

الإثمار القابضة  
Ithmaar Holding



---

## ESG REPORT 2024

*STEADY GROWTH,  
SUSTAINABLE PROGRESS*

# TABLE OF CONTENTS

**Ithmaar Holding: Overview**

- Ithmaar Bank
- Vision, Mission and Values
- Financial Highlights

**Introduction to the ESG Report**

- Leadership Message

**Our Sustainability Commitment**

- Materiality Assessment
- Stakeholder Engagement
- ESG Governance
- Aligning with United Nation’s Sustainable Development Goals

**Innovation and Digitalization**

- Digital Banking Initiatives

**Preserving Our Planet**

- Responding to Climate Change
- Energy Efficiency
- Managing Water and Waste

**Investing in our Employees**

- Employee Management Commitments
- Diversity, Equity and Inclusion
- Contribution towards Nationalization
- Training and Development
- Employee Turnover
- Promoting Health and Safety

02

03

04

04

05

07

08

09

10

10

11

12

13

14

15

16

17

18

19

19

20

21

22

22

**Our Corporate Governance**

- Board of Directors
- Sharia Supervisory Board
- Structure and Composition of the Board
- Board Induction and Development Programme
- Board Committee
- Management Committees
- Board Responsibilities
- Duties of Board Members
- Our Policies and Procedures
- Our Focus on Ethics and Compliance
- Risk Management
- Customer and Complaints Management
- Sustainable Supply Chain
- Information Security and Data Privacy

23

24

25

25

26

26

27

28

28

29

30

32

32

33

**CBB Index**

34

**GRI Index**

35

# ITHMAAR HOLDING: OVERVIEW

Ithmaar Holding B.S.C. (referred to as Ithmaar Holding, Ithmaar, the Company, or the Group) is a Bahrain-based holding company, licensed and regulated as a Category 1 Investment Firm by the Central Bank of Bahrain (CBB). The Company is listed on both the Bahrain Bourse and the Dubai Financial Market (DFM).

Ithmaar Holding is a subsidiary of Dar Al-Maal Al-Islami Trust (DMIT) and has a paid-up capital of US\$757.69 million. It owns two wholly-owned subsidiaries: Ithmaar Bank B.S.C. (closed), which operates as an Islamic banking institution managing the core banking activities, and IB Capital B.S.C. (closed), an investment firm that holds investments and other non-core assets. Both subsidiaries are licensed and regulated by the CBB.

The principal activities of the Group are a wide range of financial services, including retail, commercial, asset management, private banking, fund management and real estate development. Ithmaar Bank offers a broad suite of Sharia-compliant financial products and services designed to meet the financing and investment needs of corporates, small and medium enterprises (SMEs), and institutional clients. The Bank also operates internationally through its subsidiary, Faysal Bank Limited in Pakistan. IB Capital maintains a presence in regional and international markets through its holdings in subsidiaries and associate companies, including Ithmaar Development Company Limited (real estate) and Naseej (infrastructure) in Bahrain.

# SERVICE CATEGORIES: ITHMAAR BANK

Ithmaar Bank B.S.C. (Closed) (referred to as Ithmaar Bank, Ithmaar, or the Bank) is a Bahrain-based Islamic bank, licensed and regulated by the Central Bank of Bahrain (CBB). The Bank offers a range of corporate, treasury, financial institutions, and other banking services.

## COMMERCIAL BANKING

Ithmaar Bank's Corporate Banking unit focuses exclusively to cater for the banking requirements of the Small and Medium Enterprises (SMEs) and Corporates within the Kingdom of Bahrain as well as all other types of businesses and institutions.

## FINANCIAL INSTITUTIONS

Ithmaar Bank's Financial Institutions (FI) unit offers products and services to cater for requirements of banks and other financial institutions, with a focus on offering money market placements, foreign exchange as well as trade finance solutions.

## TREASURY

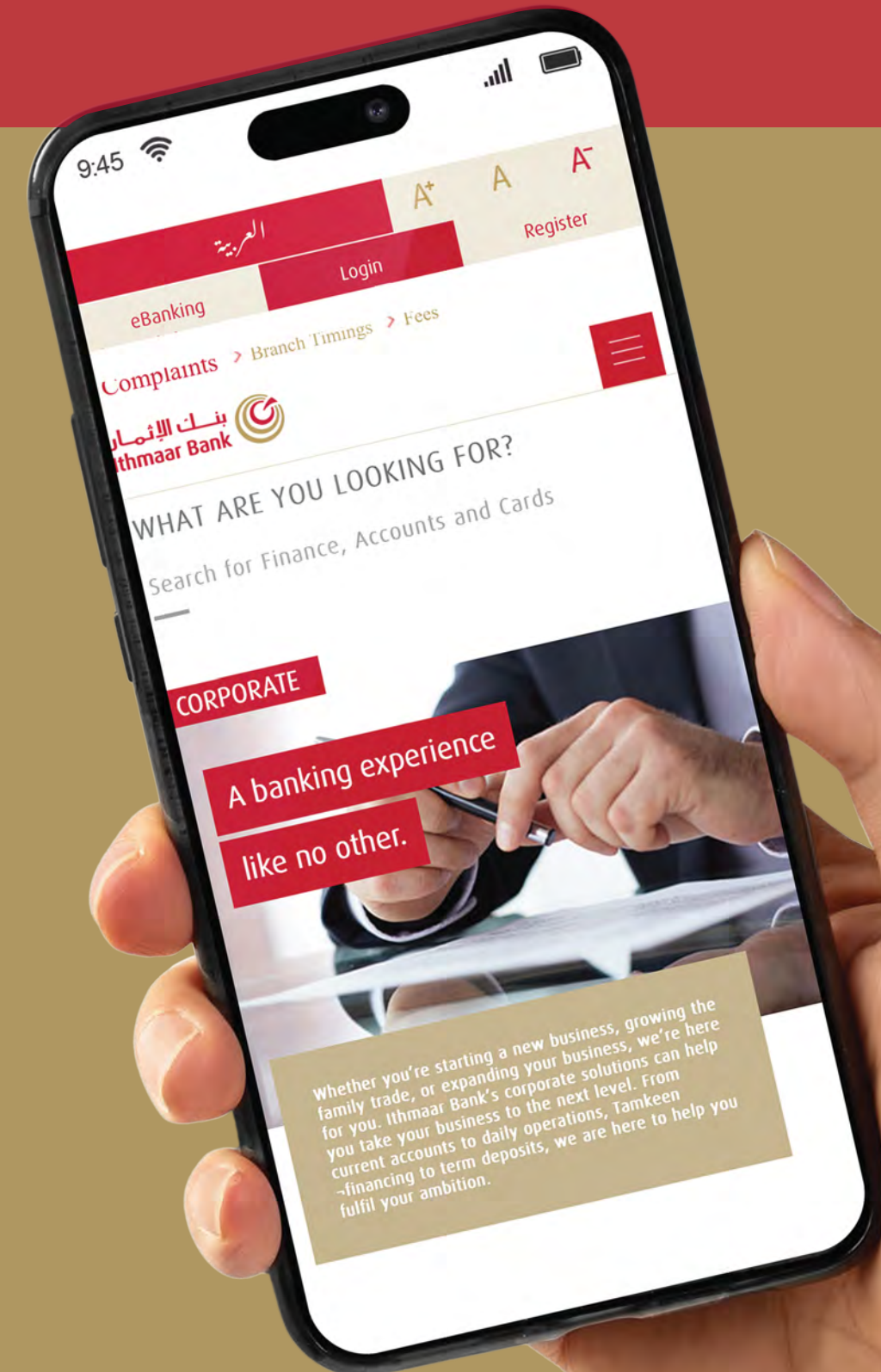
Ithmaar Bank's Treasury unit is tasked with the objective of managing the Bank's day-to-day liquidity through active market participation and securing medium to long term funds for lending.

## PRIVATE BANKING

Private Banking at Ithmaar Bank focuses on managing and growing the wealth of prime clients through tailored, Sharia-compliant financial solutions and personalized services.

## ASSET MANAGEMENT

Asset Management at Ithmaar Bank is responsible for managing and optimizing the Bank's investment portfolio while providing clients with tailored investment management services aligned with their financial goals and risk profiles.



# ABOUT THE REPORT

# FINANCIAL HIGHLIGHTS

## OUR VISION

To help all stakeholders and communities realise their long-term ambitions.

## OUR MISSION

To pursue a portfolio of sustainable investments that enhance shareholder value and encourage future growth.

## OUR VALUES

- Comply with Islamic Sharia principles.
- Honesty, integrity and objectivity in all our relationships.
- Continuous improvement, willingness to bring about changes and improve efficiency.
- Active role in the community.

NET INCOME  
(USD 000)

917,245

TOTAL ASSETS  
(USD 000)

6,847,423

NET PROFIT  
(USD 000)

33,719

A close-up, warm-toned photograph of a person's hands typing on a laptop keyboard. The scene is bathed in soft, golden light, likely from a window in the background. A pair of glasses and a small white cup are visible on the desk in the blurred background. A semi-transparent dark blue banner is overlaid on the left side of the image, containing the title text.

# INTRODUCTION TO **THE ESG REPORT**

Ithmaar Group is dedicated to embedding sustainability into its business practices, as highlighted in its ESG Report. This report offers a detailed look at the Group's sustainability performance, management approaches, and core principles, underscoring its commitment to transparency and engaging effectively with its diverse stakeholders.

**SCOPE AND COVERAGE:**

The ESG report focuses on Ithmaar Group's sustainability performance for 2024, specifically addressing environmental, social, and governance (ESG) impacts within its operations in the Kingdom of Bahrain. The ESG disclosures included in this report cover the two wholly-owned subsidiaries based in Bahrain—namely, Ithmaar Bank and IB Capital. The disclosures in the report do not include any data or information related to any overseas operations. Ithmaar Holding outsources the key functions from its wholly-owned subsidiary, Ithmaar Bank B.S.C. (c), which in turn provides the required services under an intra-group outsourcing arrangement.

**REPORTING PERIOD:**

The ESG data in this report covers the full calendar year, from January 1 to December 31, 2024.

**DATA ACCURACY:**

All environmental and social data was gathered internally and verified using the Company's data management systems to ensure its accuracy and reliability.

**REPORTING STANDARDS:**

Upholding transparency and accountability, the report follows the Central Bank of Bahrain (CBB) ESG Disclosure Guidelines. It also aligns with international frameworks like the United Nations Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI).

**EXTERNAL ASSURANCE:**

While Ithmaar Group's ESG Committee at Management level has reviewed and approved the ESG report's content, it has not undergone external assurance.

Ithmaar Group values stakeholder feedback and encourages inquiries and suggestions to continually improve its sustainability reporting. For more information or to share your input, please visit the Group's corporate website or contact them at [IR@ithmaarholding.com](mailto:IR@ithmaarholding.com).



# LEADERSHIP MESSAGE

## DEAR STAKEHOLDERS,

It gives us great happiness to introduce Ithmaar Group’s ESG Report 2024, prepared in alignment with CBB ESG disclosure guidelines and aligned with GRI Universal Standards 2021. Ithmaar Group remains committed to ethical operations, responsible finance, and the principles of Islamic banking, which serve as the foundation for its long-term strategy and stakeholder engagement. As a leading conglomerate with operation in the financial sector of the Kingdom of Bahrain, Ithmaar Group recognises the growing importance of environmental, social, and governance (ESG) factors in shaping a sustainable and resilient financial future for all.

In alignment with Bahrain’s national vision, the Group has taken decisive steps to embed ESG principles across its operations. These include ensuring robust compliance and ethical operations through adequate governance frameworks, expanding financial inclusion, supporting community initiatives, and promoting responsible environmental practices. Through these targeted initiatives, Ithmaar Group aims to contribute towards a more inclusive and sustainable future for all.

