2014-2020, of which 13 were in 2020. The projects covered six sectors: performing arts, audiovisual arts, festivals, and cultural activities, cultural national heritage, artistic and literary spaces, and library development support.

(2) The Thought Leadership Grants

Program supports four sectors: scientific research conferences, scientific activities, scientific spaces, educational applications, and youth forums and debates. Between 2014 and 2020, more than 81 projects were supported, seven of which were in 2020.

Through the Grants and Support Program, more than 220 educational and cultural projects have received around JOD 8 million in funding over the past six years. The funding has also supported libraries, including 14 in Palestine, and projects to encourage reading.

The Foundation's Digital Transformation

The AHSF embarked on a path of digital transformation in 2020, taking all its programs online so that it could achieve some of its strategic goals. The foundation added new services to its electronic library management system in 2020. These include electronic indexing for children and adults, an online search for library resources, online self-services for reserving, borrowing, and renewing a book subscription, in addition to mobile phone access to the foundation's e-library services.

Additional achievements within the foundation's 2020 vision for digital

transformation, include:

- Online management systems for its four awards; Children and Youth Award (Abde'), Arab Researcher's Award, Children's Literature Award, and Innovation Award.
- The launch of the first phase of the Single Sign-on system, which improves access to all the foundation's programs and services through a single unified account and sign-on process.
- The launch of an electronic payment system for the Abdul Hameed Shoman Library, including e-library services.
- The launch an electronic suggestions and improvements platform for the foundation's beneficiaries.
- The launch of the second phase of the Customer Relationship Management system.

The foundation is also developing an administrative decision support system to assess the outcome of the foundation's various programs. The COVID-19 pandemic, repeated closures and suspension of printed newspapers, and the transition to online platforms to market programs have all led to a 40% increase in social media followers and an increase in reach of 90% over the previous year.

OUR SUPPLIERS

Procurement practices can have both economic and environmental impacts on communities and so we are committed to supporting local and environmentally-responsible suppliers.

Screening of Suppliers Sustainability

The engagement and assessment of a substantial number of suppliers requires considerable resources, however, we have introduced checkpoints through our procurement processes so as to ensure a minimized impact on environment in addition to cost reductions. The bank often engages with suppliers to achieve these objectives through raising awareness on sustainability and supporting them in their social and environmental contributions.

Suppliers Code of Conduct

Our Supplier Code of Conduct sets out the expectations from suppliers to ensure their behavior aligns with our standards. It formalizes and standardizes our approach to sustainable procurement. As part of the Code, suppliers must adhere to labor and employment standards legislation, adhere to environmental legislation, and social legislation. The end goal is to ensure all our suppliers meet our expectations and those of our stakeholders to act as responsible corporate citizens.

Contractual Agreements with Suppliers

To ensure suppliers' compliance with social values, specifically those related to human rights, the bank has integrated relevant articles to all contract terms and conditions under "Applicable Law and Jurisdiction". These values and principles are part of a more general framework of fundamental principles of the Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO).

Supporting Local Suppliers

We continue to support the Jordanian economy by contracting with locally based suppliers. In 2020, our local suppliers represented 70% of our total spending on suppliers.



BUILDING A FOUNDATION OF TRUST

Our strong corporate governance system enables the bank to deploy management strategies across our operations that integrate ethical, accountability and transparency values. Building on this solid foundation of good governance, transparent reporting is used as a tool to reinforce the bank's commitment to our stakeholders, engaging with them and strengthening the bond of mutual trust, loyalty and accountability.

Alignment with the SDGs



GOOD GOVERNANCE

Sound corporate governance practices are of great importance to the bank and our Board is committed to overseeing that the highest professional standards are implemented across all of our activities.

Arab Bank Board of Directors

The Board of Directors is the highest governance body and is responsible for the implementation of sound corporate governance. The Board's role includes setting the bank's long-term strategic objectives and overseeing senior executive management's performance in executing strategies to achieve those objectives. It ensures that the interests of shareholders, depositors, creditors, employees and other stakeholders are met, it certifies that the internal control systems are effective and that the bank's activities comply with laws and regulations in jurisdictions in which the bank operates.

The Board, which held five meetings in 2020, is comprised of eleven non-executive members, six of whom are independent.

The Board of Directors, all of whom are shareholders, are elected by the general assembly in its ordinary meeting for a term of four years. Members are selected based on their qualifications in the fields of finance and banking, taking into account other related competencies and experience.



Additional information on the board of directors, including its committees, is presented in the 2020 Governance Report in our 2020 Annual Report.

Internal Audit

The Group Internal Audit (GIA) provides the Board Audit Committee with independent assurance that our policies and procedures have been effectively implemented, and that controls, risk management procedures and governance processes are effective to safeguard the organization from significant risks. To maintain impartiality, the GIA objectively reports audit outcomes to the Board Audit Committee.



