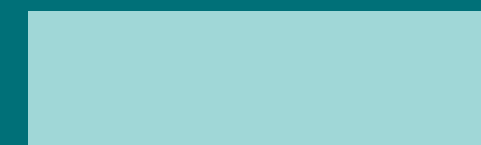
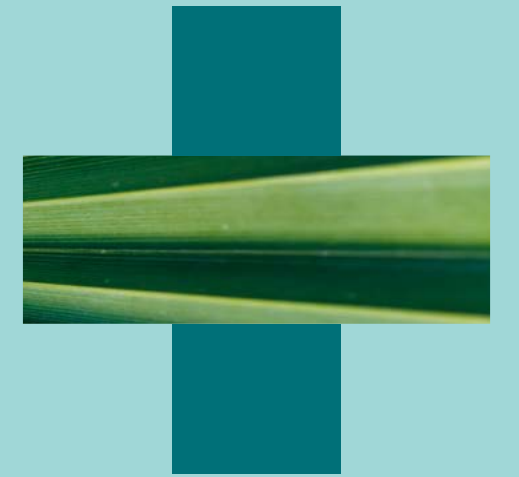
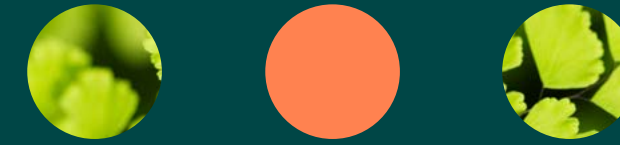




2021 ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

# TOWARDS A MORE SUSTAINABLE FUTURE



03	Sustainability at BNH	▶
12	Our Commitment to Responsible Operations	▶
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**Building On  
Commitment**



# SUSTAINABILITY AT BNH



**Welcome to the second annual Bahrain National Holding Company (BNH) Environmental, Social and Governance (ESG) Report highlighting our sustainability activities, performance, and progress including our future commitments and objectives to integrate ESG best practices across the BNH Group.**

As a premier insurance group, BNH strives to support Bahrain's, economic diversity, prosperity, and sustainable development. We aim to be one of the most trusted insurance providers, creating sustainable economic value through a commitment to strong corporate governance and transparent performance.

To achieve sustainability, we encourage transparency and dialogue about how we operate, with the goal of leading the industry by integrating ESG factors into our daily decision-making across insurance and investment activities.

It is with immense pride that we guide our Group to support better long-term outcomes for all our stakeholders in everything we do. Despite having to cope with COVID-19 challenges including the Kingdom of Bahrain being hit with the second wave early in 2021, we successfully continued to maintain our profitability as well as integrate sustainable practices within our business operations.

### **Reporting Period**

This report covers the calendar year from 1 January 2021 to 31 December 2021 and focuses on activities in that period. Information from previous years is provided, where necessary.

### **Reporting Guidelines**

This report has been developed in alignment with the Bahrain Bourse ESG Reporting Guidance, with reference to the GRI standards and on our commitments towards the United Nation's Sustainable Development Goals (SDGs) and the Bahrain Vision 2030.

### **Report Boundary**

This report covers BNH Group's operations across the Kingdom of Bahrain. Unless specified in the data, the information presented covers BNH including its primary subsidiaries Bahrain National Insurance Company (bni), Bahrain National Life Assurance Company (bnl) and iAssist

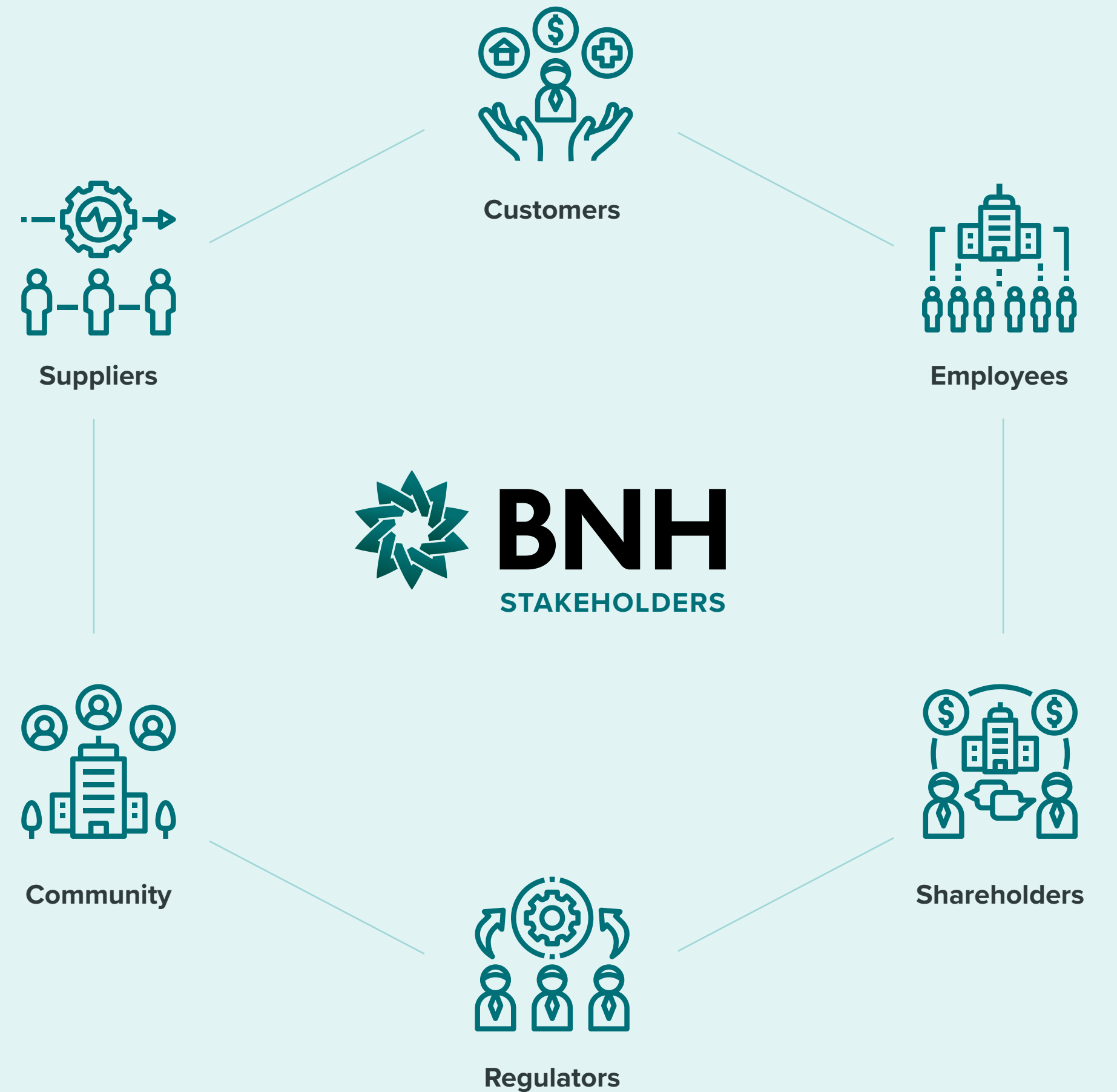
BNH welcomes any feedback or inquiries related to this report on our email: [esg@bnhgroup.com](mailto:esg@bnhgroup.com)



# SUSTAINABILITY AT BNH

## Our Stakeholders

At BNH we are actively committed to engaging with our stakeholders to understand and address their needs. We consider our stakeholders an integral part to our organisation as they help drive continual business improvements. We recognise the importance of building strong, long-lasting relationships with our stakeholders to guide BNH towards a more sustainable future.



# SUSTAINABILITY AT BNH

## Our Materiality

In 2021, we conducted a desktop-based materiality assessment to identify the economic, social, governance and environmental issues of greatest relevance to our businesses and our stakeholders. We identified thirteen material issues which if not managed properly, could materially impact the BNH Group.