Ithmaar Group’s leadership recognises that embedding principles of sustainability in our operations is ongoing journey. The Group remains dedicated to advancing its ESG objectives, strengthening internal capabilities, and working closely with regulators, customers, employees, and community partners to address shared challenges and opportunities. I extend its sincere appreciation to all employees, partners, and key stakeholders for their continued support and collaboration. The Group looks forward to working closely with all stakeholders to achieve its ESG goals and shared vision in the year ahead.

**Amr Mohammed Al Faisal**  
Chairman

**Maysan Faisal Almaskati**  
Chief Executive Officer





An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road has a yellow center line and white edge lines. A small white car is visible on the road, positioned near the bottom center of the frame. The forest is composed of many tall trees with vibrant green foliage. The overall scene conveys a sense of nature and tranquility.

# OUR SUSTAINABILITY **COMMITMENT**

At Ithmaar Group, sustainability is a key pillar of the Group's commitment to long-term value creation for all stakeholders. Ithmaar Group strives to integrate responsible practices across its operations, aiming to reduce its environmental impact while fostering social well-being and economic inclusion. The Group's vision is to embed sustainability at the heart of its business strategy, driving resilience, accountability, and positive outcomes for the communities it serves.

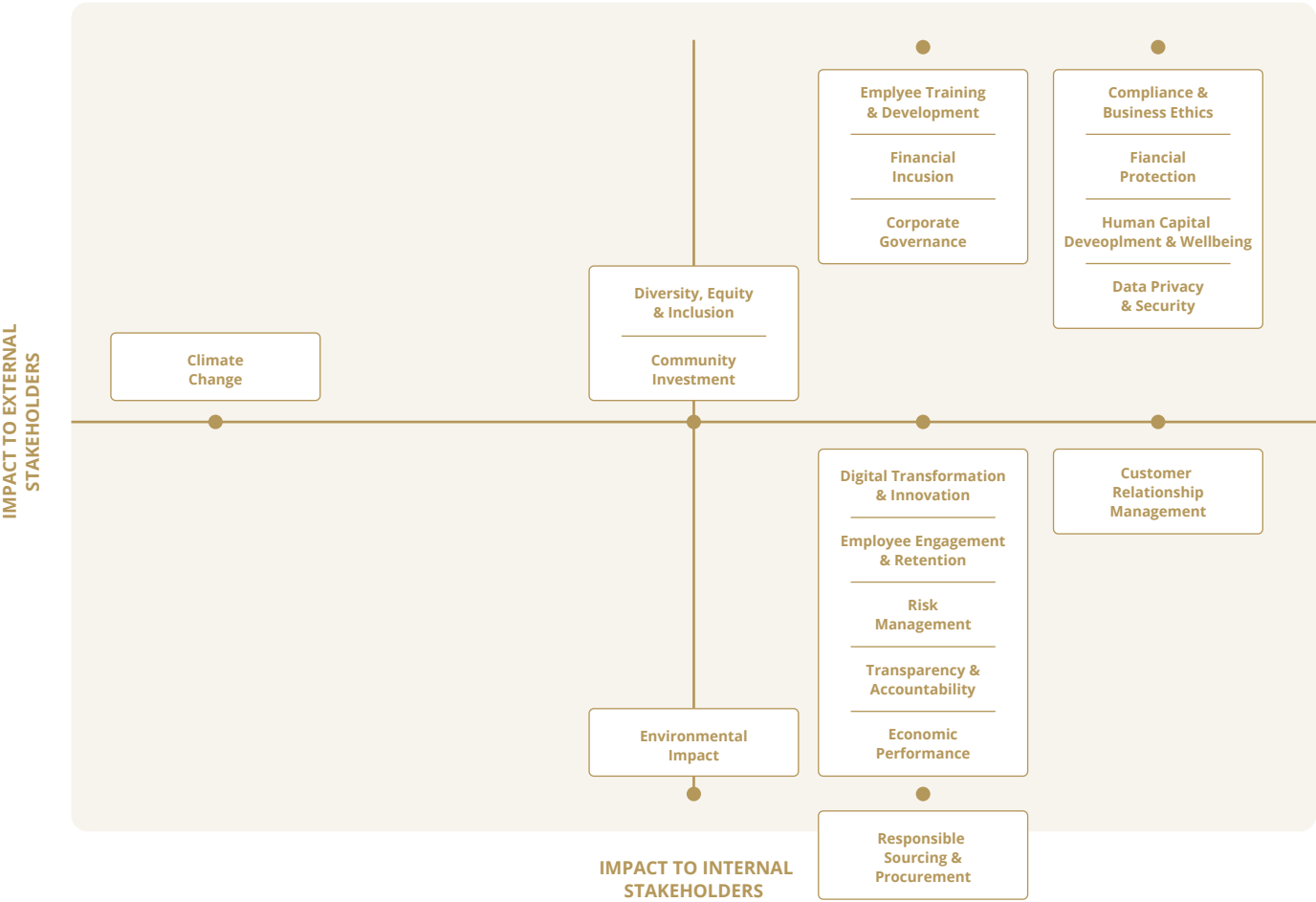


# MATERIALITY ASSESSMENT

Ithmaar Group conducted a structured materiality assessment to identify and prioritise the ESG topics most significant to its business and stakeholders. This process began with an in-depth evaluation of sustainability themes informed by global ESG frameworks, industry standards, and leading rating methodologies. To assess the relevance and impact of these topics, the Group engaged its key internal and external stakeholders through structured surveys and feedback mechanisms.

The insights gathered were subsequently reviewed in consultation with the Group’s leadership team, leading to the formal identification of the Group’s material ESG priorities. This assessment serves as a foundational step in Ithmaar’s sustainability journey and ensures that its ESG strategy and efforts remains focused, impactful, and aligned with both the Group’s organisational values and stakeholder expectations. By concentrating efforts on what matters most, Ithmaar Group is better positioned to drive long-term value and contribute meaningfully to sustainable development.

## MATERIALITY MATRIX



## MATERIAL TOPICS

- Financial Inclusion
- Digital Transformation and Innovation
- Financial Protection
- Data Privacy and Security
- Diversity, Equity and Inclusion
- Environmental Impact
- Climate Change
- Human Capital Development and Well-being
- Compliance and Business Ethics
- Risk Management
- Economic Performance
- Community Investment
- Employee Training and Development
- Corporate Governance
- Transparency and Accountability
- Responsible Sourcing and Procurement
- Customer Relationship Management
- Employee Engagement and Retention

# STAKEHOLDER ENGAGEMENT

Ithmaar Group recognises that effective stakeholder engagement is fundamental to a responsive and impactful ESG journey. The Group’s key stakeholder groups include employees, shareholders, customers, regulators and communities. Through consistent and transparent engagement with key internal and external stakeholders, Ithmaar Group gains critical insights into their expectations.

To support this, the Group utilizes various channels such as Annual General Meetings, annual and quarterly financial reports, and timely announcements issued throughout the year via the Bahrain Bourse, Dubai Financial Market, and Ithmaar Group's official websites. These platforms collectively provide stakeholders with clear insights into the Group’s performance and ongoing activities.

This engagement framework plays a key role in shaping the Group’s materiality assessment, allowing us to focus on the ESG issues that matter most to the Group’s stakeholders. Ithmaar Group prioritizes transparent and continuous communication with its stakeholder groups that ensures the Group’s initiatives are relevant, accountable, and aligned with shared values. Through this collaborative approach, Ithmaar Group strives to continuously enhance its sustainability performance and build lasting trust with all our stakeholders.

Stakeholder Group	Communication Channels
Employees	Internal Communication Portals Employee Engagement Events Training and Skill Development Initiatives
Shareholders	Company Website Annual Financial Disclosures Investor Relations Department Annual General Meeting
Customers	Company Website Complaint Management Unit Annual Financial Disclosures
Regulators	Company Website Annual Financial Disclosures
Communities	Company Website Community Initiatives

# ESG GOVERNANCE

At Ithmaar Group, the Environmental, Social, and Governance (ESG) Committee plays a pivotal role in advancing the Group’s sustainability agenda and embedding ESG principles across its operations. While the ESG function is maintained at the Holding level, it is operationally executed through the ESG Committee established at the Ithmaar Bank level. As a management-level committee, it is responsible for overseeing the identification, implementation, and monitoring of ESG initiatives, as well as ensuring alignment with regulatory requirements and stakeholder expectations.

The Committee is composed of representatives from key departments, including Financial Control, Marketing and Corporate Communications, Banking Operations, Human Resources, General Services, Legal, Compliance & AML, Private Banking, and Business Alliances—ensuring a comprehensive and cross-functional approach to ESG integration. It is tasked with managing internal and external ESG disclosures, setting performance indicators such as those related to environmental impact and emissions, and coordinating efforts with internal departments and external stakeholders. The ESG Committee is responsible for setting the Group’s ESG goals and objectives, as well as reviewing and assessing the implementation and effectiveness of its ESG strategies.

The ESG Committee provides strategic direction and participates in awareness programs to cultivate a strong sustainability culture across the Group. While no formal executive compensation is currently linked to ESG performance, accountability for sustainability remains an integral part of the Committee’s mandate. The Committee meets regularly, reports periodically to the Board of Directors, and conducts annual self-assessments to ensure its effectiveness and alignment with Ithmaar’s long-term vision and governance framework."



# ALIGNING WITH UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS

Ithmaar Group's approach to sustainability is guided by the broader objectives of the United Nations Sustainable Development Goals (UN SDGs), which provide a global framework for inclusive and long-term progress. By aligning its sustainability initiatives with these international goals, the Group ensures that its efforts contribute to environmental responsibility, social well-being, and sustainable economic growth. This alignment reinforces Ithmaar Group's commitment to creating lasting value while supporting global efforts toward a more equitable and resilient future.

## Environment

06

CLEAN WATER AND SANITATION



12

RESPONSIBLE CONSUMPTION AND PRODUCTION



13

CLIMATE ACTION



## Social


03

GOOD HEALTH AND WELL-BEING



05

GENDER EQUALITY



## Governance

08

DECENT WORK AND ECONOMIC GROWTH



16

PEACE, JUSTICE AND STRONG INSTITUTIONS



17

PARTNERSHIPS FOR THE GOALS







A low-angle, upward-looking photograph of a modern glass skyscraper. The building's facade is composed of a grid of dark metal frames and large glass panels, which reflect the sky and surrounding environment. The perspective creates a sense of height and architectural scale. A semi-transparent brown horizontal band is positioned across the middle of the image, serving as a background for the text.

# INNOVATION & **DIGITALIZATION**



## DIGITAL TRANSFORMATION INITIATIVES

Ithmaar Group recognizes that customer excellence and innovation are closely tied to the pace of digital advancement. In response to the rapid evolution of financial technologies, the Group remains committed to embracing digital solutions that enhance service offerings and elevate the customer experience.

In 2024, Ithmaar Group significantly enhanced its digital infrastructure and online banking capabilities through its subsidiary, Ithmaar Bank. The Bank strives to adopt the latest market technologies to streamline banking processes and improve accessibility for its clients. These efforts have enabled customers to complete the majority of their transactions online—efficiently, securely, and without the need for in-person visits.

To further support its digital transformation, Ithmaar Bank launched a fully redesigned website ([www.ithmaarbank.com](http://www.ithmaarbank.com)) that reflects a modern and user-centric approach. The new platform integrates best-in-class features in terms of usability, visual design, functionality, and navigation. Key features available through the new website include:

### CORPORATE ACCOUNT SERVICES:

Clients can open new accounts, apply for financing and term deposits, and access a wide range of financial services digitally.

### QUICK SERVICES PORTAL:

A secure interface for generating IBAN certificates, account balance certificates, and statements, updating account information, activating debit cards, and resetting eBanking passwords.