Additional information regarding our Internal Audit systems can be found in the 2019 Sustainability Report, page 38.



CONDUCT AND TRUST

Conducting our business ethically enables us to meet our promise to our stakeholders. We follow a prudent approach in our business conduct that strictly complies with local and international policies and regulations while being proactive in managing risks.

Code of Conduct

The Code of Conduct (CoC) is a crucial high-level policy that sets the foundation for our strong commitment to conducting business with the highest ethical standards and uncompromised integrity across all operations and jurisdictions. The CoC serves as the guidelines according to which all employees are held accountable to carrying out their responsibilities, while adhering to legal and ethical obligations. The CoC is accessible to all our employees through our internal portal "Arabina". All employees are required to acknowledge on an annual basis that they will abide by the CoC.

Supporting Policies

We support our Code of Conduct with a number of bank-wide policies. They cover issues such as privacy, money laundering, terrorist financing, conflict of interest, and bribery, among others.

These policies include:

- Anti-Corruption and Anti-Bribery Policy
- Know Your Customer, Anti-Money Laundering, and Combating Terrorist Financing Policy



For additional information on our policies, please refer to the 2019 Sustainability Report, page 38.

Ethics Committee

The Ethics Committee was established in 2013 as part of our commitment to conduct our business in accordance with the highest standards across all jurisdictions in which we operate. The purpose of this executive committee is to interpret and enforce our CoC, and to investigate potential legal and regulatory violations, as well as whistleblowing incidents across the bank's network. The committee is chaired by the Head of Group Regulatory Compliance and includes the head of the HR Division and the Legal Affairs Division. The committee reports directly to the Chief Executive Officer (CEO).

Compliance

The bank has a robust system for the identification and management of regulatory compliance requirements across all of the jurisdictions in which we operate. Our enterprise compliance program enhances our "reputational capital" by demonstrating compliance to the highest ethical standards.

Program success mandates effective and consistent implementation of policies, procedures, and training programs to meet regulatory requirements. It also drives a system of internal controls, including periodic monitoring and reporting, which ensures continuous compliance across our global network. Our approach balances our business practices, revenue growth, customer experience and risk management, so that any risk taken is the risk intended.

With the aim to increase compliance awareness generally among our employees, we issue three internal compliance newsletters; "Ethics Aware", "Compliance Aware", and "AML Aware". Additionally, to promote full compliance, we continue building our employees' understanding and awareness of governance aspects and internal policies by providing specialized e-trainings on key issues.

Compliance - 2020 Highlights:

- During 2020, Arab Bank developed a new job-based course on Trade Finance and Trade-Based Money Laundering (TBML). This new course is designed to develop enhanced awareness of financial crime risk and best practice controls applicable to trade finance; an area susceptible to criminal exploitation, including as it relates to sanctions evasion.
- During 2020, an updated version of the Core KYC, AML, CTF e-learning course was rolled-out to all staff. The updates reflect recent changes to KYC requirements including as it relates to AML/CTF risk classification of accounts, Customer Acceptance Policy, and Beneficial Ownership.

Whistle-blowing

Arab bank maintains a whistle-blowing policy that requires employees to promptly report any potential violations of the CoC, Arab Bank policies and/ or applicable laws and regulations to the Ethics Committee. If an employee is unclear whether a violation

has occurred, they are encouraged to send their inquiries to Group Regulatory Compliance at the Head Office.

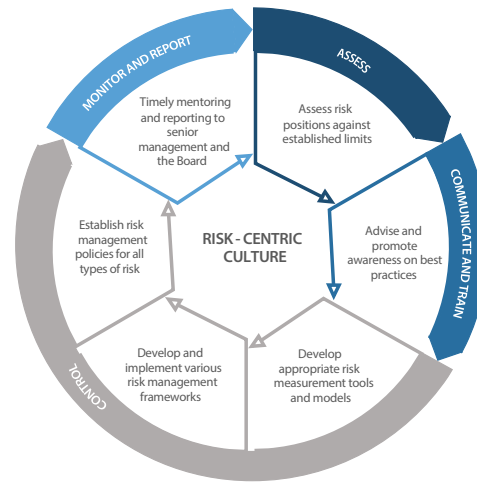
Proactive Risk Management

Risk is inherent in all aspects of a financial services business, so sound risk management practices are fundamental to our long-term success. An informed and responsible approach to risk management is a core competency of Arab Bank. Thus, we have a constant focus on implementing proactive risk management procedures to mitigate and minimize risk.

Group Risk Management (GRM) represents one of the fundamental levels of oversight and is part of the organizational structure framework for managing risk. GRM is responsible for developing a robust and effective system for the identification and management of financial and non-financial risks to which the bank is exposed to.



For additional information on our Risk management achievements, please refer to the 2020 Annual Report.



Transparency and Trust

Clear, transparent engagement and fair treatment are essential components of providing excellent services to our customers. This allows us to maintain their trust and loyalty, while empowering them to make the right financial decisions.