## Our ESG Framework

For BNH, sustainability means permanently creating value for all stakeholders. Sustainability is not an isolated area where we act, but an integral part of our corporate strategy. Our sustainability framework encapsulates the essence of sustainability for the BNH Group by identifying the key areas that need to be addressed and well-adjusted. Our sustainability framework comprises of four pillars that align with BNH Group’s corporate mission and values.



# SUSTAINABILITY AT BNH



## + Our ESG Policy

BNH seeks to align, learn from, and support global and Bahraini initiatives and policies that enhance our capabilities, our confidence in our ESG integration approach, as well as our stature as a premium insurance provider.

In 2021, we published the BNH ESG Policy which provides an overview of BNH's commitments across key ESG issues that are relevant to our business operations.

## Our ESG Strategy

In 2021, we formulated a three-phase sustainability strategy based on benchmarking assessment and best practices to enhance our ESG and sustainability management practices through our activities and operations. Our sustainability strategy is aligned with our sustainability framework and is defined by three thematic areas:



We aim to be a role model by taking responsibility and making a positive contribution to the environment, society, and the economy of Bahrain.



# SUSTAINABILITY AT BNH

## + Our Contribution to the SDGs

The UN SDGs are the blueprint to achieve a better and more sustainable future. They are a set of seventeen goals that address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice. They are designed to protect the planet and ensure that all people enjoy peace and prosperity by 2030.

We acknowledge that need to play our part in transitioning towards a more sustainable future and recognises the interconnection between the 17 SDGs, meaning that one action can result in multiple outcomes. As a result, we are committed to supporting the SDGs and aim to ensure our business practice is in line with the goals, ensuring that we are not operating in a manner that positively contributes to the goals.

# SUSTAINABILITY AT BNH

## FRAMEWORK PILLAR



**Our Commitment to Responsible Operations**

**8 DECENT WORK AND ECONOMIC GROWTH**



<b>TARGET</b> 8-1	<b>TARGET</b> 8-7	<b>TARGET</b> 8-8
		
SUSTAINABLE ECONOMIC GROWTH	END MODERN SLAVERY, TRAFFICKING AND CHILD LABOUR	PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

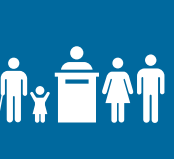


<b>TARGET</b> 12-6

ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**



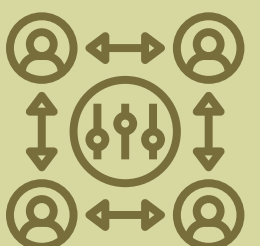
<b>TARGET</b> 16-5	<b>TARGET</b> 16-6	<b>TARGET</b> 16-7
		
SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY	DEVELOP EFFECTIVE, ACCOUNTABLE AND TRANSPARENT INSTITUTIONS	ENSURE RESPONSIVE, INCLUSIVE AND REPRESENTATIVE DECISION-MAKING

**17 PARTNERSHIPS FOR THE GOALS**



<b>TARGET</b> 17-15

RESPECT NATIONAL LEADERSHIP TO IMPLEMENT POLICIES FOR THE SUSTAINABLE DEVELOPMENT GOALS



**Our Commitment Towards Our People**

**3 GOOD HEALTH AND WELL-BEING**




<b>TARGET</b> 3-8

ACHIEVE UNIVERSAL HEALTH COVERAGE

**4 QUALITY EDUCATION**



<b>TARGET</b> 4-3	<b>TARGET</b> 4-4
	
EQUAL ACCESS TO AFFORDABLE TECHNICAL, VOCATIONAL AND HIGHER EDUCATION	INCREASE THE NUMBER OF PEOPLE WITH RELEVANT SKILLS FOR FINANCIAL SUCCESS

**5 GENDER EQUALITY**



<b>TARGET</b> 5-1	<b>TARGET</b> 5-5
	
END DISCRIMINATION AGAINST WOMEN AND GIRLS	ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING

**8 DECENT WORK AND ECONOMIC GROWTH**



<b>TARGET</b> 8-1	<b>TARGET</b> 8-5	<b>TARGET</b> 8-8
		
SUSTAINABLE ECONOMIC GROWTH	FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY	PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS

**10 REDUCED INEQUALITIES**



<b>TARGET</b> 10-1	<b>TARGET</b> 10-2	<b>TARGET</b> 10-3	<b>TARGET</b> 10-4
			
REDUCE INCOME INEQUALITIES	PROMOTE UNIVERSAL SOCIAL, ECONOMIC AND POLITICAL INCLUSION	ENSURE EQUAL OPPORTUNITIES AND END DISCRIMINATION	ADOPT FISCAL AND SOCIAL POLICIES THAT PROMOTES EQUALITY

# SUSTAINABILITY AT BNH

## FRAMEWORK PILLAR



**Our  
Commitment  
to the  
Environment**

**6 CLEAN WATER AND SANITATION**




**TARGET 6-4**

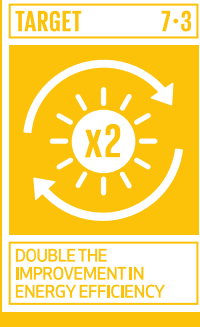


INCREASE WATER-USE EFFICIENCY AND ENSURE FRESHWATER SUPPLIES

**7 AFFORDABLE AND CLEAN ENERGY**



**TARGET 7-3**



DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY

**11 SUSTAINABLE CITIES AND COMMUNITIES**



**TARGET 11-6**



REDUCE THE ENVIRONMENTAL IMPACT OF CITIES

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**



**TARGET 12-2**



SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES

**TARGET 12-4**




RESPONSIBLE MANAGEMENT OF CHEMICALS AND WASTE

**TARGET 12-5**




SUBSTANTIALLY REDUCE WASTE GENERATION

**13 CLIMATE ACTION**




**TARGET 13-2**



INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES AND PLANNING

**TARGET 13-3**



BUILD KNOWLEDGE AND CAPACITY TO MEET CLIMATE CHANGE



**Our  
Commitment  
to Customers &  
the Community**

**3 GOOD HEALTH AND WELL-BEING**



**TARGET 3-8**



ACHIEVE UNIVERSAL HEALTH COVERAGE

**8 DECENT WORK AND ECONOMIC GROWTH**



**TARGET 8-6**



PROMOTE YOUTH EMPLOYMENT, EDUCATION AND TRAINING

**TARGET 8-3**




PROMOTE POLICIES TO SUPPORT JOB CREATION AND GROWING ENTERPRISES

**TARGET 8-10**




UNIVERSAL ACCESS TO BANKING, INSURANCE AND FINANCIAL SERVICES

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**




**TARGET 9-1**




DEVELOP SUSTAINABLE, RESILIENT AND INCLUSIVE INFRASTRUCTURES

**TARGET 9-3**



INCREASE ACCESS TO FINANCIAL SERVICES AND MARKETS

**TARGET 9-C**



UNIVERSAL ACCESS TO INFORMATION AND COMMUNICATIONS TECHNOLOGY

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**



**TARGET 12-7**



PROMOTE SUSTAINABLE PUBLIC PROCUREMENT PRACTICES



**OUR COMMITMENT  
TO RESPONSIBLE  
OPERATIONS**

# Our Commitment to Responsible Operations

BNH aims to be the most trusted insurance services provider, committed to conducting its business with the highest standards of integrity, transparency, and accountability. Our corporate governance structure ensures compliance with the regulatory requirements and guidelines and acts as a tool to continuously improve our business and ensure that all stakeholders interests are balanced and protected. Guided by our risk management framework, we work diligently to eliminate all forms of financial crime.

**Material Issues Covered**

- Corporate Governance
- Risk, Ethics and Compliance
- Digitalisation

**Sustainable Development Goals**



## HIGHLIGHTS

### ZERO

confirmed cases of corruption and grievances reported.

### ZERO

whistleblowing cases, and no misconduct was reported using the anonymous reporting channel.