These enhancements not only streamline operations and reduce manual processes but also reflect Ithmaar Bank's ongoing commitment to delivering a secure, efficient, and customer-focused digital banking experience.

Ithmaar Bank is committed to offering its customers a seamless, efficient, and environmentally conscious banking experience. In line with the Bank's digital transformation goals, the Bank undertook several initiatives that reduce reliance on paper-based processes and enhance client convenience:

### DIGITAL ONBOARDING:

All corporate clients can open new accounts entirely online through the Ithmaar Digital Onboarding Portal, eliminating the need for physical forms and in-branch visits.

### FAX/EMAIL INDEMNITY SERVICE:

Clients enrolled in this service can submit a wide range of banking requests via fax or email, further supporting Ithmaar's efforts to deliver secure and paperless service options. This service enhances speed and flexibility in managing financial needs.

Online Banking: Ithmaar's comprehensive online banking platform empowers clients to conduct transactions, access account information, and manage services conveniently while significantly reducing the use of paper.

In addition to these services, clients have access to a range of account types including Current, Savings, and Modaraba Accounts in multiple currencies such as BHD, USD, SAR, Euro, AED, and GBP—catering to diverse financial needs both locally and internationally.

A glass globe with a green plant growing inside, resting on a bed of green moss. The globe is transparent, showing the internal structure of the plant. The background is a soft, out-of-focus green.

# PRESERVING **OUR PLANET**

Managing its environmental footprint is a core pillar of Ithmaar Group's ESG approach and a critical aspect of building a responsible and sustainable organization. The Group is committed to aligning its operations with environmental best practices, aiming to minimize its impact on the natural ecosystem.

Ithmaar Group adopts a targeted approach to environmental management by measuring, monitoring, and reducing key metrics such as energy consumption, water usage, and waste generation. In 2024, the Group continued to strengthen internal awareness on sustainability, reviewed relevant policies, and identified opportunities for improvement. These efforts led to the continuation of several impactful initiatives that reflect the Group's dedication to environmental stewardship and long-term sustainability.



# RESPONDING TO CLIMATE CHANGE

As climate change continues to pose growing risks to businesses and economies worldwide, Ithmaar Group acknowledges the importance of proactive climate action. Like all financial institutions, the Group faces potential exposure to climate-related risks and recognizes the need to integrate climate considerations into its strategic and operational decision-making.

In line with Bahrain’s national environmental goals and commitments, Ithmaar Group is dedicated to systematically identifying, measuring, and managing its greenhouse gas emissions. The Group is working towards embedding climate risk within its broader risk management framework and is taking steps to assess exposure in its operations, lending, and investment activities. As part of its evolving ESG approach, Ithmaar Group is committed to tracking its emissions and continuously identifying areas to reduce its environmental impact. The Group also seeks to take decarbonization efforts and remains open to engaging with policymakers and stakeholders to help advance a low-carbon, climate-resilient future.

## CARBON EMISSIONS

Carbon emissions are classified into three categories—Scope 1, Scope 2, and Scope 3. Ithmaar Group has calculated its emissions in accordance with the methodology outlined in the GHG Protocol, incorporating national emission factors where applicable.

**Scope 1** emissions are direct greenhouse gas (GHG) emissions that come from sources owned or controlled by the organization, such as fuel combustion in company-owned vehicles or equipment.

**Scope 2** emissions are indirect emissions resulting from the generation of purchased electricity, steam, heating, or cooling consumed by the organization.

**Scope 3** emissions include all other indirect emissions that occur in the value chain, both upstream and downstream, such as those from business travel, employee commuting, waste disposal, and the production and transportation of purchased goods and services.

In 2024, Ithmaar Group conducted its first calculation of Scope 1 and Scope 2 greenhouse gas (GHG) emissions, offering a clearer understanding of the Group’s direct and indirect environmental impact. This milestone represents a foundational step in Ithmaar Group’s commitment to environmental responsibility. Moving forward, the Group plans to enhance the scope of its emissions reporting by incorporating other relevant Scope 3 categories to capture broader value chain impacts. As this marks the baseline year for emissions measurement, the Group is focused on improving data accuracy, identifying key emission sources, and establishing informed reduction targets to guide its long-term sustainability strategy.

Carbon Emissions	Ton CO2e
Scope 1	3.4
Scope 2	890
Scope 3 (Waste Generated)	0.68
Total Emissions	894.58

## EMISSIONS INTENSITY

Emissions intensity which is defined as greenhouse gas (GHG) emissions relative to operational output is a key measure of its environmental performance. Ithmaar Group commits to reporting on emissions intensity which allows the Group to assess its carbon footprint in the context of business growth, enhance energy efficiency, and implement targeted strategies to reduce emissions. Emissions intensity serves as a significant indicator to ensure that sustainability remains central to the Group’s operational expansion. This commitment aligns with Ithmaar Group’s broader environmental objectives, promoting efficient resource use and long-term sustainability.

Ithmaar Group has reported its emissions intensity using net income as the chosen scaling factor. This approach allows the Group to assess its greenhouse gas (GHG) emissions relative to financial performance, ensuring a meaningful analysis of emissions in the context of economic output and operational efficiency. For the year 2024, the Group’s emissions intensity was recorded at 0.97 MT CO2e/USD Million of Net Income.

# ENERGY EFFICIENCY

Energy consumption, encompassing both direct and indirect sources across the organization, is a key contributor to Ithmaar Group’s environmental footprint. As energy use significantly influences greenhouse gas (GHG) emissions, managing consumption is essential to minimizing the Group’s environmental impact.

Ithmaar Group is committed to optimizing its energy usage and has taken proactive steps to monitor and track consumption across various activities, including day-to-day operations, fuel consumption in company-owned vehicles, and other organizational functions. The Group continues to implement measures aimed at reducing energy consumption by identifying energy efficient alternatives wherever feasible. By identifying key consumption drivers and promoting efficiency, Ithmaar Group seeks to lower its overall energy footprint while supporting its broader environmental sustainability goals.

Ithmaar Group’s direct energy consumption primarily consists of petrol used in company-owned vehicles, while indirect energy consumption stems from electricity utilized across its operational facilities. The Group places strong emphasis on categorizing its energy sources and identifying opportunities to enhance energy efficiency. Moving forward, Ithmaar Group remains committed to implementing strategies aimed at reducing overall energy consumption and promoting sustainable operational practices.

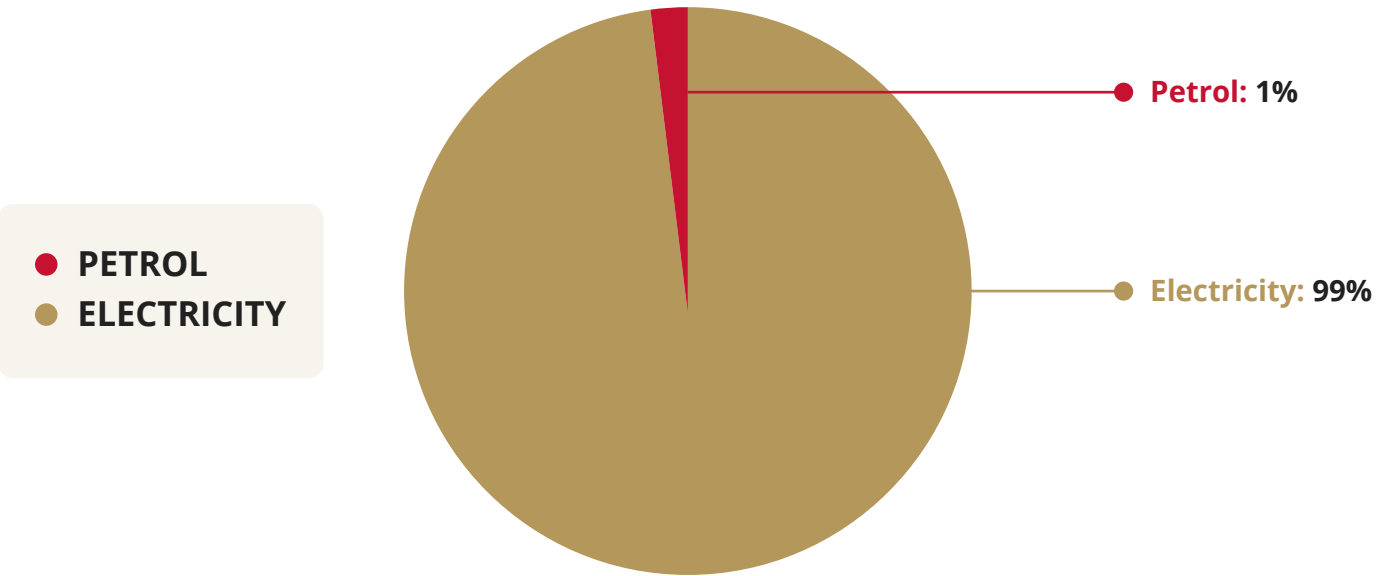
Energy Consumption	
Direct Energy (GJ)	48.7
Indirect Energy (GJ)	6,275.3
Total Energy (GJ)	6,324

Fuel Consumption	
Petrol (litres)	1,463

Electricity Consumption	
Electricity Consumed (KwH)	1,743,152

## ENERGY MIX

Currently, our energy mix is predominantly comprised of indirect energy consumption in the form of electricity, with only 1% of energy consumed through petrol used in company-owned or operated vehicles. All directly consumed energy is sourced from non-renewable sources.



## ENERGY INTENSITY

Energy intensity is measured as the amount of energy consumed per unit of operational output. Ithmaar Group calculates its energy intensity based on net income, which serves as an appropriate scaling factor to reflect the Group’s operational growth. Monitoring and tracking energy intensity enables the Group to analyze consumption patterns relative to its business expansion and supports informed decision-making around efficiency improvements.

Direct Energy Intensity	0.05 GJ/USD Million
Indirect Energy Intensity	6.84 GJ/USD Million
Total Energy Intensity	6.89 GJ/USD Million

# MANAGING WATER AND WASTE

Water consumption and waste generation are critical components of Ithmaar Group’s environmental impact. The Group continuously monitors its water usage and waste generation patterns to identify trends and implement efficiency measures. Recognizing water as a scarce resource, prioritizes its responsible use—maintaining strict controls to prevent wastage and ensure optimal utilization.

Although the Group’s operations are primarily office-based, water consumption is linked to facility maintenance and cleaning activities. Waste generation predominantly consists of paper and plastic from routine operations. Notably, 100% of the waste produced is non-hazardous and is managed in full compliance with applicable laws and guidelines. By aligning operational practices with circular economy principles, Ithmaar Group systematically reduces its water footprint and optimizes waste management, reinforcing its commitment to environmental stewardship.

Water Consumption	
Water Consumed (m3)	7,970.3

Waste Generation	
Paper Waste (kgs)	650
Plastic Waste (kgs)	65
Total Waste (kgs)	715

**Note:**  
Waste generation figures have been estimated using procurement data for paper and plastic, as actual waste disposal records were unavailable. These estimates serve as a proxy to reflect approximate waste volumes generated during the reporting period.

## WASTE MANAGEMENT INITIATIVES

In 2024, Ithmaar Group continued to advance its sustainability efforts through targeted waste reduction initiatives. The Group prioritized the recycling of old documents and printed materials as part of its ongoing commitment to minimize paper waste. Additionally, Ithmaar Group expanded the use of electronic forms and digital platforms, significantly reducing the reliance on printed paper and enhancing operational efficiency. These digitalization efforts contribute to lowering the Group’s overall greenhouse gas emissions and environmental footprint.

To address food waste, the Group collaborated with the Bahrain Food Bank to ensure the responsible redistribution of surplus food from its corporate events. All food handling and distribution were carried out in accordance with national health and safety standards. Through this partnership, Ithmaar Group supported the delivery of excess food to underprivileged families and individuals, reinforcing its commitment to both environmental responsibility and social impact.