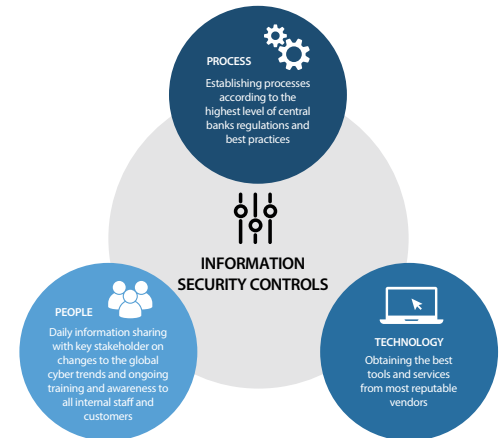
The Transparency and Dealing with Customers Fairly Policy requires us to design products and services to meet the needs of each identified customer group, and provide them with professional advice appropriate to their circumstances. This also involves making information fully and clearly available before, during and after every point of sale.

Information Security and Data Privacy

We have comprehensive security controls and procedures that are constantly monitored, reviewed and maintained to ensure they are relevant and operating effectively. Our approach focuses on prevention, detection and correction through different channels.

We have invested extensively in security controls and infrastructure, yet people are key in helping protect information security systems. For this reason, we continue to work with customers and our employees to raise their understanding of modern information security threats, including the best ways to protect themselves. Our work with customers includes; quarterly messages, printed leaflets in our branches, and information provided through our e-channels.

We also work continuously to ensure ongoing compliance with all central banks' regulations and alignment with best practices (i.e. ISO/ISMS, ITIL & COBIT) as applicable to the bank's business model, and to be PCI compliant where and as required.



Sustainability Scorecard

We track progress against key indicators that are strategically relevant to our business sustainability, and reflect the level of transparency expected by our stakeholders.

Supporting the Ambitions of Our Customers

OUR CHANNELS				
	2017	2018	2019	2020
Number of Branches (including HO)	74	79	80	82
Number of ATMs	182	198	210	216
SMS Transactional and Marketing Alerts Sent ('000)	30,353	38,722	43,181	56,412
Number of Incoming and Outgoing Calls Handled by the Call Center ('000')	842	880	954*	1,131

* Numbers for 2019 have been modified based on a revised calculation method

Supporting SMEs

	2017	2018	2019	2020
SME Lending Portfolio (USD Million)	1,001	1,069	1,023	1,032

Working for a Sustainable Future Green Financing

IMPACT OF ARAB BANK GROUP GREEN INFRASTRUCTURE INVESTMENTS IN JORDAN SINCE 2012	
	2020
Loans and Facilities Provided to Support Environmentally Friendly Infrastructure Projects since 2012 (USD Million)	267
Renewable Energy Capacity Added to the Jordanian Grid Annually (MW)	1,352
GHG Emissions Avoided (Tons CO ₂ e)	905,000

Our Operations Environmental Impact

DIRECT ENERGY USE				
Vehicle Fleet Fuel Consumption	2017	2018	2019	2020
Diesel Consumption (Liters)	76,227	71,999	73,961	60,670
Gasoline Consumption (Liters)	117,323	115,425	99,909	90,076
Diesel Consumption in Gigajoules (GJ)	2,516	2,376	2,441	2,002

DIRECT ENERGY USE (Continued)				
Gasoline Consumption in Gigajoules (GJ)	4,224	4,156	3,597	3,243
Heating and Standby Electricity Generator Fuel Consumption	2017	2018	2019	2020
Heating Diesel and Standby Electricity Generators (Liters)	143,931	137,500	110,509	90,574
Heating Diesel and Standby Electricity Generators (GJ)	4,750	4,538	3,647	2,989
TOTAL DIRECT ENERGY USE (GJ)	11,489	11,069	9,685	8,234
INDIRECT ENERGY USE				
	2017	2018	2019	2020
Electricity Consumption from conventional hydrocarbon resources (kWh)	19,077,475	18,387,154	3,795,015	400,000
Electricity Consumption from renewable resources (kWh)	-	-	14,190,561	17,000,000
TOTAL ELECTRICITY CONSUMPTION (KWH)	19,077,475	18,387,154	17,700,000	17,400,000
Percentage of Consumption from Renewable Resources	0%	0%	78.9%	97.7%
Electricity Consumption (GJ)	68,679	66,194	63,720	62,640
Electricity Consumption per Employee (kWh/employee)	6,204	5,869	5,470	5,364
Area Occupied (m ²)	132,401	133,278	135,812	137,812
Electricity per Area (kWh) / Area (m ²)	144	138	130	126
GHG EMISSIONS (Tons CO ₂ e)				
Direct GHG Emissions	2017	2018	2019	2020
GHG Emissions from Diesel Consumption	204	193	198	126
GHG Emissions from Gasoline Consumption	267	262	227	205
GHG Emissions from Vehicles	471	455	425	331
GHG Emissions from Heating and Generators	387	370	297	244
Indirect GHG Emissions	2017	2018	2019	2020
GHG Emissions from Electricity Consumption	12,126	11,687	2,412	254
TOTAL GHG EMISSIONS	12,984	12,512	3,314	829
TOTAL GHG EMISSIONS PER EMPLOYEE	4.2	4.0	1.0	0.3
WATER CONSUMPTION				
	2017	2018	2019	2020
Utility Water Consumption (m ³)	39,742	47,437	59,503	45,732
Water Consumption per Employee (m ³)	12.9	15.1	18.5	14.1