## Corporate Governance

### BOARD OF DIRECTORS

The BNH Board of Directors is responsible for the overall direction, supervision, and control across the BNH Group. The Board is composed of ten members representing a cross-section of leading Bahraini businesses, bringing a potent combination of experience and skills aligned with our business and strategy. BNH prohibits the CEO from serving as a board chair.

Board of Directors	2019	2020	2021
Total number of board members	10	10	10
Total number of independent members	4	4	4
Total number of non-independent members	6	6	6
Total number of non-executive members	10	10	10
Total board seats occupied by men	10	10	10
Total board seats occupied by women	0	0	0
<b>Scope: BNH Group</b>			

## BNH COMMITTEES

The Board of Directors form three executive level committees:

### Audit, Compliance & Risks Committee (ACRC)

ACRC is oversees procedures and internal controls consistent with the Corporate Governance structure as well as the selection and compensation of External Auditors. The committee monitors internal control systems and ensures the Group’s compliance with relevant regulatory and legal rules. Furthermore, the ACRC review arrangements for Whistle Blowing and ensure that whistle blowers are heard, and their rights are safeguarded.

### Executive & Investment Committee (EIC)

The EIC is responsible for monitoring the development of the Group strategy and aligning the management and performance of the Group strategies, business plan and budget. The committee also contributes to maintaining the oversight of financial requirements of the Group, developing the investment policy as part of the overall business plan and recommend business and investment opportunities.

### Nomination, Remuneration & Corporate Governance Committee (NRCG)

The NRCG monitors the establishment of the Corporate Governance framework, making nominations and recommendations to the Board as to changes of the Board and its Committees. The committee evaluates the performance of the Board, Board members, committees and senior executives, and assists in designing a succession plan and remuneration policy. The NRCG is entrusted to oversee ESG integration within BNH’s business and operations.

Board Committees	2019	2020	2021
Total number of Committee chairs	3	3	3
Total Committee chairs occupied by men	3	3	3
Total Committee chairs occupied by women	0	0	0

Scope: BNH

The activities and responsibilities of these committees are further detailed in the BNH Annual Report 2021. For further details on our corporate governance, [please refer to the BNH 2021 Corporate Governance Report.](#)



## BNH ESG COMMITTEE

**In 2021, BNH announced the formation of a dedicated ESG Committee with the aim of fully incorporating sustainability practices into the Group's strategy and decision-making processes. The Committee serves as a testament to BNH's commitment to long-term sustainability and to realising the SDGs and Bahrain Vision 2030.**

The ESG Committee consists of a group of cross-functional executives and includes representatives across various functions and divisions. The purpose of the ESG Committee is to support the Group's ongoing commitment to environmental stewardship, health and safety, diversity and inclusion, corporate social responsibility, corporate governance and sustainability as relevant to the Group and aims to:

- Define ESG priorities, objectives and strategy with the goal of further integrating sustainability into the Group's strategy and operations.
- Oversee and coordinate the implementation of the Company's ESG initiatives.
- Assist the Management and Board of Directors in fulfilling oversight responsibilities with respect to the Company's ESG efforts.
- Monitor and assess developments relating to and improving the Company's understanding of ESG matters.

## Risk, Ethics and Compliance

Risk management lies at the centre of BNH's operations. Our aim is to prevent issues from occurring, drive personal accountability for behaviours, and generate learnings that can be applied across the organisation. We maintain a strong commitment to upholding human rights and managing risks in our investment decisions.

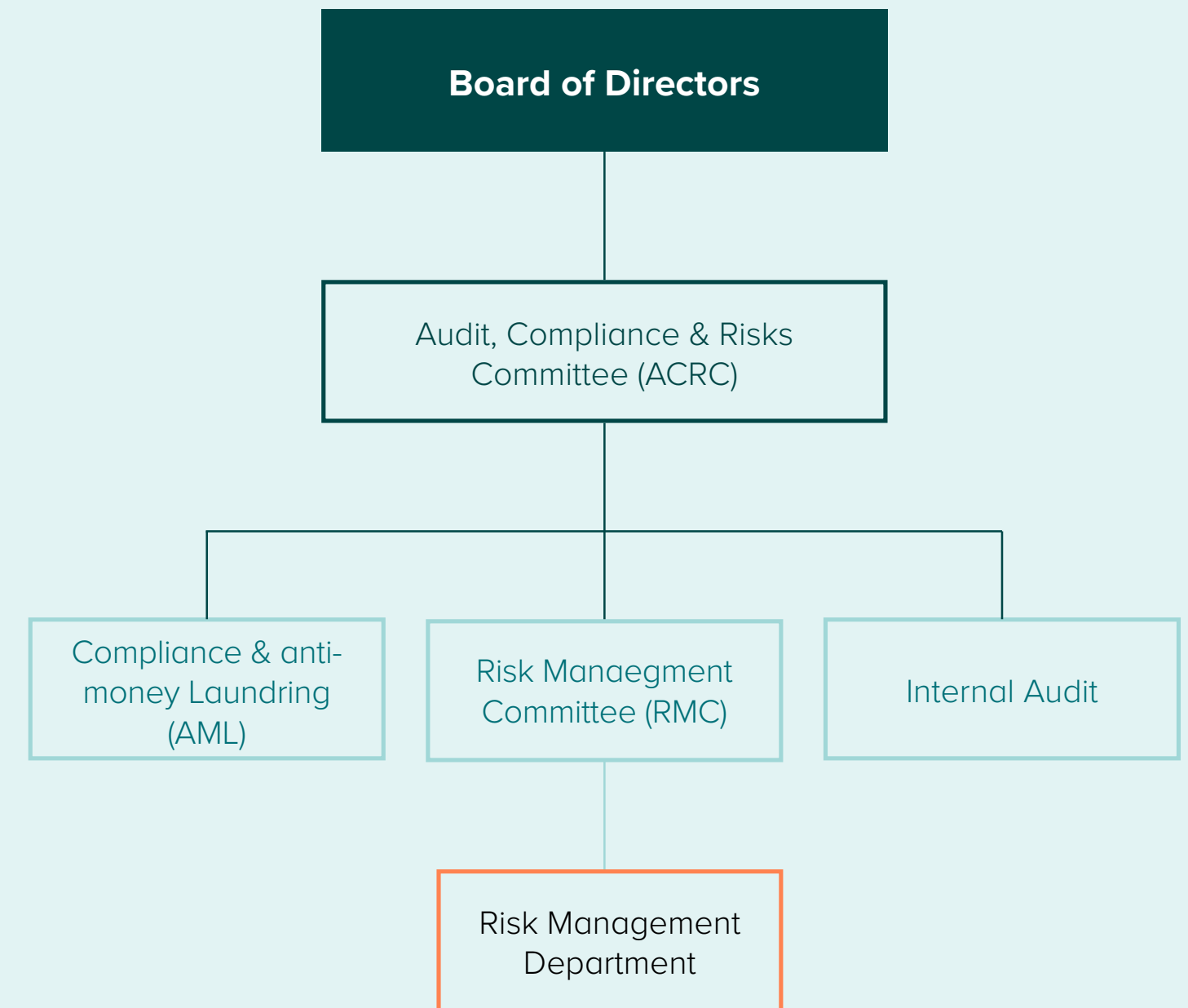
## RISK MANAGEMENT

**Risk management plays a significant role across our business operations. BNH's risk management framework is based on a clear understanding of risks, disciplined risk assessment, measurement procedures, and continuous monitoring.**

The ACRC Committee (chaired by an independent and non-executive director) is responsible for overseeing the Group's risks and determining the overall risk appetite. The Risk Management Department independently reports to the ACRC. The ACRC also reviews the Risk Appetite and Enterprise Risk Management frameworks, economic capital adequacy and stress testing. The Risk Management Committee, which is composed of senior management, meets regularly to assess emerging risks, capitalisation trends, counterparty risks, operational risks, liquidity risks and business continuity management. In Bahrain, the Group was amongst the first to embrace and invest in infrastructure to produce Solvency II<sup>1</sup> based Economic Capital Model calculations, which are used in all critical decisions.