A man with short dark hair and glasses, wearing a white blazer over a green t-shirt and light blue trousers, is gesturing with his right hand towards a group of people. He is holding a white folder or tablet in his left hand. The background is a bright, out-of-focus indoor setting. In the foreground, the back of a person's head with long dark hair is visible, and another person's head is partially visible on the right. A semi-transparent brown horizontal band is overlaid across the middle of the image, containing the title text.

# INVESTING IN **OUR EMPLOYEES**

Ithmaar Group recognises that the success of any organisation is rooted in the growth and development of its people. The Group believes that investment in human capital is vital to creating sustainable value for the Group, the local economy, and the communities in which we operate. Ithmaar Group is guided by strong values that promote determination, passion, and teamwork—values that shape a high-performing and collaborative culture. Ithmaar Group currently boasts a workforce of 61 employees within the kingdom of Bahrain, together contributing towards achieving the Group’s mission and vision.

Employees at Ithmaar Group are empowered to grow continuously and push the boundaries of achievement. Through clear guiding principles and a strong focus on career development, the Group enables individuals to realise their full potential and contribute meaningfully to its shared success.

# EMPLOYEE MANAGEMENT COMMITMENTS

## HUMAN RIGHTS COMMITMENT

Ithmaar Group is dedicated to respecting and upholding fundamental human rights across all facets of its operations. The Group fosters a safe, equitable, and respectful work environment where every employee is treated with dignity and fairness. In full compliance with applicable labour laws, Ithmaar advocates for fair wages, safe working conditions, and ethical labour practices. The Group maintains a zero-tolerance approach to all forms of discrimination, forced labour, child labour, and workplace exploitation, reinforcing its commitment to ethical and responsible business conduct.

## NON-DISCRIMINATION COMMITMENT

Ithmaar Group actively promotes a diverse, inclusive, and equitable workplace, providing equal opportunities to all employees regardless of race, gender, religion, nationality, disability, or any other legally protected characteristic. The Group expects all employees to demonstrate fairness, integrity, and mutual respect in their interactions with colleagues, customers, suppliers, and stakeholders. Discrimination, harassment, and any form of intimidation are strictly prohibited. Robust policies and grievance mechanisms are in place to address misconduct, empowering employees to raise concerns without fear of retaliation. This commitment to fairness is reflected in the Group’s hiring, compensation, and promotion practices, ensuring that ethical standards remain at the core of its operations.

## COLLECTIVE BARGAINING

In line with Bahrain’s labour laws, Ithmaar Group fully recognizes and respects the right of employees to form and join collective bargaining agreements. While there are currently no employees affiliated with active trade unions, the Group upholds the principle of freedom of association and affirms its commitment to supporting employees' rights of collective bargaining.

# DIVERSITY, EQUITY AND INCLUSION

Ithmaar Group believes that diversity, equity, and inclusion (DEI) are fundamental to cultivating a workplace built on fairness and belonging. The Group’s human resources management processes strictly adhere to Bahrain Labor Laws, unequivocally prohibiting any form of discrimination.

As part of its Code of Business Ethics and Conduct, Ithmaar Group has established the commitment to uphold equal opportunity, diversity, and non-discrimination across the organization. The Group is dedicated to fostering an inclusive and respectful workplace where all employees are treated fairly and empowered to thrive. The Company strictly prohibits any form of discrimination or harassment based on race, color, national origin, citizenship status, religion, age, gender, marital status, disability, or any other status protected under applicable laws.

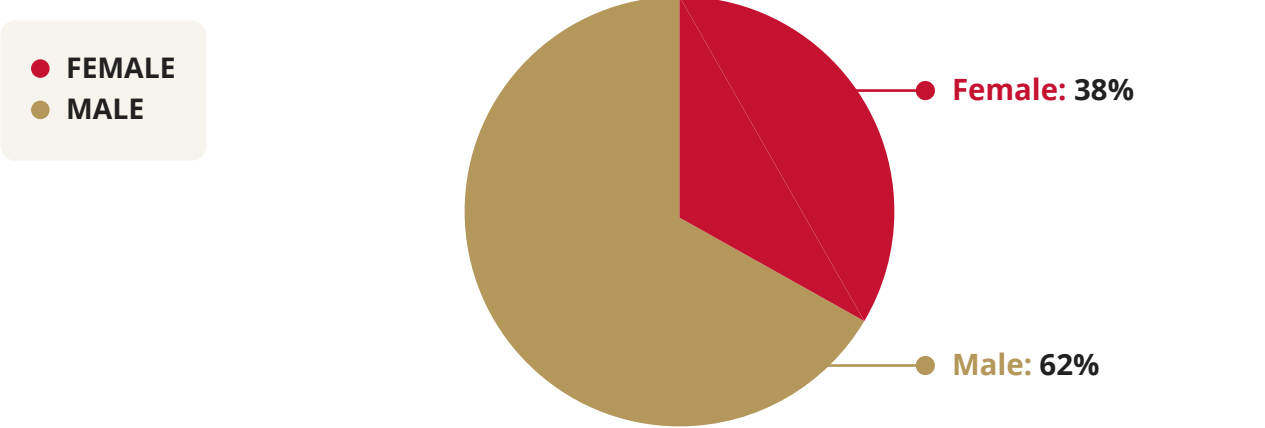
This policy is integrated into all areas of employment, including recruitment, onboarding, development, promotion, compensation, and daily interactions. All employees are expected to support and uphold this commitment by contributing to a work environment that is free from bias, intimidation, or unfair treatment.

Furthermore, in line with this policy, employees must also ensure that their conduct toward clients, business partners, and other external stakeholders reflects fairness, respect, and compliance with applicable anti-discrimination laws, thereby reinforcing the Group’s commitment to ethical and responsible business practices.

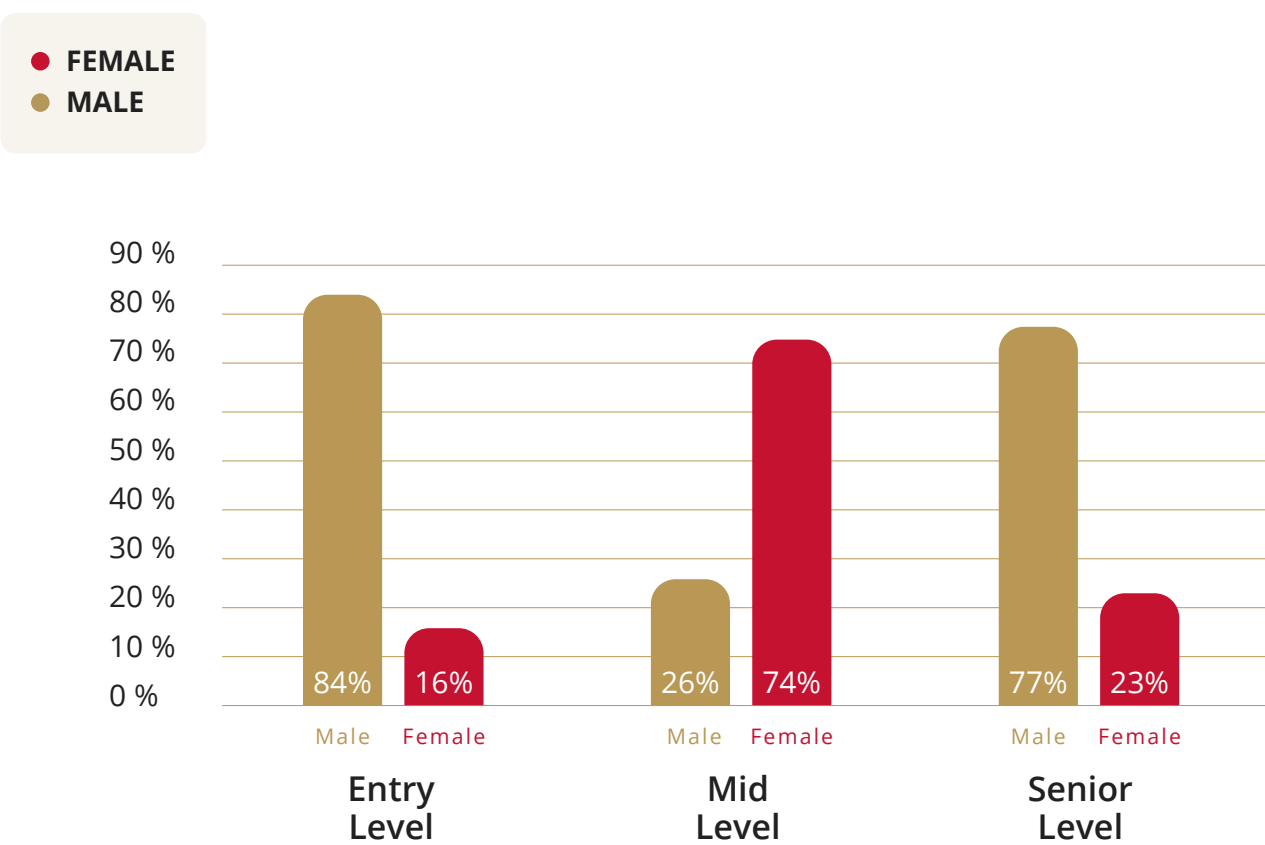
GENDER DIVERSITY

Ithmaar Group is proud to report that women make up approximately 38% of the entire workforce, holding positions across all employee categories. Specifically, women represent 23% of senior-level employees, 16% of junior-level employees, and a significant 74% of middle-level employee category.

Gender Diveristy



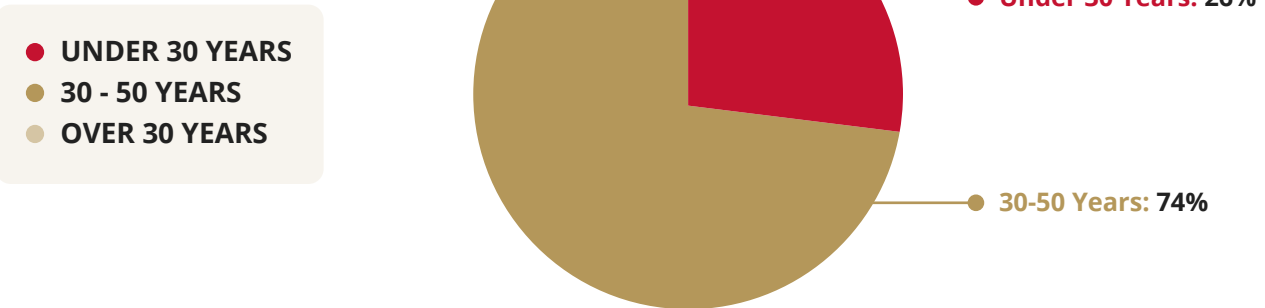
Gender Diveristy (By Category)



AGE DIVERSITY

Ithmaar Group maintains a diverse workforce across various age demographics. Presently, 26% of its employees are under the age of 30, while the substantial majority, 74%, are between 30 and 50 years of age.