Supporting Our People and Community

Our People

WORKFORCE BY GENDER				
	2017	2018	2019	2020
Females	1,187	1,220	1,283	1,284
Males	1,888	1,913	1,953	1,960
TOTAL WORKFORCE	3,075	3,133	3,236	3,244
WORKFORCE BY EMPLOYMENT LEVEL				
	2017	2018	2019	2020
Senior Level Employees	40	48	48	47
Middle Management Employees	982	1,009	1,020	1,039
Non-Management Employees	1,777	1,799	1,892	1,890
Non-Clerical Employees	276	277	276	268
WORKFORCE BY AGE GROUP				
	2017	2018	2019	2020
18-30	1,056	1,096	1,154	1,092
31-40	1,257	1,270	1,270	1,296
41-50	559	550	581	614
51-60	197	208	219	229
Above 60	6	9	12	13
NATIONALIZATION				
	2017	2018	2019	2020
Nationalization Rate	99.0%	99.6%	99.6%	99.6%
Nationalization Rate for Senior Management	72.5%	83.3%	85.4%	85.1%
Nationalization Rate for branch and district managers	100.0%	100.0%	100.0%	100.0%
NEW HIRES BY GENDER AND AGE GROUP				
New Hires by Gender	2017	2018	2019	2020
Females	118	151	145	64
Males	185	203	197	112
New Hires by Age Group	2017	2018	2019	2020
18-30	246	293	295	141
31-40	41	50	37	30
41-50	7	3	6	3
51-60	9	8	2	1
Above 60	0	0	2	1

WOMEN IN LEADERSHIP				
	2017	2018	2019	2020
Women in the Workforce	38.6%	38.9%	39.6%	39.6%
Women in Senior Management	15.0%	14.6%	14.6%	12.8%
Women in Middle Management	33.0%	34.3%	34.7%	35.3%
WOMEN MATERNITY LEAVE				
	2017	2018	2019	2020
Number of Female Employees that Took Maternity Leave	NA	106	103	100
Number of Female Employees that Returned to Work After Maternity Leave Ended	NA	90	88	81
Return to Work and Retention Rates of Female Employees that Took Maternity Leave	NA	84.9%	85.4%	81.0%
NURSERIES PROGRAM				
	2017	2018	2019	2020
Number of Female Employees Benefiting from Kids Nurseries Program	75	80	103	90
Number of Female Employees Children Benefiting from Kids Nurseries Program	89	94	121	104
EMPLOYEES WITH DISABILITIES				
	2017	2018	2019	2020
Number of Employees with Disabilities	64	75	76	86
EMPLOYEES CHILDREN UNIVERSITY SCHOLARSHIP PROGRAM				
	2017	2018	2019	2020
Support to Teach Employees' Children in Jordanian Universities (JOD)	122,584	169,121	189,756	237,410
Number of Employees who Benefitted from Employees Children Scholarship Program	108	59	78	87
Number of Students who Benefitted from Employees Children Scholarship Program	127	65	97	104
EMPLOYEE TURNOVER				
	2017	2018	2019	2020
Total Workforce Turnover	7.2%	9.4%	7.2%	5.5%
Turnover by Gender	2017	2018	2019	2020
Females	6.9%	9.3%	6.5%	5.1%
Males	7.4%	9.5%	7.6%	5.9%
Turnover by Age Group	2017	2018	2019	2020
18-30	11.4%	11.8%	10.7%	7.8%
31-40	3.9%	5.8%	4.6%	3.2%

