

Sustainability

THE HEART OF
BCFC'S MISSION.

SUSTAINABILITY

"Embracing Sustainability: Our Commitment to Progress and Prosperity"

At Bahrain Commercial Financial Company (BCFC), our journey has always been intertwined with a deep-rooted commitment to societal and economic enrichment. As a testament to our core values, we have consistently championed the growth of individuals and businesses, contributing significantly to the Kingdom's flourishing economy. Our journey is marked by generous contributions to various charitable causes, reflecting our belief in sharing our success and positive impact with the broader community.

Our Sustainability Strategy Statement is centered on innovation, social responsibility, and ethical conduct, making a positive impact on society and the environment. This commitment underscores our core values of collaboration, integrity, and customer focus, driving our journey toward a sustainable future across diverse sectors within the Group's portfolio.

We are committed to sustainable progress in line with Bahrain's vision 2030. Through innovation and social responsibility, we empower communities, creating a positive impact on society and the environment. Collaboration, integrity, and customer focus drive our journey towards a sustainable future.

Throughout our history, BCFC's contributions to society and the economy have been a cornerstone of our vision and values. In keeping with this tradition, we are now embracing an enhanced focus on sustainability. This strategic shift aligns with the recent mandates from the Central Bank of Bahrain, specifically the introduction of the 'Common Volume - ESG Module', signaling our dedication to environmental, social, and governance (ESG) excellence.

Sustainability Governance

At Bahrain Commercial Financial Company, our approach to sustainability governance is deeply rooted in a comprehensive strategy that not only aligns with our core values but also with the broader visions of Bahrain and the global sustainability objectives as outlined by the United Nations Sustainable Development Goals (UN SDGs).

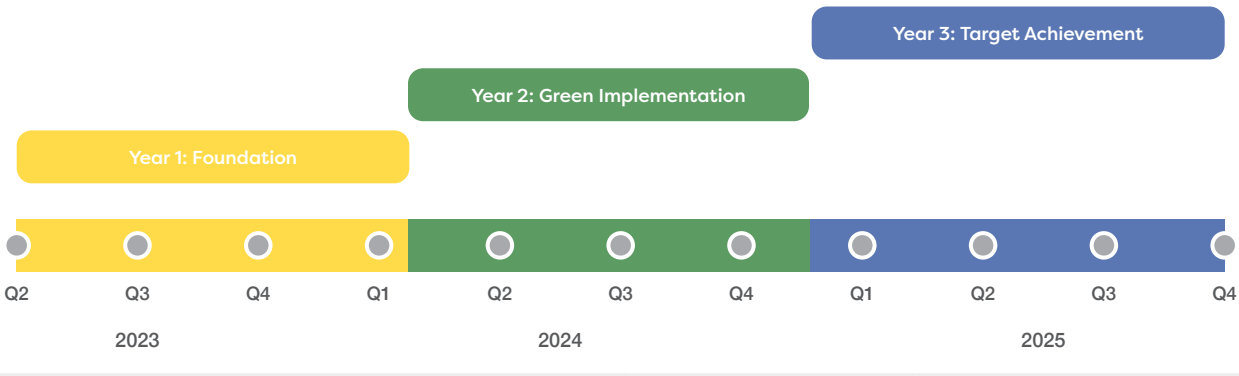
Our commitment to sustainability in our business practices underscores our core values of collaboration, integrity, and customer focus, driving our journey toward a sustainable future across diverse sectors within the Group's portfolio.

Sustainability Goals

At Bahrain Commercial Financial Company (BCFC), our focus on Environmental, Social, and Governance (ESG) principles shapes our sustainability goals. These goals reflect our commitment to integrating ESG into the heart of our operations, driving positive change and fostering a sustainable future.

1. Sustainability: Enforcing responsible lending and borrowing.
2. Competitiveness: Driving conventional, and SME finance.
3. Financial Inclusion: Serving all members of our community, ensuring equitable access to financial services.

BCFC's Strategic 3-Year Sustainability Roadmap



At BCFC, our three-year sustainability plan demonstrates our unwavering commitment to sustainability. We have structured a comprehensive strategy that spans initiation and planning, full-scale implementation and risk management, and continuous improvement.