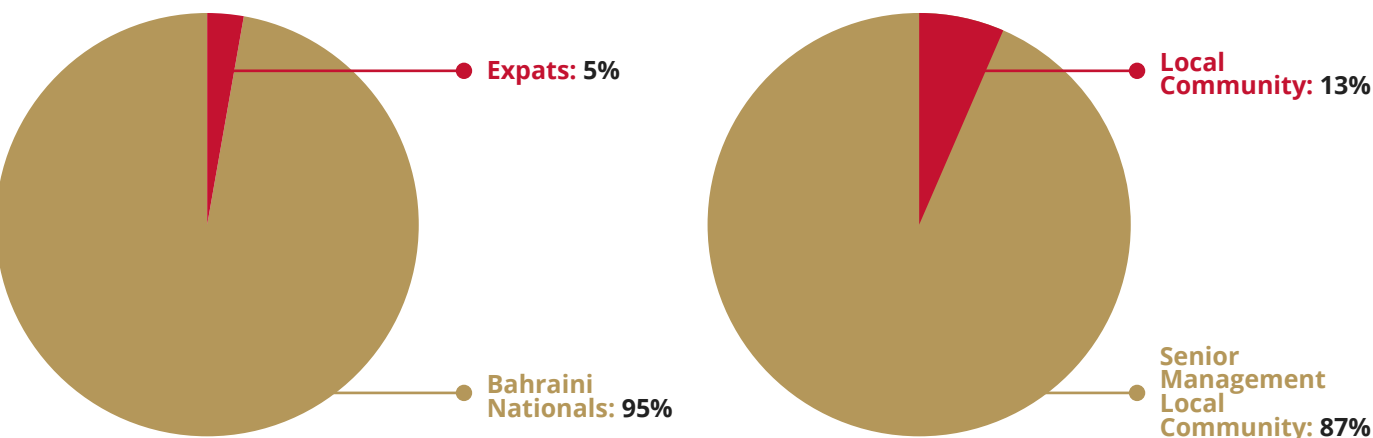
Gender Diveristy



The median compensation for women compared to men stands at 1.03:1 underscoring the organization's commitment to promoting pay parity and ensuring equitable remuneration practices across all levels.

CONTRIBUTION TOWARDS NATIONALIZATION

Ithmaar Group is strongly committed to developing local talent and fully supports the government's Bahrainization initiative. The Group prioritizes hiring Bahraini nationals and actively invest in their training and development to support their professional growth. Currently, 58 Bahraini nationals are employed at Ithmaar Group which make up 95.08% of Ithmaar Group's total workforce in the region. This demonstrates the Group's ongoing dedication to national workforce development and to creating sustainable career opportunities for local talent.





# TRAINING AND DEVELOPMENT

In line with its commitment to continuous learning and capacity building, Ithmaar Group invested in a range of training and development initiatives throughout 2024. These initiatives were aimed at strengthening the knowledge, skills, and leadership capabilities of its Board, management, and employees across various areas. Training formats included in-house sessions, external programs, online learning, and BIBF levy-sponsored training. The following training and development initiatives were conducted in 2024.

## CORPORATE GOVERNANCE TRAINING FOR BOARD AND MANAGEMENT

In February 2024, Ithmaar Group organized a comprehensive Corporate Governance training program for its Board of Directors and Senior Management. The course aimed to enhance participants’ understanding of governance principles, roles, and responsibilities, while promoting transparency, accountability, and ethical leadership. It also emphasized the importance of adopting governance best practices, particularly relevant for SMEs and family-owned businesses, to improve efficiency and minimize conflicts. The training equipped leadership with the knowledge needed to guide the Group’s strategic direction while ensuring effective governance in current operations.

## ESSENTIAL INFORMATION SECURITY AWARENESS

In September 2024, Ithmaar Group conducted an Essential Information Security Awareness course for all employees. The training focused on building awareness of how to safeguard sensitive information from cyber threats such as hacking and malware. It emphasized the importance of adhering to security protocols and reinforced best practices for managing and protecting data. By equipping staff with the necessary knowledge and tools, the Group aims to reduce information security risks and uphold compliance with relevant regulatory standards.

## MANDATORY REGULATORY TRAINING

Throughout 2024, Ithmaar Group ensured full compliance with regulatory requirements by delivering all mandatory training programs to relevant employees. These included training on the Personal Data Protection Law to strengthen employee awareness of privacy obligations, annual Anti-Money Laundering (AML) refresher courses to reinforce understanding of compliance measures, and physical security training for all new joiners—including full-time, temporary, outsourced, and trainee staff—to ensure a safe and secure working environment.

## CORPORATE BANKING LEADERSHIP GROOMING PROGRAM (CBLG)

During November and December 2024, two Executive Senior Managers from Ithmaar Group participated in the WAQF Fund’s Corporate Banking Leadership Grooming Program held in London. This international program was designed to cultivate strategic leadership capabilities, including authenticity, resilience and integrity for effective collaboration, innovation, and agile thinking.

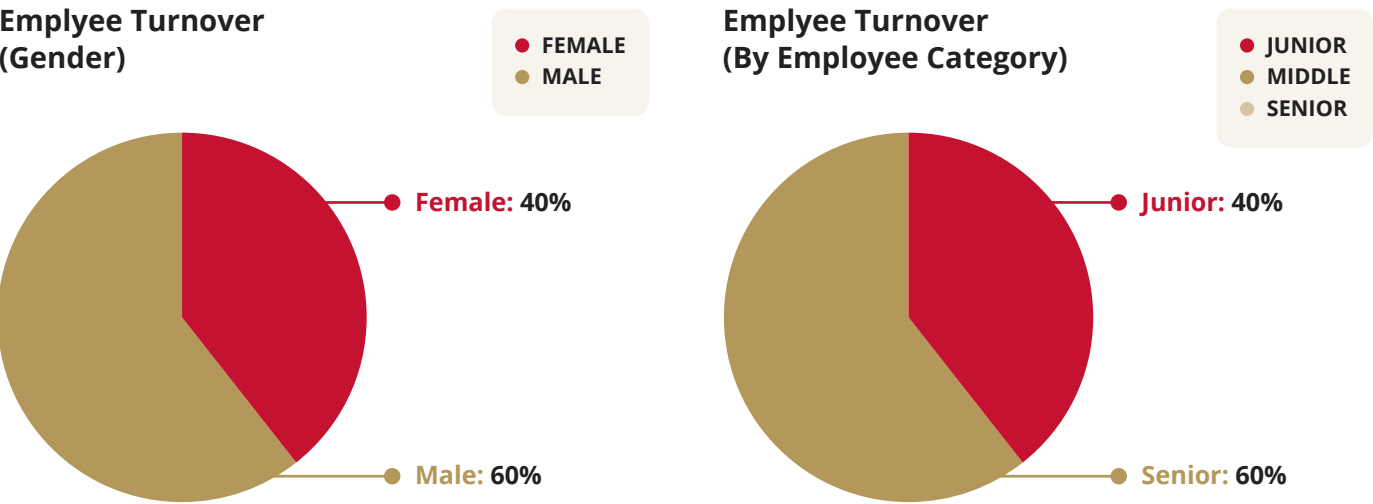
Average Training Hours (by gender)	
Female	29.71
Male	32.64

Average Training Hours (by employment category)	
Junior Level	20.14
Middle Level	27.45
Senior Level	43.85

*Complementing the comprehensive training framework, all employees, irrespective of gender received career development reviews during 2024.*

# EMPLOYEE TURNOVER

In 2024, Ithmaar Group recorded an employee turnover rate of 8.20%, with a total of five employees departing during the year. This relatively low turnover reflects the Group’s strong commitment to proactive employee engagement and robust human resource management practices. The turnover comprised 60% male and 40% female employees. These low employee turnover rates underscore the Group’s ongoing efforts to foster a stable and inclusive workforce.100% of employee turnover is attributed to Bahraini nationals.



# PROMOTING HEALTH AND SAFETY

Ithmaar Group is committed to fostering a safe and secure working environment as a key driver of employee satisfaction, well-being, and engagement. The Group recognises that a healthy workplace not only safeguards its people but also enhances productivity and morale. In alignment with applicable Bahraini labour laws and regulations, Ithmaar Group adheres to all health and safety guidelines to ensure that risks are minimized, and appropriate measures are in place to protect its workforce. The Group continues to promote a proactive safety culture by maintaining safe premises and fostering awareness among employees about workplace health and safety standards.

As part of its Code of Ethics and Business Conduct, the Company places a strong emphasis on the health and safety of its employees, recognizing it as a top priority. The Human Resources Department remains available to assist with any queries related to medical insurance, medical leave, or health-related concerns and emergencies, with management committed to offering necessary support. In addition, the Company has implemented a set of policies to ensure the safety and security of both employees and customers. All staff are expected to familiarize themselves with and adhere to these safety protocols.

# HEALTH AND SAFETY AWARENESS

In October 2024, the Group partnered with the She Medic Centre to conduct a training session focused on first aid and emergency response procedures. This program was designed to raise awareness about basic health and safety practices and empower employees to act effectively in the event of an injury or medical emergency. The initiative underscores Ithmaar Group’s commitment to the well-being of its workforce and the creation of a safe and health-conscious work environment.

# HEALTH AND SAFETY INDICATORS

Indicator	2024	2023	2022
Lost Time Injuries	0	0	0
Workdays lost due to injuries	0	0	0
Lost Time Injury Rate	0	0	0
Fatalities due to work related injuries	0	0	0

# COMMUNITY INITIATIVES AND INVESTMENTS

Ithmaar Group recognizes the unique opportunity it has to play in the advancement of local communities in which the Group operates. Ithmaar Group remains deeply committed to supporting the communities through aligning its services and offerings with the needs of its customers. This sense of responsibility is integral to the Group’s identity and has played a key role in shaping its growth and values over the years.

In 2024, Ithmaar Group continued to uphold this commitment by actively contributing to initiatives that promote economic development, social well-being, and environmental sustainability. The Group also participated in several national events aimed at creating a positive impact across sectors such as health, education, sports, and charitable outreach.

In 2024, Ithmaar Group contributed USD 1,326 towards community development initiatives which translates to 0.00014% of its net income for the year.



A professional office setting with three people. A man in a grey blazer stands in the background near a window. A woman in a blue dress sits in the middle ground, looking towards the right. A man in a dark suit sits in the foreground, seen from the side, looking at the woman. A semi-transparent brown banner is overlaid on the left side of the image.

# CORPORATE **GOVERNANCE**

Ithmaar Group is committed to upholding the highest standards of corporate governance in line with the regulatory framework of the Central Bank of Bahrain (CBB), including the High-Level Controls Module, the Corporate Governance Code of the Ministry of Industry and Commerce, and applicable international best practices. The Group also complies with the Bahrain Commercial Companies Law, AAOIFI standards, and regulatory guidelines issued by both the Bahrain Bourse and Dubai Financial Market. Guided by its Memorandum and Articles of Association, Ithmaar Group integrates Sharia principles into its governance structure, ensuring transparency, accountability, and fairness across all levels of operations.

The Group’s corporate governance framework is built on key principles such as integrity, independence, responsibility, and social accountability. Ithmaar Group implements robust internal policies including a Code of Ethics, Business Conduct Policy, Anti-Money Laundering (AML) and Countering The Financing Of Terrorism (CFT) Policy & Procedures, and Whistleblowing Policy, which are enforced across all levels of the organization. The Board and executive management operate under clearly defined roles and responsibilities, aiming to deliver long-term value to shareholders while maintaining equitable treatment for all stakeholder groups. The governance structure also supports sound risk management, ethical decision-making, fair remuneration practices, and accurate and timely disclosures, thereby reinforcing the Group’s commitment to sustainable and responsible business practices.

## BOARD OF DIRECTORS

Ithmaar Group is governed at the highest level by its Board of Directors, whose composition is determined in accordance with the Ithmaar Holding’s Articles of Association, the Board of Directors Charter, and the regulatory requirements of the Ministry of Industry and Commerce and the Central Bank of Bahrain (CBB). Currently, the Board of Directors of Ithmaar Group consists of six members, including three independent directors as defined by the CBB Rulebook. The Board operates in line with the Commercial Companies Law of 2001 and the Group’s internal governance documents.