EMPLOYEES TURNOVER (Continued)				
Turnover by Age Group (Continued)	2017	2018	2019	2020
41-50	3.9%	10.4%	4.6%	3.7%
51-60	14.2%	16.8%	9.1%	12.6%
Above 60	16.7%	0%	16.7%	7.7%
Turnover by Employment Level	2017	2018	2019	2020
Senior Level Employees	2.5%	8.3%	2.1%	2.1%
Middle Management Employees	5.4%	10.3%	7.6%	5.4%
Non-Management Employees	9.2%	9.2%	7.8%	5.9%
Non-Clerical Employees	1.5%	7.9%	1.8%	4.1%
AVERAGE TRAINING HOURS PER EMPLOYEE				
	2017	2018	2019	2020
Average Training Hours Per Employee	14.0	11.51	18.9	4.1
Average Training Hours by Gender	2017	2018	2019	2020
Females	14.9	11.8	21.9	4.5
Males	10.1	11.4	17.0	3.8
Average Training Hours by Employment Level	2017	2018	2019	2020
Senior Management	2.5	3.4	3.2	0.3
Middle Management	12.4	17.4	11.9	2.7
Non-Management	13.8	10.2	25.9	5.5
TRAINING AND DEVELOPMENT				
	2017	2018	2019	2020
Total Number of Training Opportunities Provided	12,527	12,826	27,029	9,772
Total Number of Training Courses	1,215	453	664	599
Total Training Hours	36,842	34,792	61,278	13,137

Our Community

COMMUNITY INVESTMENTS				
	2017	2018	2019	2020
Total Community Investment Spending (000' USD)	13,724	25,419	24,950	26,195
Pre-tax profits Invested in the Community*	3.2%	3.3%	3.2%	27.1%

* Arab Bank PLC

TOGETHER VOLUNTEERING PROGRAM				
	2017	2018	2019	2020
Total Number of Volunteering Hours	3,704	3,418	3,587	204
Number of Volunteers	370	405	395	42
Number of Volunteering Participation	983	1,001	898	57
Number of Volunteering Activities	59	61	73	11
Number of Beneficiaries	257,602	260,823	289,500	125,234
TOGETHER CAPACITY BUILDING PROGRAM				
	2017	2018	2019	2020
Number of NGO Employees Attending Courses	55	119	126	87
Number of Courses	4	7	7	7
Number of Training Hours Provided	-	680	753	369
CUSTOMERS DONATIONS (JODs)				
	2017	2018	2019	2020
Donations received through Internet Banking	241,769	266,843	255,712	269,384
Donations received through ATMs	6,779	11,228	9,165	25,215
Donations received through Together Platinum Credit Card	2,762	2,364	2,659	9,262
Donation Received through eFawateercom	--	243,498	392,230	1,485,307
TOTAL DONATIONS	251,670	524,278	659,765	1,789,168

Our Suppliers

LOCAL SUPPLIERS				
	2017	2018	2019	2020
Local Procurement Spending	73%	65%	69%	70%
Number of Suppliers	323	313	498	575
Number of Local Suppliers	241	241	317	400

Building a Foundation of Trust Good Governance

BOARD OF DIRECTORS				
	2017	2018	2019	2020
Independent Board Members	%50.0	%58.0	%54.5	%54.5

APPENDIX A: Report Parameters

PRINCIPLES FOR DEFINING REPORT CONTENT

In preparing of our 2020 sustainability report, we have followed the updated Global Reporting Initiatives Standards, which contributed to defining the report content and communicating achievements during the past year. This report tackles progress on issues of importance to our stakeholders in relation to the sustainability strategy. We have identified Key Performance Indicators (KPIs) and targets for each priority focus area in order to prioritize and measure our progress toward achieving sustainability.

Materiality: We believe that we have considered all topics related to our significant economic, environmental and social impacts, including impacts that would substantively influence the assessment and decisions of our stakeholders.

Completeness and Boundaries: Arab Bank in Jordan strives to produce a report that is as complete as possible. This report outlines the bank's 2020 performance for the financial year ending December 31st 2020. The report covers all of Arab Bank's operations in Jordan, but none of its overseas activities. In some cases, Arab Bank PLC and Group data are used in place of Jordan-specific information in accordance with the bank's reporting policies.

Stakeholder Inclusiveness: We believe that we have identified and considered all of our major stakeholders. We have outlined our communication channels with each stakeholder group. Their priority issues have been integrated into our materiality assessment process, and our response is outlined throughout the report as we identified our approach for each material issue.

Sustainability Context: We have considered our sustainability framework based on local and regional contexts in addition to global sustainability trends.

PRINCIPLES FOR DEFINING REPORT QUALITY

Balance: We aspire toward full transparency in our reporting and believe that this report conveys both the positive aspects of our performance as well as the areas that require improvement.

Comparability: Depending on data availability, we have provided year-to-year data that aligns with the GRI disclosures Protocols in order to facilitate comparison of our report against industry peers and other companies practicing sustainability.

Accuracy and Clarity: We aim for maximum accuracy in our reporting, including providing timely and reliable information and identifying estimations and other limitations to the highlighted data.

Reliability and Data Measurement Techniques: We have used existing tracking and data management systems to gather data. The data presented represents our best understanding of our impacts. In some aspects, we have expanded the scope of our measurement, which we have clearly stated. GHG emissions were calculated using a GHG calculator adjusted for Jordan-specific emissions factors, and GHG Protocol.

Assurance: This report has not been assured by a third party.