The inaugural year of our sustainability journey has been about laying a solid foundation. Despite being in the initial phase, significant strides have been made in 2023 to embed sustainability into the core of our operations.

Achievements:

- Approval and adoption of the Group ESG policy.
- Creation of BCFC's Sustainability Strategy and a strategic 3-year Sustainability Roadmap.
- Establishment of dedicated Sustainability and other related committees.
- Development of a comprehensive Sustainability Governance Structure.
- Execution of BCFC's first Materiality Assessment for all stakeholders.
- Development of a bespoke Sustainability framework.

This year has been pivotal in establishing the groundwork, ensuring a robust infrastructure for sustainability is in place.

Group ESG Policy

At BCFC, our Group ESG Policy is a cornerstone of our sustainability governance, articulating our commitment to integrating environmental, social, and governance considerations into our business practices. This policy serves as a guiding framework for our decision-making processes, ensuring that we operate in a manner that is not only responsible and sustainable but also aligned with our stakeholders' values and expectations.

BCFC's Sustainability Core Objectives

1. Upholding Ethical Standards.
2. Enhancing Stakeholder Value.
3. Mitigating Risks.
4. Driving Social Impact.
5. Fostering Sustainability.

Sustainability Reporting – a Commitment to Transparency & Accountability

At Bahrain Commercial Financial Company (BCFC), our commitment to transparency and accountability in sustainability reporting is unwavering. BCFC is preparing to harmonize with the frameworks established by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the International Sustainability Standards Board (ISSB), specifically the IFRS S1 & S2 standards, as well as following the reporting requirements set forth by the Central Bank of Bahrain (CBB) and adhering to the Bahrain Bourse ESG metrics. This holistic approach ensures that our sustainability journey is communicated transparently, reflecting our commitment to global and local sustainability standards.

Sustainability Framework

At Bahrain Commercial Financial Company (BCFC), our Sustainability Framework is meticulously designed around the Plan-Do-Check-Act (PDCA) cycle, a practice that aligns with international standards emphasizing continuous improvement in all our processes. This dynamic approach ensures that sustainability is embedded in our operations, driving us towards achieving our environmental, social, and governance (ESG) goals.

Our framework operates through distinct stages:

- Initiation & Planning.
- Implementation & Governance.
- Risk Management & Compliance.
- Stakeholder Engagement & Reporting.
- Monitoring & Continuous Improvement.

Structured around eight pillars, our framework encompasses:

- **Pillar 1 - Responsible Services:** To be Committed to ethical business practices that prioritize the well-being and satisfaction of our customers.
- **Pillar 2 - Customer Centricity:** To always Place customer needs and ESG considerations at the heart of our product and service offerings.
- **Pillar 3 - Workforce Well-being and Development:** To Ensure a supportive and inclusive work environment that fosters employee growth.
- **Pillar 4 - Positive Social Impact:** To continuously engage in community initiatives that create lasting value and social impact.
- **Pillar 5 - Technology and Innovation:** To leverage technology to enhance our sustainability performance and deliver innovative solutions.
- **Pillar 6 - Corporate Governance:** To uphold strong governance practices that ensure transparency, accountability, and ethical behavior.
- **Pillar 7 - Stakeholder Engagement:** To always connect with our stakeholders and actively listen & incorporating their feedback into our sustainability efforts.
- **Pillar 8 - Environmental Responsibility:** To Implement initiatives aimed at reducing our environmental footprint and promoting sustainability.

SUSTAINABILITY (CONTINUED)

Strategic Integration of Sustainability within Risk Management

The Sustainability Unit at Bahrain Commercial Financial Company (BCFC) is integrated within the Risk Management Department, underscoring a unified approach to managing sustainability and risk. Directly reporting to the Head of Risk Management, this unit is crucial for incorporating Environmental, Social, and Governance (ESG) principles into risk strategies.

Sustainability Roles and Responsibilities: A Unified Approach

Leadership & Teams Roles and Responsibilities

Board of Directors:
The Board of Directors sets the strategic direction for sustainability, integrating ESG principles into governance and oversight.

Head of Risk Management:
Leading the development and oversight of the ESG strategy, the Head of Risk Management ensures compliance, accurate ESG reporting, and stakeholder engagement.