Indicator	Category	Appointment
HRH Prince Amr Mohammed Al Faisal	Non-Executive Chairman	Elected 28 September 2022
Tunku Yaacob Khyra	Independent Board Member	Elected 28 September 2022
Dr. Amani Khaled Bouresli	Independent Board Member	Elected 28 September 2022
Sheikh Mohamed Abdullah Abdulkarim Elkhareiji	Non-Executive Board Member	Appointed 28 September 2022
Ms. Elham Ebrahim Abdulla Hasan	Independent Board Member	Elected 28 September 2022
Mr. Juma Hasan Abul	Executive Board Member	Appointed 28 February 2024 (Representing Dar Al-Maal Al-Islami Trust)

The CBB Rulebook under the High-Level Controls (HC) Module requires companies to either comply with the guidelines set forth in the HC Module or provide an explanation for any non-compliance in their Annual Report. In line with its commitment to regulatory compliance, Ithmaar Holding B.S.C. provides the following clarification: The Chairman serves as a non-executive director; however, he is not classified as an independent director under CBB definitions, given his role as Chairman of the Board of Supervisors of Dar Al-Maal Al-Islami Trust (DMIT), which is the Company’s controller.

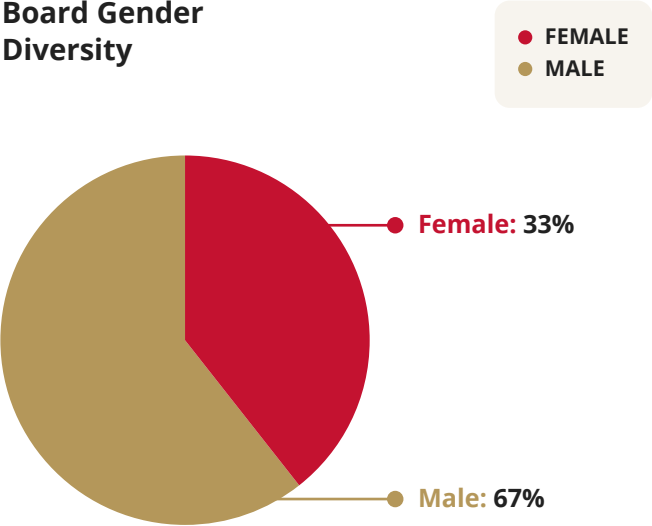
# SHARIA SUPERVISORY BOARD

Name	Designation
Sheikh Abdullah Sulaiman Al Manee’a	Chairman
Sheikh Nedham Mohammed Saleh Yaqouby	Vice-Chairman
Sheikh Mohsin Al-Asfoor	Member
Sheikh Osama Mohammed Saad Bahar	Member

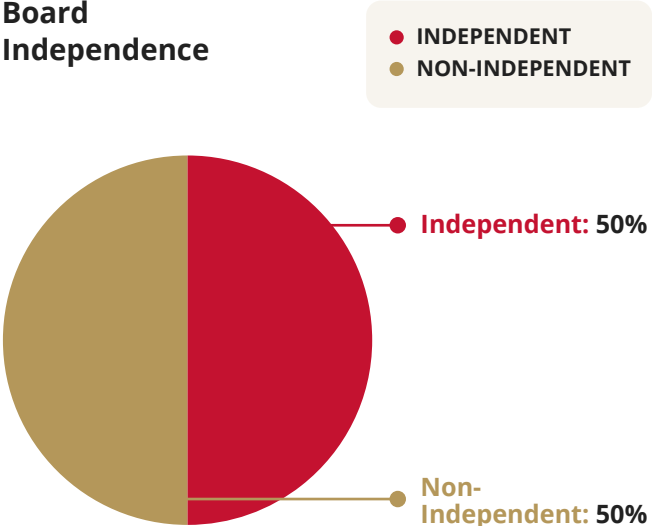
# STRUCTURE AND COMPOSITION OF THE BOARD

Diversity and inclusion are integral to the Group’s leadership philosophy, starting at the Board level. The current Board comprises six members—four men and two women—representing a gender diversity ratio of 66.7% male and 33.3% female. 100% of Board members are above the age of 50 years. Furthermore, three out of the six directors are classified as independent, resulting in a Board independence level of 50%, in alignment with best governance practices.

Board Gender Diversity



Board Independence



# BOARD APPOINTMENT AND EVALUATION

The appointment of Board members at Ithmaar Group is governed by the Group’s Memorandum and Articles of Association, the Board of Directors Charter, and all applicable laws, regulations, and internal policies, as amended from time to time.

The election of Board members is conducted during the Annual General Meeting (AGM) of shareholders through a formal and structured process in accordance with applicable legal and regulatory requirements. Shareholders elect the members of the Board by means of a secret cumulative ballot. Under this method, each shareholder is entitled to a number of votes equal to the number of shares held. Shareholders may choose to allocate all their votes to a single nominee or distribute them among multiple nominees as they deem appropriate. The process is designed to ensure transparency, accountability, and alignment with the Company's corporate governance framework.

The Audit, Governance, Risk, Nomination, and Remuneration Committee (AGRNRC) plays a key role in overseeing the structure and effectiveness of the Board. It conducts an annual review of the Board’s composition and performance, assessing whether members possess the necessary skills and expertise to effectively fulfil their responsibilities. Based on this evaluation, the Committee also develops and implements plans to strengthen Board competencies. In the event of a vacancy arising from resignation, termination, or any other reason, the Committee is responsible for recommending a suitable replacement to the Board, in compliance with legal and regulatory requirements.

All appointed directors receive a formal letter of appointment signed by the Chairman, clearly outlining their responsibilities and expectations. They are also provided with the Group’s Code of Ethics and Business Conduct to guide their professional behaviour and decision-making. To ensure ongoing effectiveness, regular assessments are carried out for the Board, its committees, and individual members. These evaluations help maintain high standards of governance and support continuous improvement in the Group’s leadership.



# BOARD INDUCTION & DEVELOPMENT PROGRAMME

Ithmaar Group conducts a comprehensive full-day induction programme for newly appointed or elected Board members, beginning with a welcome note from the Chief Executive Officer. This is followed by detailed presentations from members of the Executive Management, introducing the Group’s history, corporate structure, subsidiaries, products and services, strategic direction, financial performance, and organizational chart.

Department heads further provide overviews of their respective roles and responsibilities, offering a thorough understanding of the Group’s operations. New Board members are also briefed on their roles and duties, with a focus on the legal and regulatory obligations governing their positions.

To ensure continuous development, the Group organizes regular training sessions for Board members and Executive Management throughout the year. These sessions are designed to keep them updated on evolving trends and developments in areas such as legal and regulatory changes, market dynamics, and technological advancements relevant to the banking and investment sectors.

## BOARD COMMITTEE

In line with regulatory requirements, the organizational structure, and established best practices, the Board has constituted the following board committee and adopted a formal charter outlining its composition, responsibilities, and operational procedures.

### 01 | AUDIT, GOVERNANCE, RISK, NOMINATION AND REMUNERATION COMMITTEE (AGRNRC)

AGRNRC is established by the Board to support its oversight responsibilities across a wide range of critical areas. These include financial reporting, internal controls, risk management, governance, human resources, and compliance with regulatory standards. The committee operates under a formal mandate that defines its structure, functions, and authority.

Among its core duties, the AGRNRC is responsible for reviewing the Group’s accounting and financial policies, assessing the integrity and reliability of financial reporting systems, and evaluating the effectiveness of internal controls. It oversees the performance of both internal and external auditors, facilitates the implementation of the Group’s Corporate Governance Policy, and serves as a communication bridge between the Board and Management on key human capital matters.

The Committee also reviews and recommends for Board approval various critical documents and updates, such as interim and annual financial statements, compliance reports, audit findings, and the implications of new accounting and regulatory standards. Additionally, the AGRNRC plays a key role in nominating candidates for Board membership, recommending senior executive appointments, and setting remuneration and promotion policies.

In the area of risk management, the AGRNRC advises the Board on the Group’s overall risk appetite, tolerance levels, and the policies required to manage various risks, including credit, market, operational, liquidity, and profit rate risks. It ensures the effectiveness of the risk management framework, including controls, reporting mechanisms, and adherence to regulatory expectations. Furthermore, the Committee oversees the adequacy of the Group’s information security and business continuity management frameworks, ensuring they are proportionate to the Group’s scale and operational complexity.

### COMMITTEE MEMBERS

Ms. Elham Ebrahim Abdulla Hasan	Chairperson
Tunku Yaacob Khyra	Member
Dr. Amani Khaled Bouresli	Member
Sheikh Dr. Osama Bahar	Member*

(He is a member of the Sharia Supervisory Board with voting rights in respect of the agenda items relating to Sharia governance issues)

# MANAGEMENT COMMITTEES

In addition to the Board-level committees, Ithmaar Bank B.S.C (Closed), a subsidiary of Ithmaar Holding has established the following key Management Committees, each responsible for overseeing critical operational and strategic areas of the Group’s day-to-day functions:

<b>Investment and Credit Committee (ICC)</b>	ICC is primarily tasked with reviewing and approving transactions within its delegated authority. It plays a key role in managing and mitigating the Group’s credit risk, including evaluating provisioning requirements for financings and investments in accordance with internal policies and the Central Bank of Bahrain (CBB) regulations. The ICC also oversees recovery strategies and recommends updates to the Bank’s credit and investment portfolio strategy and related policies. The Committee is chaired by the Chief Executive Officer.
<b>Asset and Liability Management Committee (ALCO)</b>	ALCO is responsible for overseeing the Bank’s exposure to liquidity, profit rate, and market risks, as well as managing the structure of the balance sheet and capital position. Its primary objective is to ensure optimal financial performance and maintain a sound liquidity position to support sustainable and stable profitability, all within a prudent risk management framework. The Committee is chaired by the Chief Executive Officer.
<b>Business Continuity Plan (BCP): Crisis Management Team (CMT)</b>	The CMT is responsible for crisis response planning and disaster management, including assessing business impacts and guiding formal disaster declarations. It meets at least twice annually and is chaired by the Chief Financial Officer.
<b>Information Security Steering Committee (ISSC)</b>	The ISSC oversees the Bank’s information security governance to ensure confidentiality, integrity, and availability of data, protecting IT systems from misuse or damage. It is chaired by the Head of Risk Support & Restructuring.

<b>Information Technology Steering Committee (ITSC)</b>	The ITSC advises on IT strategy, governance, and resource allocation to ensure effective, secure, and cost-efficient technology usage aligned with the Bank’s goals. It is chaired by the Chief Executive Officer.
<b>Compliance Committee</b>	The Compliance Committee monitors and addresses all compliance-related matters, including regulatory adherence, AML/CFT, sanctions, and KYC obligations. It is chaired by the Head of Legal, Compliance & AML and Corporate Secretary.
<b>Environmental, Social &amp; Governance Committee (ESG)</b>	The ESG Committee is responsible for overseeing Ithmaar Holding’s internal and external ESG disclosures, recommending and implementing ESG values across the Group, and setting and monitoring ESG performance indicators. It also coordinates with internal departments and external stakeholders on ESG-related matters and supports awareness initiatives. The Committee is chaired by the Head of Enterprise Support Services and Sustainability.



# BOARD RESPONSIBILITIES

The Board’s key responsibilities include overseeing the Group’s overall strategy and performance, ensuring accurate financial reporting, monitoring management, addressing conflicts of interest, preventing related-party abuses, and safeguarding shareholder’ rights. The Board also ensures that the Company’s objectives are clearly defined and that effective strategies are implemented to achieve them.

## STRATEGIC OVERSIGHT

- Defines the Group’s strategic direction and ensures alignment with long-term objectives.
- Maintains overall accountability for the Company’s performance and progress.

## MANAGEMENT SUPERVISION

- Appoints, evaluates, and monitors the performance of senior management.
- Reviews management structure and oversees succession planning.
- Provides guidance and support to executive leadership.
- Reviews and approves performance assessments and remuneration packages for senior management.

## GOVERNANCE AND COMPLIANCE

- Oversees the effectiveness of corporate governance and compliance frameworks.
- Ensures that all legal and regulatory disclosures are accurate and made in a timely manner.