APPENDIX B: Engaging our Stakeholders

At Arab Bank, we engage our stakeholders to effectively respond to their priorities and expectations of the bank. To better understand those needs and expectations, we regularly identify priority issues to the bank and the stakeholders, tracking our response to these issues and channels of engagement.

Stakeholder Group	How we Engage Them		Their Priority Issues
Customers	<ul style="list-style-type: none"> Arab Bank Websites Conferences and Events Complaint Systems Branches and Service Centers Customer Care 	<ul style="list-style-type: none"> Banking Channels Social Media Feedback Tools and Surveys Annual Reports 	<ul style="list-style-type: none"> Seamless Banking Experience Digitization of Services Cyber Security and Data Privacy Support During the COVID-19 Pandemic
Shareholders	<ul style="list-style-type: none"> Annual Meetings Annual, Semi-annual, and Quarterly Reports 	<ul style="list-style-type: none"> Secretary General Investors Relations Website 	<ul style="list-style-type: none"> Business Continuity ROI Risk Management
Employees	<ul style="list-style-type: none"> Regular Meetings Annual Performance Reviews Arabina Intranet Portal Human Resources Management System (HRMS) 	<ul style="list-style-type: none"> Trainings and Workshops Awards Ceremonies Internal Newsletters Internal Committees Volunteering Program 	<ul style="list-style-type: none"> Career Development Non-Discrimination Safe Working Environment and Remote Working Wellbeing (Physical and Mental)
Government	<ul style="list-style-type: none"> Regulations Monthly Reporting to Regulations Authorities 	<ul style="list-style-type: none"> Audit and Compliance Report Regulatory Reviews 	<ul style="list-style-type: none"> Compliance and Ethical Conduct Supporting Government COVID-19 Efforts
Community	<ul style="list-style-type: none"> Volunteering Campaigns Social Media Arab Bank Websites Sustainability and Annual Reports 	<ul style="list-style-type: none"> Capacity Building Program Abdul Hameed Shoman Foundation Sponsorship, Donations, and Events 	<ul style="list-style-type: none"> COVID-19 Pandemic Support Support for Social Needs of the Community
Suppliers	<ul style="list-style-type: none"> Invitation to Bid Contracts 	<ul style="list-style-type: none"> Suppliers Portal Meetings 	<ul style="list-style-type: none"> Fair Selection Process On-time Payments
The Environment	<ul style="list-style-type: none"> Restoration Initiatives Supporting Environmental Agencies Operational Improvements 	<ul style="list-style-type: none"> Green Finance Alignment with the SDGs and Climate Change 	<ul style="list-style-type: none"> Climate Risk Integration Green Finance Reducing Environmental Footprint of Operations

GRI: 102-40

GRI: 102-42

GRI: 102-43

GRI: 102-44

APPENDIX C: Materiality Process and Boundaries

Our Materiality Process

In 2020, we improved our materiality process by conducting additional research during the issue identification step (outlined below), creating a prioritization methodology tool, and consulting with our internal stakeholders. This has resulted in a list of material issues that we highlight as material with no prioritization. Below is a description of each of the materiality steps the bank conducted, which are aligned with the GRI Standards.

STEP 1: IDENTIFICATION

To compile a list of possible topics, the bank's sustainability team conducted research that included more extensive internal investigation to ensure that we captured issues important to the bank's various businesses and corporate support areas. It also involved reviewing external assessments of sustainability issues important to the financial services sector (for example, from the World Economic Forum, the GRI and the Sustainability Accounting Standards Board (SASB)) as well as our understanding of the economic, social, and environmental issues related to Jordan. To complete this step, we identified a list of possible topics, selected the most suitable ones and grouped them into our five main sustainability focus areas.

STEP 2: PRIORITIZATION

We developed a tool to depict the importance of each of the issues identified in step 1. This tool presents the importance of each issue on two levels; importance to Arab Bank's

economic, social and environmental business decision, and importance to our stakeholders. Furthermore, we have prioritized each issue on the two levels from the point of view of the bank and its stakeholders – ranking them from 1-10, with 10 being of highest importance. These values were then entered into the tool and averages were generated for each issue that determined the issues of importance.

STEP 3: VALIDATION

The results of Step 2 were reviewed and approved by the Arab Bank Sustainability Department. The bank's most important issues, the associated metrics are listed in the GRI Index on page 41.

STEP 4: REVIEW

We acknowledge that the sustainability landscape is constantly evolving, and therefore material issues for our business and stakeholders are ever changing. We are listening to any feedback received from our stakeholders and will integrate it into our materiality process for future reports.