Senior Management:
Senior Management translates the Board's ESG strategic vision into operational reality, embedding sustainability into daily operations and decision-making.

ESG Team:
The ESG Team oversees the implementation of sustainability projects, ensuring alignment with strategic directions and monitoring progress. This cross-functional group collaborates on executing initiatives, preparing reports on ESG performance for stakeholders, and supporting the Taskforce's objectives.

Sustainability Champions:
The ESG Team oversees the implementation of sustainability Sustainability Champions are instrumental in driving ESG initiatives within their departments. They manage data collection for reporting, identify and mitigate ESG risks, and monitor sustainability performance, fostering a culture of responsibility and collaboration across the organization.

Employees:
All employees are encouraged to integrate sustainability into their work practices, comply with organizational policies, and conserve resources.

Committees Roles and Responsibilities

Nomination, Remuneration, Sustainability, and Governance Board Committee (NRSGC)
The Nomination, Remuneration, Sustainability, and Governance Committee (NRSGC) plays a crucial role at BCFC, shaping our sustainability efforts at the board level. This committee ensures robust, transparent governance and ESG integration, driving BCFC to meet high ESG standards and share sustainability achievements with stakeholders, highlighting our dedication to operational and regulatory excellence in sustainability.

Sustainability Implementation Taskforce Committee (SIT)
The Sustainability Implementation Taskforce Committee (SIT) brings BCFC's sustainability vision to life, embedding ESG principles deeply within our operations. It ensures sustainability becomes a practical aspect of our organizational culture.

Materiality Assessment Process Overview

BCFC's materiality assessment, integral to our sustainability strategy, aligns with GRI's Standard 3 on Material Topics. This detailed process showcases our dedication to identifying and prioritizing ESG topics crucial to our operations and stakeholders, reflecting our commitment to sustainability, governance excellence, and compliance with international reporting standards.

Our materiality assessment covers various sectors within BCFC Group, adopting a structured method that begins with understanding our organizational context—activities, business relations, and the sustainability landscape.

Stakeholder engagement is crucial in our materiality assessment, using varied methods to gather diverse perspectives and refine ESG topics based on significance and impact. This collective process leads to the careful selection of topics for reporting, reflecting our strategic and operational focus.

ESG Initiatives & Community Contributions

In this section, we highlight BCFC's strategic efforts in environmental stewardship, social responsibility, and governance excellence. This narrative showcases our commitment through targeted initiatives and meaningful donations, reflecting our holistic approach to sustainability and our impact on the community.

1. **Inclusivity at Work:** Affirming our dedication to a workplace that embraces diversity, 26% of our workforce comprises women, and among them, 35% hold key management positions.

2. **International Philanthropy Impact:** In a global outreach initiative, we provided support to families in Gaza, contributing in alignment with our steadfast commitment to global humanitarian endeavors.

3. **Community Partnership Initiatives:**
   - We've allocated donations to charity funds in Bahrain, providing essential assistance to families in need.
   - Demonstrating our commitment to employee well-being, funds have been specifically designated for Ramadan financial support.
   - Additionally, a further contribution is set aside for relief and aid activities, further highlighting our dedication to the overall welfare of our community.

4. **Agricultural Advancement Investment:** We are strategically investing to elevate the agricultural sector and lay the groundwork for future plans aligned with Bahrain's agricultural strategic goals, fostering local sustainable development.

5. **Empowering Abilities:** A substantial commitment is dedicated to various causes supporting individuals with disabilities. This comprehensive support includes initiatives in education, life skills, psychological and social assistance, and personalized services.

6. **Health and Well-being Initiatives:**
   - We've strategically invested in causes encompassing cancer treatment, support, awareness, and education for children with hearing impairment.
   - Additionally, a contribution is dedicated to supporting initiatives such as elderly hostels, nurturing centers, and housing services for the homeless, contributing to overall community well-being.

7. **Cultural and Educational Nurturing:**
   - Funding is earmarked for initiatives that promote literature, culture, arts, and heritage in Bahrain.
   - An allocation is directed towards services benefiting orphans and widows.
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Donation to Bahrain Cancer Society



Donation to Food Bank Society