## FINANCIAL AND RISK MANAGEMENT

- Verifies the accuracy and fairness of financial statements in accordance with applicable laws.
- Monitors potential conflicts of interest and ensures appropriate resolutions.
- Ensures that robust internal control systems are in place and effectively functioning.

## SHAREHOLDER ENGAGEMENT

- Organizes and manages the Group’s annual, ordinary, and extraordinary general meetings to facilitate shareholder participation.

# DUTIES OF BOARD MEMBERS

The Board members, both individually and collectively, are entrusted with fiduciary duties to the Company as a legal entity, rather than to individual shareholders or specific shareholder groups. These fiduciary responsibilities apply uniformly to all members, irrespective of whether they are appointed or elected.

Key duties of the Board include the duty of obedience, the duty of care, and the duty of loyalty. To support the Board in fulfilling these responsibilities, the Company provides insurance coverage to indemnify members against claims arising from negligence, default, breach of duty, or breach of trust—provided that such actions were undertaken in good faith.

These obligations are comprehensively outlined in the Board of Directors Charter and the Code of Ethics and Business Conduct, both of which are formally approved by the Board.

### DUTY OF OBEDIENCE

The Board members are required to act in accordance with the Company’s rules and policies to further its goals and objectives. In addition, the Board members must comply with all relevant laws and regulations. The duty of obedience forbids the Board members from acting outside the scope of the Company’s internal authorities and policies.

### DUTY OF CARE

The Board members are under duty to exercise, in carrying out their responsibilities in good faith, the same level of care, skill and diligence that an ordinary, prudent person would exercise in the same position or under similar circumstances. Accordingly, the Board members must act in a manner that they reasonably believe is in the best interest of the Company.

### DUTY OF LOYALTY

This duty requires the Board members to act in good faith, solely and collectively, in the best interest of the Company. The Board members should not act out of expedience, avarice or self-interest. The Board members are barred from using the Company’s properties and assets for their personal needs or seeking business opportunities for personal benefit. This duty also requires the Board members to retain the confidentiality of information that is explicitly deemed confidential by the Company, as well as information that appears to be confidential from its nature or matter.

# OUR POLICIES AND PROCEDURES

At Ithmaar Group, maintaining high standards of ethics and compliance is a fundamental priority. We achieve this by implementing robust policies and procedures that align with regulatory requirements and operationalize the Company’s commitment to integrity and sustainable value creation across all areas of Ithmaar’s business.

- **CORPORATE SUBSIDIARIES GOVERNANCE FRAMEWORK POLICY**
- **BUSINESS DISCRETIONARY POWER POLICY**
- **COMPLIANCE MANAGEMENT POLICY**
- **ADMINISTRATION EXPENSES AUTHORITY POLICY**
- **INSIDER TRADING POLICY**
- **INTERNAL AUDIT CHARTER**
- **CONNECTED PARTY AND CONFLICT OF INTEREST POLICY**
- **CORPORATE GOVERNANCE POLICY**
- **WHISTLEBLOWING POLICY**



## WHISTLEBLOWING POLICY

Ithmaar Group’s Whistleblowing Policy is designed to promote a culture of integrity, transparency, and accountability by providing Board Members and employees (referred to as "Reporting Persons") a secure and confidential channel to report concerns related to fraud, corruption, or other misconduct. In alignment with the Company’s Corporate Governance Policy and Code of Ethics & Business Conduct, the policy ensures that whistleblowers who report in good faith are protected from retaliation and identity disclosure, even if their concerns are ultimately unsubstantiated. The policy aims to foster an environment where genuine concerns can be raised without fear, support early detection of wrongdoing, deter unethical behaviour, and ensure all reports are handled fairly, promptly, and appropriately.

## MANAGING CONFLICT OF INTEREST

Ithmaar Group manages conflicts of interest through its Connected Party and Conflict of Interest Policy, which ensures that all decisions are made with integrity and transparency. Upon appointment, Board Members are required to disclose any interests or relationships that could impact their objectivity, with such disclosures recorded in the Company’s Register of Interests maintained by the Shareholders Affairs Unit and updated annually. When a potential conflict arises during Board deliberations, the concerned member must declare the conflict and abstain from voting on the matter. This is recorded in the meeting minutes in accordance with Article 189 of the Commercial Companies Law of 2001 (as amended) and reflected in the Company’s Articles of Association.

All related party transactions are subject to Board approval, with conflicted members abstaining from voting—except in cases of necessary reorganization. Certain transactions also require prior approval from the CBB and must be reported to the General Assembly, accompanied by an external auditor’s report. Any breach of these requirements may render the transaction null and void and expose the conflicted member to liability for any resulting damages, in line with regulatory and governance standards.

The Group ensures that all potential conflicts of interest—such as cross-board memberships, cross-shareholding with suppliers and other stakeholders, existence of controlling shareholders, and relationships with related parties including the nature of transactions and outstanding balances—are transparently disclosed and appropriately discussed at the relevant governance forums in accordance with regulatory and internal compliance requirements.



# OUR FOCUS ON ETHICS AND COMPLIANCE

## CODE OF BUSINESS AND ETHICS

Ithmaar Group's Code of Ethics and Business Conduct applies to all individuals representing the Company, including Board members, executive management, employees, agents, and consultants. The Company expects all directors, officers, and staff to consistently uphold ethical standards and comply with internal policies. Any waiver of the Code for a director or executive officer must be approved by the Board or a designated Board committee and disclosed to shareholders.

The Code reflects the Group's commitment to upholding the highest standards of integrity, Sharia compliance, and accountability across its operations. It outlines the core values of the Group—such as honesty, objectivity, continuous improvement, and community involvement and sets expectations for ethical conduct in alignment with applicable laws, regulations, and internal policies. The Code provides guidance on decision-making in complex situations and reinforces a culture of transparency, fairness, and corporate responsibility.

The Code covers a wide range of areas, including diversity and non-discrimination, confidentiality and data protection, insider trading, intellectual property, use of company assets, anti-money laundering, anti-bribery, health and safety, training, and handling customer complaints. It also addresses conflicts of interest, rules for accepting gifts and entertainment, political and religious conduct in the workplace, and personal investment practices. Employees are required to report any violations, seek clarification when needed, and affirm their commitment to the Code upon receiving it. The Code also outlines the consequences of non-compliance and includes clear procedures and designated contacts for reporting and support.

The Code of Business Ethics and Conduct is a critical governance tool that promotes ethical decision-making, protects stakeholder interests, and supports the long-term sustainability and reputation of Ithmaar Group. It ensures that all individuals associated with the Group act in a manner that aligns with its Sharia-based ethical standards and broader corporate values.

## COMPLIANCE

At Ithmaar Group, the Compliance Management Policy establishes a structured framework for identifying and managing such risks. This framework clearly outlines the responsibilities of the Board of Directors, Senior Management, and Compliance staff, while reinforcing the independence and authority of the Compliance Officer. The compliance function adopts a risk-based approach aligned with an annual compliance plan approved by the AGRNRC.

To uphold ethical business practices and ensure adherence to regulatory standards, Ithmaar Group has formed a dedicated Compliance Committee. This Committee oversees compliance risk management and ensures alignment with Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Know Your Customer (KYC) standards. The Compliance Officer plays a critical role in building a strong compliance culture through regular training, awareness initiatives, and periodic compliance testing. These efforts are designed to keep Senior Management and staff informed about relevant regulations and their implications, thereby promoting a proactive approach to regulatory compliance throughout the organization.



ANTI-MONEY LAUNDERING

Ithmaar Bank, a subsidiary of Ithmaar Holding B.S.C. ensures full compliance with Bahrain’s AML and CFT regulations, the CBB directives, and the guidelines outlined in the Financial Crime Module. These are aligned with international standards, including the Financial Action Task Force’s (FATF) 40 recommendations and guidance from the Basel Committee on Banking Supervision. The Company adopts a Risk-Based Approach (RBA) to monitor transactions, perform sanctions screening, and enforce KYC requirements, along with other key financial crime prevention measures.

To mitigate the risks of money laundering and terrorist financing, Ithmaar Bank has implemented robust policies and procedures approved by its Board of Directors. These policies govern Customer Due Diligence (CDD), customer screening, and ongoing transaction monitoring, ensuring that the Company avoids relationships with entities involved in illicit activities. All staff engaged in customer interaction or relationship management are required to undergo annual AML and KYC training. The Company has appointed a dedicated Money Laundering Reporting Officer (MLRO) with the authority to oversee and enforce AML compliance, including reporting suspicious activities to the appropriate regulatory authorities. The Company’s AML and KYC framework is structured around four core pillars: customer acceptance, identity verification, source of funds validation, and continuous monitoring and risk assessment.

Ithmaar Group’s AML-CFT Policy and Procedure and related documents are available on the Bank's website.

AML Awareness Program 2024

In 2024, Ithmaar Bank organized an AML Awareness Program for its employees, aimed at enhancing awareness of key AML regulations, internal policies, and international best practices. The Bank firmly believes that investing in employee development is a vital safeguard for ensuring regulatory compliance and fostering a culture of integrity and excellence.

Conducted in collaboration with the Bahrain Institute of Banking and Finance (BIBF), the training was delivered online to provide flexible access for employees across the organization. The program was specifically tailored to address the unique characteristics of Islamic banking in Bahrain and covered the following key topics:

- **Money Laundering and Terrorism Financing** – Definitions, stages, and typologies
- **Vulnerabilities in the Banking Sector** – Risks associated with products and services
- **Specific Risks in Islamic Banking** – Unique vulnerabilities and mitigation strategies

This initiative forms part of Ithmaar Bank’s ongoing commitment to uphold the highest standards of compliance and risk management.



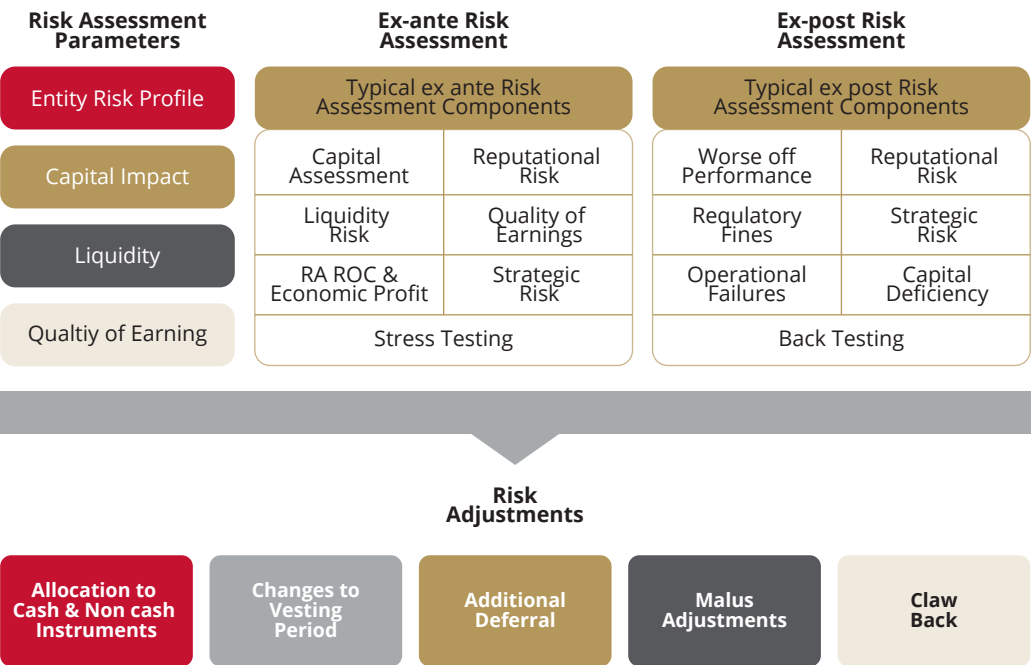
# RISK MANAGEMENT

The Risk Management function of Ithmaar Holding B.S.C. is outsourced to Ithmaar Bank B.S.C. (Closed), which operates under a well-established and comprehensive risk management framework outlined in its Risk Charter. This framework encompasses a wide range of risk policies covering all key risk areas, ensuring effective identification, assessment, and mitigation of material risks from an enterprise-wide perspective. This framework is central to safeguarding the interests of shareholders and customers and is given high priority by both the Board and management.