Material Issues Boundaries

Material Issue	Aspects Boundaries						
	Employees	Customers	Community	Environment	Government	Suppliers	Shareholders
LEGAL AND REGULATORY COMPLIANCE		✓			✓		✓
GOVERNANCE, RISK MANAGEMENT, AND TRANSPARENCY	✓	✓			✓		✓
INFORMATION, CYBER SECURITY AND DATA PRIVACY	✓	✓			✓		✓
CUSTOMER EXPERIENCE AND SATISFACTION	✓	✓					
CUSTOMERS SAFETY AND ACCESS	✓	✓	✓		✓		✓
CUSTOMER HARDSHIP		✓	✓		✓		
DIGITAL PRODUCT AND SERVICE TRANSFORMATION	✓	✓	✓		✓		✓
WORKFORCE WELLBEING AND TALENT RETENTION	✓		✓		✓		
CLIMATE CHANGE AND ENVIRONMENTAL FOOTPRINT			✓	✓	✓		
SUPPORTING LOCAL COMMUNITIES	✓	✓	✓	✓	✓		

APPENDIX D: GRI Content Index

This report has been prepared in accordance with the GRI Standards: Comprehensive option. For the Materiality Disclosure Services, GRI Services have reviewed that the GRI content index in clearly presented and referenced and that Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 101: Foundation 2016		
GRI 102: GENERAL DISCLOSURES 2016	Organizational profile	
	102-1	p. 2
	102-2	p. 9, 14-15
	102-3	p. 9
	102-4	p. 9
	102-5	2020 Annual Report (Names of Main Shareholders Section)
	102-6	p. 9
	102-7	p. 22, 37, 2020 Annual Report
	102-8	p. 37
	102-9	p. 31
	102-10	No significant changes during 2020 in size, structure, ownership, or supply chain.
	102-11	p. 3, 10
	102-12	p. 31, 33, 34
	102-13	2020 Annual Report
	Strategy	
	102-14	p. 3
	102-15	p. 10-12, 39, 40
	Ethics and integrity	
	102-16	p. 10, 2014 Sustainability Report (p. 10)
	102-17	p. 34
	Governance	
	102-18	p. 33, 2020 Annual Report (p. 47, Corporate Governance Guide Section)

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 101: Foundation 2016		
GRI 102: GENERAL DISCLOSURES 2016	Governance (continued)	
	102-19	p. 33, 2020 Annual Report (p. 47, Corporate Governance Guide Section)
	102-20	p. 33
	102-21	p. 7, 11, 33, 39
	102-22	p. 33, 2020 Annual Report (p. 23-33, Governance Report Section)
	102-23	p. 33
	102-24	p. 33
	102-25	p. 33, 2020 Annual Report (Governance Report Section)
	102-26	p. 33, 2020 Annual Report (Governance Report Section)
	102-27	p. 33, 2020 Annual Report (p. 23-33, Governance Report Section)
	102-28	p. 33, 2020 Annual Report (Governance Report Section)
	102-29	p. 10, 33
	102-30	p. 35, 2020 Annual Report (Risk Management Section)
	102-31	p. 10, 19, 33, 35, 2020 Annual Report (Risk Management Section)

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 101: Foundation 2016		
GRI 102: GENERAL DISCLOSURES 2016	Governance (continued)	
	102-32	p. 33
	102-33	p. 33, 34
	102-34	p. 33, 34, 2020 Annual Report (Corporate Governance Guide Section) Omissions and Explanation: Number and nature of critical concerns not disclosed, as information is subject to specific confidentiality constraints
	102-35	p. 33, 2020 Annual Report (p. 71, 75, Corporate Governance Guide Section)
	102-36	p. 33, 2020 Annual Report (Corporate Governance Guide Section)
	102-37	p. 33, 2020 Annual Report (Corporate Governance Guide Section)
	102-38	2020 Annual Report (p. 78) Omissions and Explanation: Annual total compensation ratio not disclosed as information is subject to specific confidentiality constraints
	102-39	2020 Annual Report (p. 78) Omissions and Explanation: Annual total compensation ratio not disclosed as information is subject to specific confidentiality constraints

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 101: Foundation 2016		
GRI 102: GENERAL DISCLOSURES 2016	Strategy	
	102-40	p. 11, 39
	102-41	p. 23
	102-42	p. 11, 39
	102-43	p. 11, 39
	102-44	p. 10, 11, 39
	Reporting Practices	
	102-45	p. 2
	102-46	p. 11, 40
	102-47	p. 11
	102-48	Norestatements of information given in previous reports.
	102-49	p. 11, 40
	102-50	p. 2, 39
	102-51	Arab Bank 2019 Sustainability Report
	102-52	p. 39
	102-53	p. 43
	102-54	p. 2, 41
	102-55	p. 41, 43
	102-56	No external assurance was completed for the Sustainability Report
GRI 200 Economic Standard Series		
Economic Performance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 18-20, 23, 24
	103-3	p. 18-20, 23, 24
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	p. 19, 24, 2020 Annual Report
	201-2	p. 18-20
	201-3	p. 23, the bank pays 13.25% of employees social security, which is directed to retirement plan
	201-4	No assistance received from Government