During 2021, three significant risks were identified, and appropriate measures were implemented to manage these risks. These risks included:

1. Consequences of COVID-19 – covering operational and financial impacts including ensuring business continuity and the health and safety of our people and the communities we serve.
2. Market Risks – related to managing long-term strategic asset allocations related to the investment portfolio with emphasis on high-yield government issues and well-established regulated equities.
3. Bahrain's Market Conditions – linked to adverse market condition in Bahrain across the Bahrain Bourse.



1- Solvency II is a Directive in European Union law that codifies and harmonises the European Union insurance regulation.



## CODE OF CONDUCT

The Group Code of Conduct forms the basis for our approach to good governance. The Board of Directors including all employees are bound by the Code, which provides guidance on how we conduct business. In addition to reflecting our Operating Philosophy, "Protecting Prosperity," it also defines our commitment to professional conduct, vital to the maintenance of trust and building relationships with all our stakeholders. All new employees are required to undergo thorough training on the Code upon joining the Group. Each employee must certify that they are familiar with and compliant with the Code of Conduct annually. We expect all employees to act with the highest standards of personal and professional integrity and to comply with all laws, regulations, and group policies.

## ETHICS, BRIBERY AND ANTI-CORRUPTION

The Group has established Corporate Governance Guidelines, committed to maintaining sound corporate governance standards seeking to continuously implement best practices across the space. These Guidelines cover the following eight principles:

<p><b>Principle 1:</b> The Company must be headed by an effective, collegial and informed Board.</p>	<p><b>Principle 2:</b> The Directors and Officers shall have full loyalty to the Company</p>	<p><b>Principle 3:</b> The Board must have rigorous controls for financial audit and reporting, internal controls and compliance with law.</p>	<p><b>Principle 4:</b> The Company must have rigorous and transparent procedures for appointment, training, and evaluation of The Board.</p>
<p><b>Principle 5:</b> The Company must remunerate Directors fairly and responsibly.</p>	<p><b>Principle 6:</b> The Board must establish a clear and efficient management structure.</p>	<p><b>Principle 7:</b> The Company shall communicate with shareholders, encourage their participation, and respect their rights.</p>	<p><b>Principle 8:</b> The Company must disclose its corporate governance.</p>

As part of the Group Code of Conduct, all employees including relatives are prohibited from accepting bribes of any form, including gifts, favoured treatment or loans from clients, suppliers, or providers of BNH.

Across the Group, we abide by the Bahraini Labour Law which prohibits employment of minors, prohibits all forms of discrimination, protects workers' wages, work hours, and work rights (leaves, duties and accountability, compensation, injuries, and occupational diseases), collective bargaining and sanctions. In addition, the Group has a Child and Forced Labour policy prohibiting the employment of minors and a Sexual Harassment Policy in place which defines and describes prohibited sexual behaviour in the workplace and contains information on how to report a complaint. All new employees undergo induction training to become informed of the Group's policies, procedures, and systems in place.

▶ In 2021, there were no confirmed cases of corruption and grievances reported. ▶

## ANTI-MONEY LAUNDERING

BNH is committed to a strict compliance program with all applicable Anti-money Laundering (AML) and Combating Financing of Terrorism (CFT) laws and regulations to prevent using its products and services for money laundering and terrorist financing purposes. The Group AML and CFT policies and procedures set out a risk-based approach to conducting customer due diligence, ongoing monitoring, suspicious activity reporting, training and record keeping.

All new employees are required to complete AML and CFT training and existing employees are required to take annual refresher training. Regular, independent external audits and internal compliance monitoring reviews are conducted to ensure that the Group fulfils its obligations under the AML/CFT rules and Central Bank Bahrain (CBB) insurance-related regulatory requirements. Apart from internal audit reviews, these reviews help identify any weaknesses that enable the management team to take remedial actions and maintain full compliance.

We also provide Know Your Customer (KYC) training to all employees, with a focus on customer-facing staff, allowing BNH to take a risk-based approach to AML. This ensures a high level of awareness among staff regarding their customers and the potential risks that may be present. In situations where a customer presents a particularly substantial risk, the KYC process involves enhanced due diligence to mitigate any foreseen negative impacts.

### Whistleblowing

The Group has established a whistleblowing policy and associated procedures, in line with its commitment to the highest standards of good governance, transparency, honesty, integrity and accountability. The whistleblowing channels enable all employees and independent third parties associated with BNH (including customers and suppliers) to report diverse types of misconducts to the concerned authority in BNH in a confidential manner. In addition, our whistleblowing policy and procedures cover identification of human rights violations across business operations. The policy and procedures are clearly communicated to all employees, with training material to be delivered to all new employees during the onboarding process.

The Chairman of the ACRC is responsible for overseeing the reported misconducts. BNH Whistleblowing Policy's ownership rests with the Group Fraud Control Officer, who is also the Group Internal Audit Manager, thus ensuring independence in managing the reported misconducts. In 2021, there was zero whistleblowing cases, and no misconduct was reported using the anonymous reporting channel.

In 2021, we developed an immediate action plan to be initiated in 2022 that is designed to enhance internal training and increase staff participation on topics related to Risk, AML, cyber security and data protection, and whistleblowing.

▶ **In 2021, there was zero whistleblowing cases, and no misconduct was reported using the anonymous reporting channel.** ▶

## Digitalisation

In order to improve the digital experience of our customers and offer services and products of better value, we set up an ambitious future strategy, investing in data and the digitalisation of our business which aims to reduce costs and make our business more efficient. We continue to consult process owners and senior management on innovative ways of conducting business and we have been recently emphasizing on the impact of Digitalisation and data-driven decisions. Many of our audit reports in 2021 contained recommendations on automation, efficiency, and the adoption of data-driven decision making.

At BNH we track our digitalisation and automation levels in operations across all our divisions. In 2021, BNH introduced major enhancements to the company's core system which provides a more modern, flexible operating platform that positions us to meet our future product development and customer service needs. This core system upgrade will facilitate the company's digitalisation vision and going paperless. We have partially moved to online payment for suppliers and since the core system has gone live, and we are continuing to enhance our paperless initiatives through digitalisation. We are also currently building a Legal Document Review System that automates the process, increasing efficiency and improving the navigation, editability, access and distribution of information. The system enables tracking of changes, conversations, and progress.

On the customer interaction front, BNH is integrating innovative solutions to simplify the customer interface, such as through the use of the WhatsApp platform to engage with customers, respond to queries and requests and facilitate policy quotations, purchases, and renewals.

In 2021, the Group took a strategic direction to invest in an automated AML solution which is expected to go live by first half of 2022. The system will facilitate a smooth workflow between concerned departments, enhance current investigations, sanctions and AML, Combating the Financing of Terrorism (CFT), and Combating Proliferation Financing (CPF) screenings, in addition to, understanding our customers behavioural pattern to ensure concerns are escalated with the appropriate authority or relevant stakeholders. Moving forward, the Group aims to focus on process automation to achieve a more efficient and streamlined business process to enhance customer experience.



**OUR COMMITMENT  
TOWARDS OUR  
PEOPLE**

# Our Commitment Towards Our People

At BNH, we recognise that employees play an integral role in our success. We ensure that our employees are deeply appreciated, offering advanced training and development opportunities. We seek to attract the best talent while also promoting Bahrainisation. Furthermore, we are committed to maintaining a diverse workforce and creating an environment where employees are happy and feel safe.

### Material Issues Covered

- Talent Attraction and Retention
- Training and Development
- Diversity and Inclusion
- Health, Safety and Wellbeing

### Sustainable Development Goals



## HIGHLIGHTS

**ZERO**

fatalities  
total recordable injuries  
lost-time injuries

**407,232**

Total employee manhours

**46,500**

Total contractor manhours

**3,100**

Total number of training hours



## Talent Attraction and Retention

BNH fosters an innovative work environment that focusses on attracting and retaining talent, investing in diverse training and career development opportunities, providing equal opportunities, and increasing the diversity of our workforce.