The risk culture is driven from the top, with the Board setting the risk appetite and tolerance levels in line with the Company’s strategic objectives. The framework, outlined in the Risk Charter and supporting policies, covers the identification, assessment, and management of key risk areas. These policies are reviewed regularly to ensure alignment with business needs, market conditions, and CBB guidelines.

Risk management is viewed as a shared responsibility across the organization and is supported by a strong governance structure. The Board, with assistance from the AGNRC, oversees the framework’s implementation. The Committee is in turn supported by an independent Risk Management Department, led by the Head of Risk Management, who works closely with senior management and relevant departments.

A structured monitoring and reporting process is in place, where the Risk Management Department tracks risk exposures against Board-approved limits and regularly reports findings to management and the Board Committee.



# CUSTOMER AND COMPLAINTS MANAGEMENT

Ithmaar Holding B.S.C., through its subsidiary, Ithmaar Bank B.S.C. (Closed) focuses on delivering exceptional service and maintaining high levels of customer satisfaction as fundamental principles of the Company’s values. The company is committed to addressing customer concerns promptly, fairly, and transparently as part of Ithmaar Bank’s broader commitment to responsible and sustainable banking practices.

Customers are encouraged to raise any concerns or dissatisfaction with branch staff, their Relationship Manager, or designated service representatives. If the issue remains unresolved, it can be escalated to the Company’s independent Complaints Management Unit, which operates separately from business functions to ensure impartial handling. All complaints are acknowledged within five working days, and the Company strives to provide a comprehensive resolution within four weeks.

In accordance with regulatory requirements, customers also have the right to escalate unresolved issues to the Consumer Protection Unit at the CBB. Ithmaar Bank B.S.C. (Closed) follows a strict non-discrimination policy, ensuring all customers are treated fairly and without bias when submitting complaints. This approach supports Ithmaar’s goal of enhancing trust, transparency, and accountability as part of the Company’s sustainability commitment.

# SUSTAINABLE SUPPLY CHAIN

Ithmaar Group recognises that building partnerships with suppliers who share its commitment to sustainability is essential to advancing its ESG journey. As a financial institution, the Company operates with a relatively limited supplier base; however, it places a strong emphasis on local procurement wherever feasible. This approach not only supports the national economy but also contributes to reducing carbon emissions associated with transportation and logistics.

While Ithmaar Group does not currently have a dedicated Supplier Code of Conduct in place, it acknowledges the importance of clearly communicating expectations on key sustainability issues. Accordingly, the Company will evaluate the feasibility of developing a formal Supplier Code in the future, as part of its broader efforts to enhance responsible sourcing practices and align supply chain relationships with its ESG objectives.

# INFORMATION SECURITY AND DATA PRIVACY

Ithmaar Group, through its subsidiary Ithmaar Bank B.S.C. (Closed), adheres to the Corporate Information Security & Cyber Security Policy, which outlines a comprehensive framework for safeguarding the confidentiality, integrity, and availability of information assets. The Group is committed to protecting sensitive data, including employee, customer, and third-party information—from emerging cyber-security threats and unauthorized access.

This policy is aligned with globally recognized standards such as ISO 27000, PCI-DSS, the SWIFT Customer Security Control Framework, and the NIST Cybersecurity Framework, ensuring a structured approach to information risk management, incident response, and regulatory compliance. These controls support Ithmaar’s commitment to fulfilling its contractual, legal, privacy, and ethical obligations while maintaining operational resilience.

All employees are expected to conduct themselves in a professional and security-conscious manner and are accountable for safeguarding the Group’s systems and data. The Chief Risk Officer has overarching responsibility for information protection, with authority delegated to designated individuals for managing access rights. Any actual or suspected security incidents are reported to the Information Security Officer and escalated to the Information Security Steering Committee, which also oversees regular reviews of the policy's effectiveness and implementation.

The Corporate Information Security & Cyber Security Policy is supported by documented procedures, training programs, and regular compliance monitoring to ensure the integrity of the Group’s information infrastructure and to foster a culture of cybersecurity awareness across the organization.

Ithmaar Group’s robust Corporate Information Security & Cyber Security Policy has enabled the Group to maintain a strong track record of data security and cybersecurity performance throughout the year.

Reported complaints received concerning breaches of customer privacy.	Nil
Total number of identified leaks, thefts, or losses of customer data.	Nil

CBB INDEX

Pillar	KPI's	Location/Response
ENVIRONMENTAL	E.1: Environmental Oversight	ESG Governance, Pg 10
	E.2: Energy Consumption	Energy Efficiency, Pg 16
	E.3: Energy Intensity	Energy Efficiency, Pg 16
	E.4: Energy Mix	Energy Efficiency, Pg 16
	E.5: Green House Gas (GHG) Emissions	Responding to Climate Change, Pg 15
	E.6: Emission Intensity	Responding to Climate Change, Pg 15
	E.7: Climate Risk Mitigation	No climate risk assessment was conducted, or any investment were made in related aspects for the year 2024. The Company will evaluate the feasibility undertaking such assessments and allied investments in climate risk mitigation in the future.
	E.8: Water Usage	Managing Water and Waste, Pg 17
	E.9: Waste Generation	Managing Water and Waste, Pg 17
	E.10: Emission Targets	As this marks the baseline year for emissions measurement, the Group has not yet established formal reduction targets. We are currently focused on evaluating the collected data, identifying key emission sources, and using these insights to develop effective reduction strategies and set informed targets in the future.
SOCIAL	S.1: Total Workforce by sex, age-group, and employment type	Diversity, Equity and Inclusion, Pg 19-20
	S.2: Child and Forced Labour	Employee Management Commitments, Pg 19
	S.3: Employee Turnover	Employee Turnover, Pg 22
	S.4: Gender Pay Ratio	Diversity, Equity and Inclusion, Pg 19-20
	S.5: Health and Safety	Promoting Health and Safety, Pg 22
	S.6: Non-Discrimination	Employee Management Commitments, Pg 19
	S.7: Nationalisation	Contribution towards Nationalization, Pg 20
	S.8: Community Investment	Community Initiatives and Investments, Pg 22
	S.9: Human rights	Employee Management Commitments, Pg 19
	S.10: Management Composition/Diversity	Diversity, Equity and Inclusion, Pg 19-20
	S.11: Development and Training	Training and Development, Pg 21
GOVERNANCE	G.1: Board Composition	Board of Directors, Pg 24-25
	G.2: Collective Bargaining	Structure and Composition of the Board, Pg 24-25. Board Committees, Pg 26. Employee Management Commitments, Pg 19
	G.3: Whistleblowing	Our Policies and Procedures, Pg 29
	G.4: Data privacy	Information Security and Data Privacy, Pg 33
	G.5: Disclosure Practices	Introduction to the Report, Pg 5-6
	G.6: Conflict of interest	Our Policies and Procedures, Pg 29
	G.7: Supplier Code of Conduct	Sustainable Supply Chain, Pg 32
	G.8: Incentivised Pay	ESG Governance, Pg 10
	G.9: Ethics & Anticorruption	Our Focus on Ethics and Compliance, Pg 30-31
	G.10: Assurance	Introduction to the Report, Pg 5-6

# GRI CONTENT INDEX

STATEMENT OF USE	Ithmaar Holding has reported the information cited in this GRI content index for the period 1st January 2024 to 31st December 2024 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	Ithmaar Holding: Overview, Pg 2
	2-2 Entities included in the organization’s sustainability reporting	Introduction to the ESG Report, Pg 5-6
	2-3 Reporting period, frequency and contact point	Introduction to the ESG Report, Pg 5-6
	2-4 Restatements of information	There are no restatements of information.
	2-5 External assurance	Introduction to the ESG Report, Pg 5-6
	2-6 Activities, value chain and other business relationships	Ithmaar Holding: Overview, Pg 2 Service Categories: Ithmaar Bank, Pg 3
	2-7 Employees	Diversity, Equity and Inclusion, Pg 19-20
	2-8 Workers who are not employees	There are no workers who are not employees
	2-9 Governance structure and composition	Board of Directors, Pg 24 Structure and Composition of the Board, Pg 25
	2-10 Nomination and selection of the highest governance body	Board Appointment and Evaluation, Pg 25
	2-11 Chair of the highest governance body	Board of Directors, Pg 24 Board Committees, Pg 26
	2-12 Role of the highest governance body in overseeing the management of impacts	Board Responsibilities, Pg 28 Duties of Board members, Pg 28 Management Committees, Pg 27
	2-13 Delegation of responsibility for managing impacts	Management Committees, Pg 27
	2-14 Role of the highest governance body in sustainability reporting	Board Responsibilities, Pg 28 Duties of Board members, Pg 28
	2-15 Conflicts of interest	Our Policies and Procedures, Pg 29
	2-16 Communication of critical concerns	Our Policies and Procedures, Pg 29
	2-17 Collective knowledge of the highest governance body	The details of the Board Members have been disclosed as part of the annual report.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-18 Evaluation of the performance of the highest governance body	Board Appointment and Evaluation, Pg 25
	2-19 Remuneration policies	The Remuneration Strategy and policy details have been disclosed as part of the annual report.
	2-20 Process to determine remuneration	The Remuneration Strategy and policy details have been disclosed as part of the annual report.
	2-21 Annual total compensation ratio	The Remuneration Strategy and policy details have been disclosed as part of the annual report.
	2-22 Statement on sustainable development strategy	Leadership Message, Pg 7
	2-23 Policy commitments	Our Policies and Procedures, Pg 29
	2-24 Embedding policy commitments	Our Policies and Procedures, Pg 29
	2-25 Processes to remediate negative impacts	ESG Governance, Pg 10
	2-26 Mechanisms for seeking advice and raising concerns	Our Policies and Procedures, Pg 29
	2-27 Compliance with laws and regulations	Our Focus on Ethics and Compliance, Pg 30
	2-28 Membership associations	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, Pg 10
	2-30 Collective bargaining agreements	Employee Management Commitments, Pg 19



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Materiality Assessment, Pg 9
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	Financial Highlights, Pg 4  Detailed financial Statements have been disclosed as part of annual report.
	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	Community Initiatives ad Investments, Pg 22
	203-2 Significant indirect economic impacts	
GRI 205: ANTI- CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Our Focus on Ethics and Compliance, Pg 30  There were no confirmed incidents of corruption in 2024.
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Energy Efficiency, Pg 16
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	Managing Water and Waste, Pg 17
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Responding to Climate Change, Pg 15
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
	305-6 Emissions of ozone-depleting substances (ODS)	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Managing Water and Waste, 17
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	During the year, 11 employees were hired.  Employee Turnover, Pg 22
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 402: LABOR/ MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	Employee Management Commitments, Pg 19
GRI 2: GENERAL DISCLOSURES 2021	403-1 Occupational health and safety management system	Promoting Health and Safety, Pg 22
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Promoting Health and Safety, Pg 22
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Training and Development, Pg 21
	404-2 Programs for upgrading employee skills and transition assistance programs	100% of employees receive career development reviews.
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Diversity, Equity and Inclusion, Pg 19-20
	405-2 Ratio of basic salary and remuneration of women to men	
GRI 406: NON- DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	There we no reported incidents of discrimination.
GRI 407: FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Management Commitments, Pg 19
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Initiatives and Investments, Pg 22
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	No such incident was reported in 2024
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Data Privacy, Pg 33