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 200 Economic Standard Series (continued)		
Market Presence		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 31-32
	103-3	p. 31-32
GRI 202: MARKET PRESENCE 2016	202-1	p. 23, entry wages are 30% higher than minimum wages in Jordan.
	202-2	p. 37
Procurement Practices		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 31
	103-3	p. 31
GRI 204: PROCUREMENT PRACTICES 2016	204-1	p. 31, 38
Anti-corruption		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 34
	103-3	p. 34
GRI 205: ANTI-CORRUPTION 2016	205-1	p. 34, 100% of all operations are assessed for risks related to corruption
	205-2	p. 34
	205-3	There were no incidents of corruption.
Anti-competitive Behavior		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 32, 34
	103-3	p. 32, 34
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1	No legal actions for anti-competitive behavior and violations of anti-trust in Jordan during the reporting period.

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 300 Environmental Standard Series		
Energy		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 20
	103-3	p. 20
GRI 302: ENERGY 2016	302-1	p. 20, 36
	302-2	Omissions and Explanation: Business travel is not disclosed as the bank does not have a system to accumulate these numbers.
	302-3	p. 20, 36
	302-4	p. 20, 36
	302-5	Omissions and Explanation: Reduction numbers are not available as Arab Bank provides services to customers that do not directly correlate with a product that its energy consumption can be measured.
Water and Effluents		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 20
	103-3	p. 20
GRI 303: WATER AND EFFLUENTS 2018	303-1	p. 20, Water is provided by the water authority and private service providers. This is not material as we are a service industry.
	303-2	
	303-3	Arab Bank uses water provided by the utilities and do not engage in withdrawal of any type of water.
	303-4	35, The bank uses the utility sewage system only. This is not material as we are service company.
	303-5	

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 300 Environmental Standard Series (continued)		
Emissions		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 19
	103-3	p. 19
GRI 305: EMISSIONS 2016	305-1	p. 19, 36
	305-2	p. 19, 36
	305-3	Omissions and Explanation: The bank currently do not track Scope 3 emissions
	305-4	p. 19, 36
	305-5	p. 19, 36
	305-6	Due to the nature of our business, the bank doesn't generate ozone depleting substances
	305-7	
Environmental Compliance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 17-19
	103-3	p. 17-19
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	No monetary value of significant fines and non-monetary sanctions.
Supplier Environmental Assessment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 31
	103-3	p. 31
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	p. 31
	308-2	p. 31
GRI 400 Social Standard Series		
Employment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 21, 22
	103-3	p. 21, 22

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 400 Social Standard Series (continued)		
Employment (continued)		
GRI 401: EMPLOYMENT 2016	401-1	p. 37-38
	401-2	p. 23
	401-3	p. 22
Training and Education		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 23
	103-3	p. 23
GRI 404: TRAINING AND EDUCATION 2016	404-1	p. 23, 38
	404-2	p. 23, 38
	404-3	p. 23, 38
Diversity and Equal Opportunity		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 21-23, 33
	103-3	p. 21-23, 33
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	p. 22, 33, 37, 2020 Annual Report
	405-2	The ratio of basic salary for men to women per employee category remains 1:1
Non-discrimination		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 21-23
	103-3	p. 21-23
GRI 406: NON-DISCRIMINATION 2016	406-1	No incidents of discrimination received during the reporting period.
Child Labor		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 22-23, 31
	103-3	p. 22-23, 31
GRI 408: CHILD LABOR 2016	408-1	p. 22, 31, our sector has a low level of risk related to child labor

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 400 Social Standard Series (continued)		
Forced or Compulsory Labor		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 22-23, 31
	103-3	p. 22-23, 31
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	p. 22, 33, our sector has a low level of risk for forced or compulsory labor
Local Communities		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 18-19, 21, 24-30
	103-3	p. 18-19, 21, 24-30
GRI 413: LOCAL COMMUNITIES 2016	413-1	p. 19, 24-30, 38
	413-2	No negative impacts have been identified.
Supplier Social Assessment		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 31
	103-3	p. 31
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	p. 31
	414-2	p. 31, no cases of negative social impacts in the supply chain.
Marketing and Labeling		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 9, 13-17
	103-3	p. 9, 13-17
GRI 417: MARKETING AND LABELING 2016	417-1	p. 13-17
	417-2	No incidents of non-compliance reported in 2020.
	417-3	
Customer Privacy		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 34-35
	103-3	p. 34-35

GRI Standards	Disclosure	Page number(s) and/or URL(s) Omissions and Explanation
GRI 400 Social Standard Series (continued)		
Customer Privacy (continued)		
GRI 418: CUSTOMER PRIVACY 2016	418-1	No incidents of substantiated complaints regarding breaches of customer privacy or loss of customer data.
Socioeconomic Compliance		
GRI 103: MANAGEMENT APPROACH 2016	103-1	p. 40
	103-2	p. 32-35
	103-3	p. 32-35
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1	No incidents of non-compliance reported in 2020.

Need help?
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