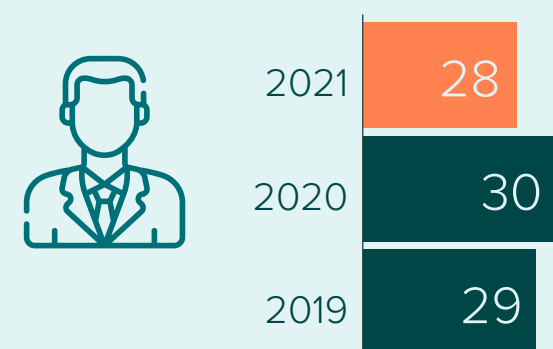
### WORKFORCE OVERVIEW

We actively encourage an inclusive and positive working environment, including promoting the hiring and advancement of top talent in key roles across the business. Our goal is to attract and retain the best and talented people to maintain and develop our business. With an engaged, high-performing, and diverse workforce, we are better positioned to meet future challenges. Despite COVID-19 challenges, our workforce saw an increase in the total number of full-time employees compared to the previous year.

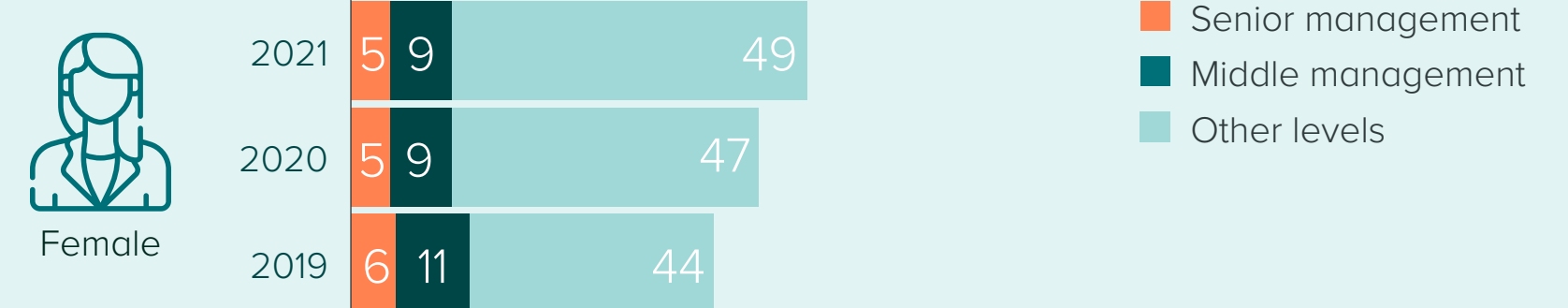
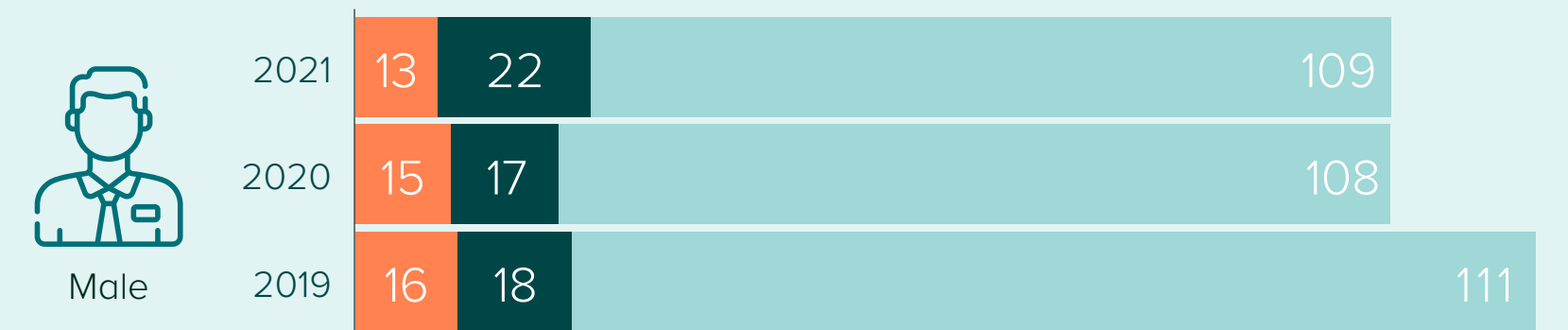
Full-time employees



Contractors and / or consultants

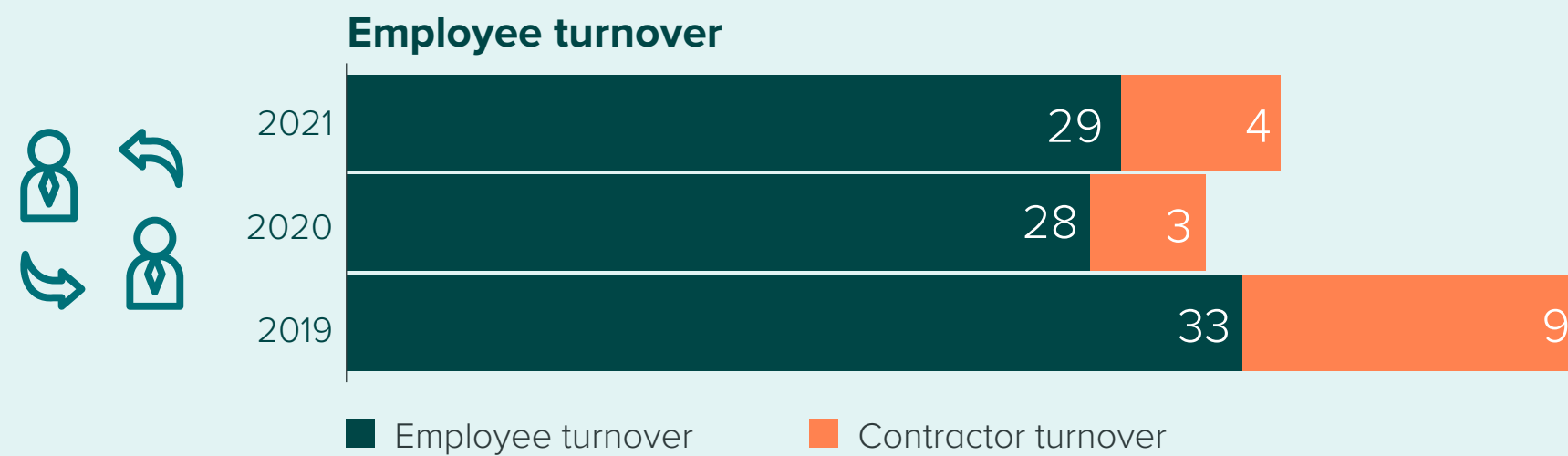


Workforce by employment level



- Senior management
- Middle management
- Other levels

Our successful efforts in nurturing a stable work environment were maintained, sustaining an employee turnover 14% in 2021, marking an achievement in our efforts to retain employees, especially during COVID-19.



## EMPLOYEE ENGAGEMENT AND SATISFACTION

Across the Group, we conduct focussed group sessions to brainstorm methods to enhance employee satisfaction. In 2021, we held an award ceremony to appreciate the contributions of key employees for their outstanding performance towards ensuring a healthy and safe working environment, amidst the COVID-19 challenges, honouring COVID-19 heroes. We also organized several staff events including, cultural celebrations, breast cancer awareness sessions, Bahraini Women’s Day and Bahrain National Day celebration and distributed free beverages to all employees.

In 2021, we improved our employee benefits and remunerations by implementing an enhanced salary scale and providing additional benefits and allowances, aligned with the current market situation. Transport allowance has been provided to all employees who were not previously entitled and on a supervisory level, annual leave entitlements were increased.

## Training and Development

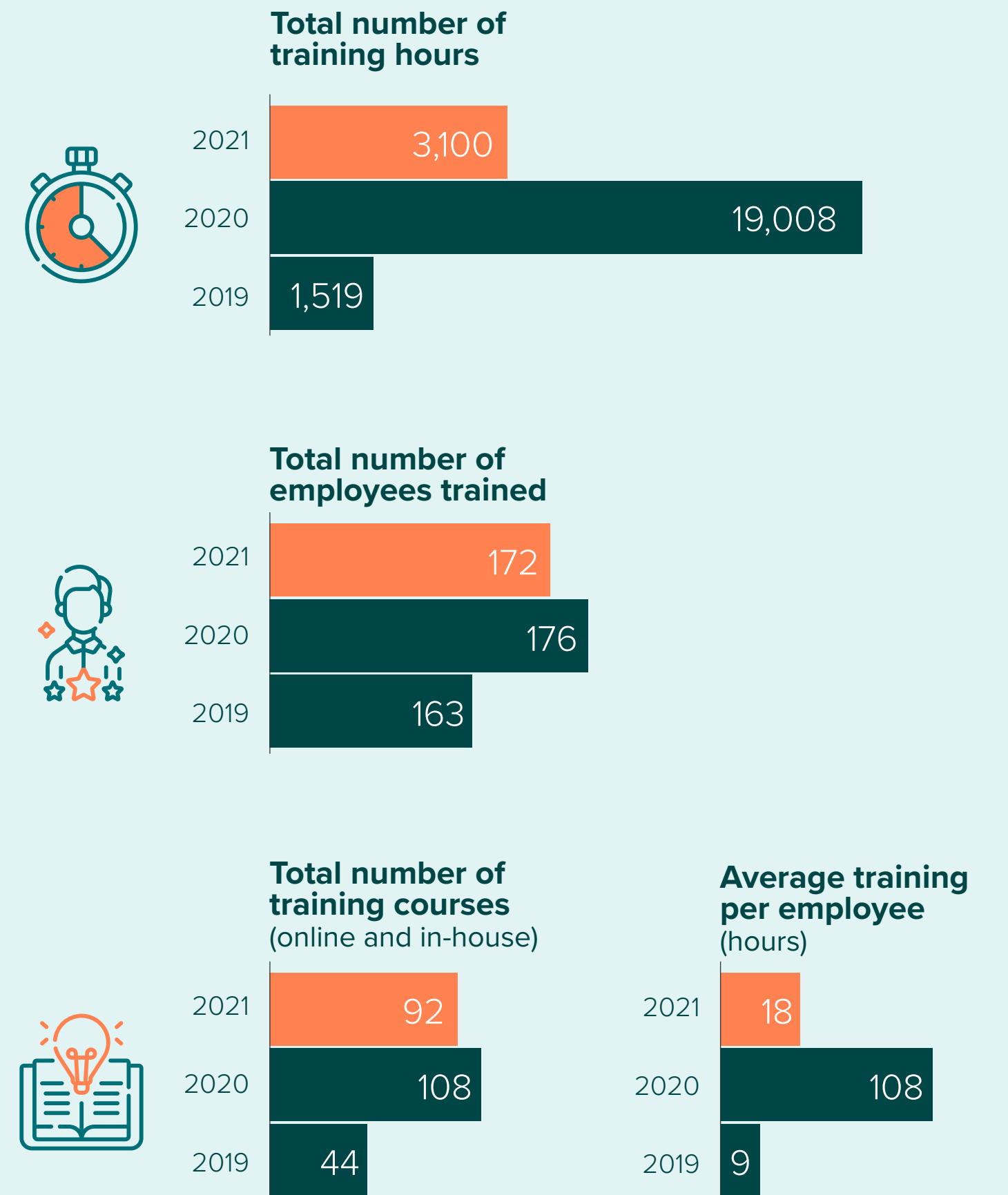
**At BNH we foster a learning culture that supports the development of our people’s key capabilities. We have a strong focus on personal and professional development, providing our employees with a range of learning and development opportunities that meet their specific needs.**

We undertake a comprehensive approach to learning and development. Knowledge and skills are accumulated from on-the-job experiences, collaborative projects, classroom, and digital learning, supported by activities such as mentoring and coaching. Across the Group, employees at all levels are encouraged to undergo appropriate training. During 2020, due to the pandemic challenges, the number of training hours were largely increased as we provided the Group’s employees with access to virtual training sessions through various online tools. This approach enabled the Group to cope with the pandemic restrictions and allow for continuous learning and development opportunities to further develop their skills and expertise as work from home was ongoing. However, in 2021 as restrictions began to ease, and the environmental conditions began returning to the norm, we resumed our regular training and development sessions which are conducted both internally and externally through third parties or online systems and employees are sent for training and attend courses in Bahrain/overseas as and when these are made available.

These plans are largely based on the CBB requirements, job-requirements, performance appraisal, succession plans and the Training Needs Analysis (TNA) - which helps the organisation identify the gap in terms of skills and training the employees have. We ensure relevant training is provided to individuals and encourage professional development, to assist the career development of employees in the company and form basis for continuous development through the upgradation of skills.

At bnl, all management-level employees completed a leadership masterclass training, which aimed to prepare identified personnel for their roles as successors within the organisation.

During 2021, we introduce a new performance appraisal process to improve the measurement of performance and related rewards. In 2021, the average number of training hours per employee amounted to 18 hours. For board members, the average hours spent on training was 13.4. We approved over BHD 55,000 to be invested in training and development enhancements in 2022.



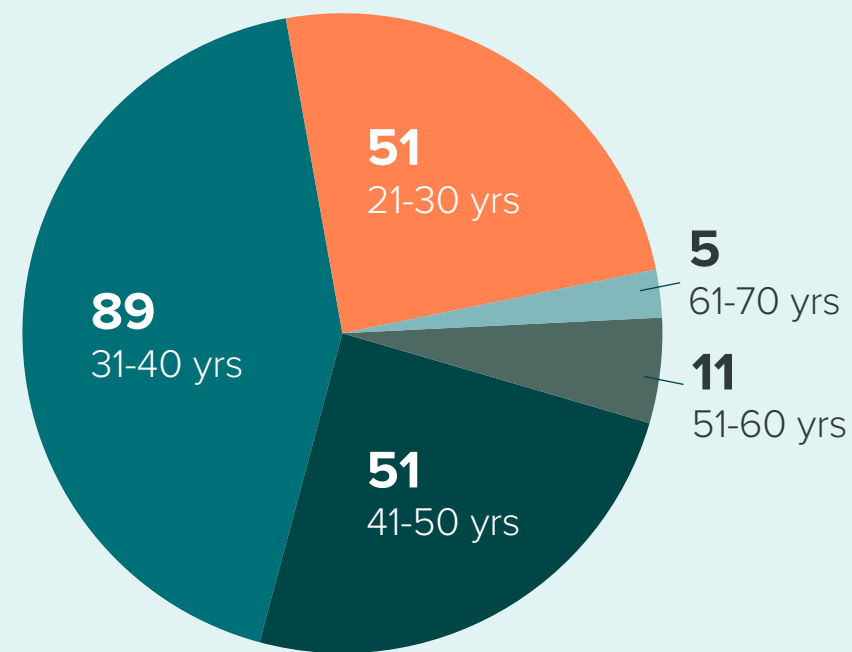
## Diversity and Inclusion

BNH has adopted a work environment that is fair and respectful towards every individual regardless of gender, race, ethnicity, age, religion, or disability, and does not tolerate any form of discrimination, harassment, or abusive behaviour of any kind. All employees are encouraged to report any concerns without fear of retaliation.

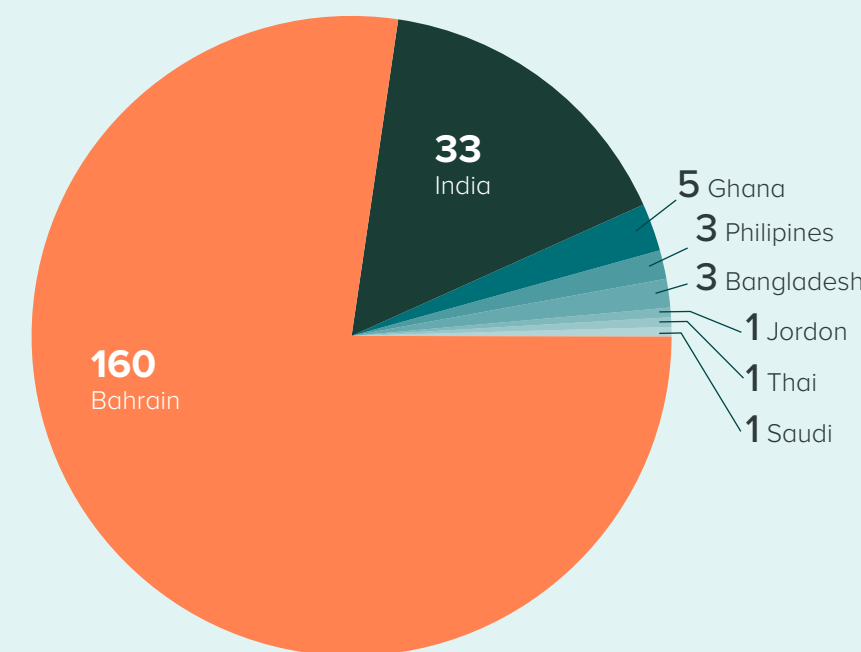
At BNH we believe that promoting diversity and inclusion will provide a diverse perspective and competitive advantage, enhancing decision-making and the overall performance of the workplace.

The workforce is composed of employees from six different nationalities, covering a wide range of age groups. We are specifically proud of our contribution to youth employment, in which we employed 27 employees between the ages of 21-20, totalling to a 33% youth employment rate in 2021.

Full time workforce by age group

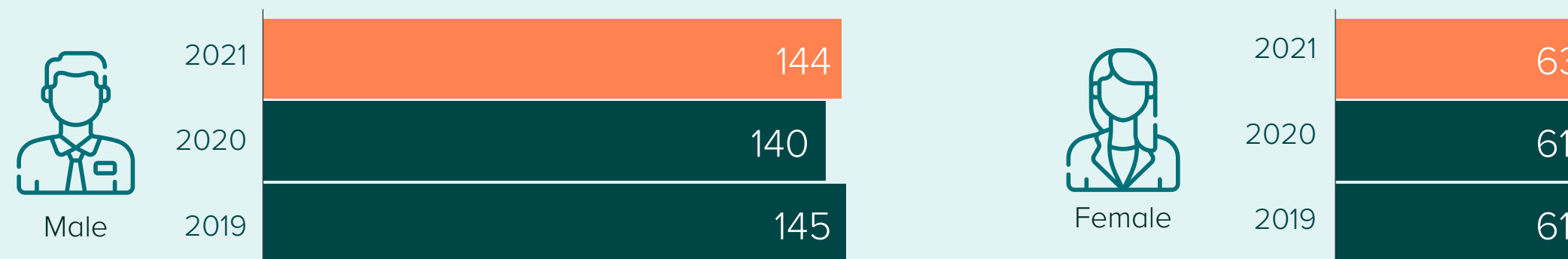


Full time employees Nationalities



BNH commits to improving female representation across all levels of operation, particularly at management levels. In an effort to promote female employees who are qualified and capable of filling higher-level positions or in a more suitable position, we create career plans as part of their annual appraisal and ensure appropriate training is provided to enhance performance. The Group consists of two female employees in the top of the hierarchy. The total composition of the BNH workforce is composed of 30% female.

Full time workforce by gender profile





## Health, Safety, and Wellbeing

Across the Group, we are committed to adopting best international standards and practices to sustain a healthy and safe work environment for our employees. For our employees to be able to fully demonstrate their capabilities, it is important to create a working environment that ensures the wellbeing of employees, from supporting employees to reduce stress, to adopting healthy habits. BNH believes that it is our responsibility to implement measures to identify and assess all health and safety hazards and manage these risks to prevent accidents, fatalities, and occupational illness and continuously work on enhancing safety awareness.

BNH has strict health and safety standards in place protecting all employees, visitors, and the public to avoid incidents and accidents.

During 2021, precautionary actions were approved and published to resist the pandemic, related to work attendance, employees socialising, relatives, travel, meetings, offices and working from home procedures. When the COVID-19 cases were at peak, we dispatched rapid test kits every week to our front-line employees and sent all employees for regular Polymerase Chain Reaction (PCR) tests.

	2019	2020	2021	
	<b>413,280</b>	<b>407,056</b>	<b>407,232</b>	Total employee manhours
	<b>46,500</b>	<b>46,500</b>	<b>46,500</b>	Total contractor manhours
	<b>0</b>	<b>0</b>	<b>0</b>	Employee fatalities Contractor fatalities Employee total recordable injuries Contractor total recordable injuries Employee lost-time injuries Contractor lost-time injuries

OUR COMMITMENT TO THE ENVIRONMENT

## Our Commitment to the Environment

We aim to manage our environmental footprint through reducing the negative adverse effects our services provide on the environment. We seek to reduce our energy consumption, water consumption and waste generation by implementing new and innovative technology, which support reducing our environmental impact, and provides employees with resources to help them work sustainably.

### Material Issues Covered

- Climate Change and Energy Management
- Water, Waste and Effluents

### Sustainable Development Goals



## HIGHLIGHTS

**BD 60,790**

Total amount invested, annually, in climate-related infrastructure, resilience, and product development

**12,282 GJ**

Total energy consumption

**59 GJ/FTE**

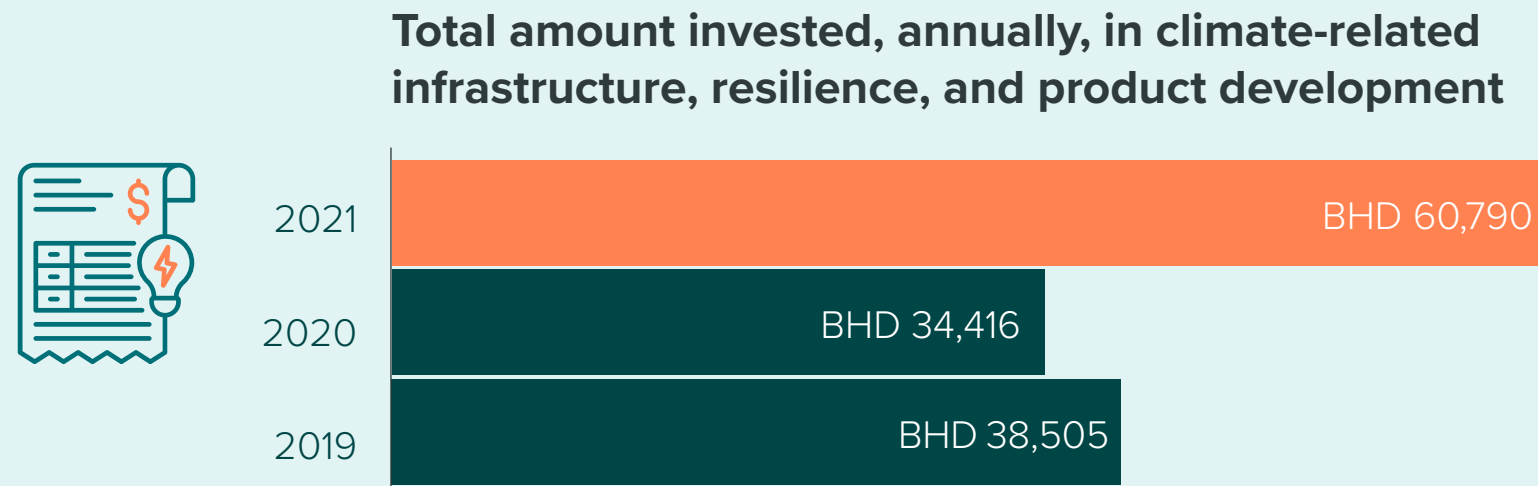
Energy consumption intensity

**2,195 CO<sub>2</sub>eq**

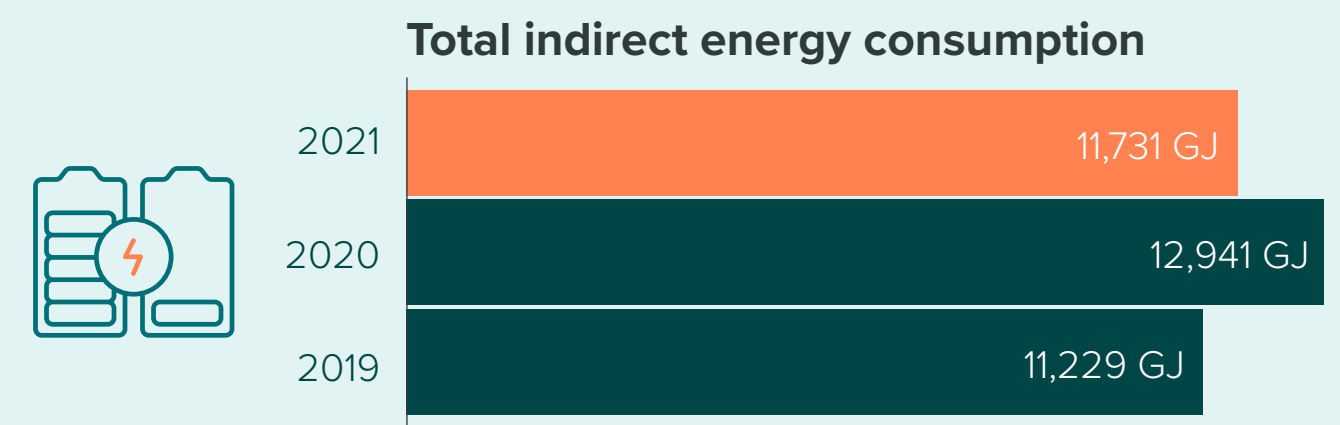
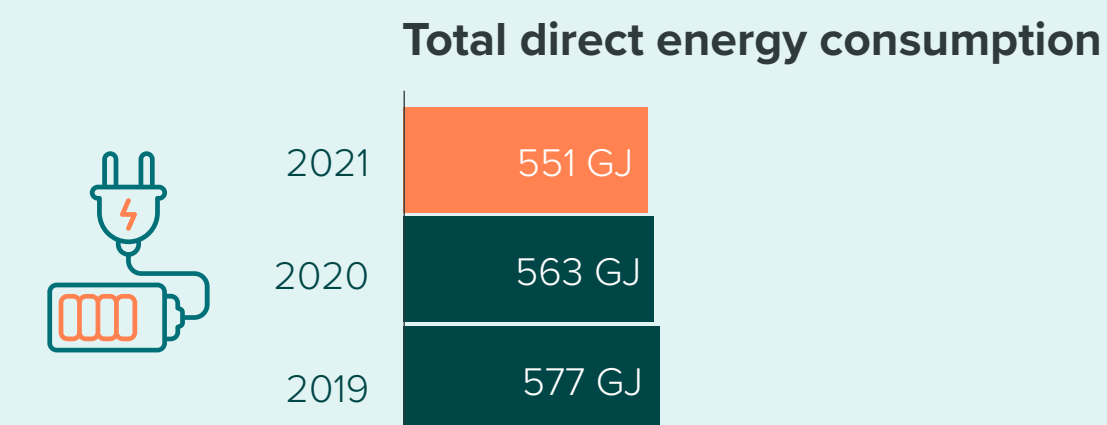
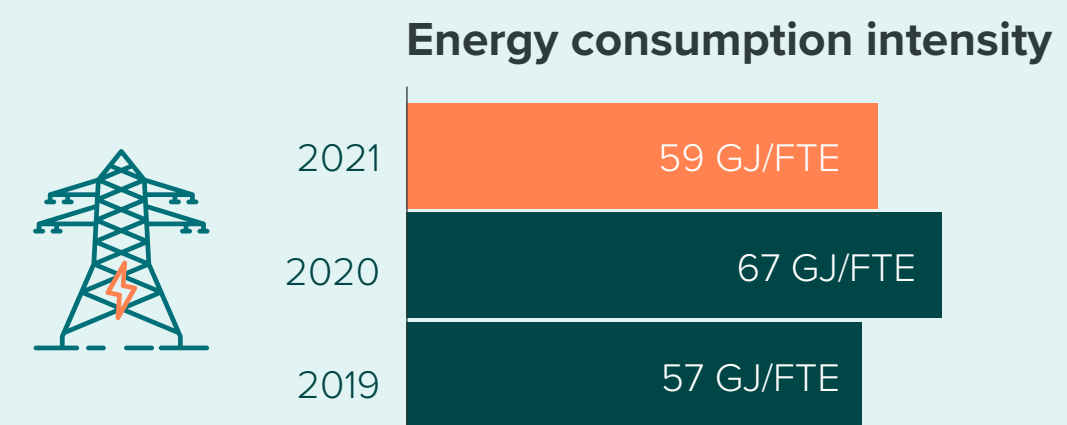
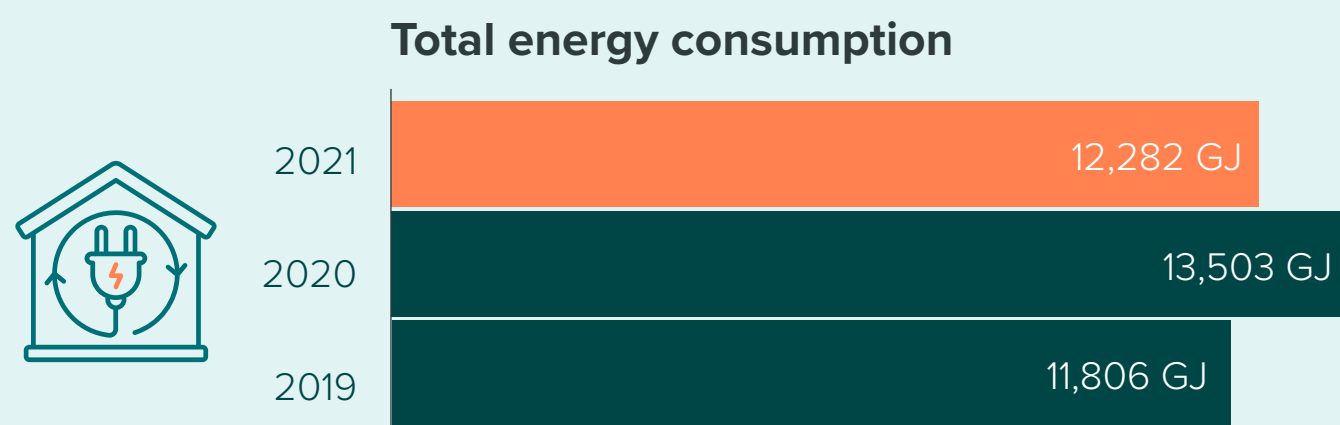
Total GHG emissions (in tonnes)

## Climate Change and Energy Management

BNH acknowledges the financial and competitive impacts of climate change on the company's operations, as well as our moral duty to take action in mitigating the climate-related impacts on the environment and community. In 2021, the Group increased total annual spending on climate-related infrastructure, resilience, and product development by 77%.



BNH aims to reduce energy consumption throughout its buildings and branches per employee by 20% by 2022. The Group has implemented initiatives to support the reduction in energy consumption such as replacing traditional incandescent bulbs with energy-efficient alternatives to reduce the energy consumption. In 2021, we consumed an estimated 3,258,595kWh of electricity, reducing our consumption by 9% compared to 2020.



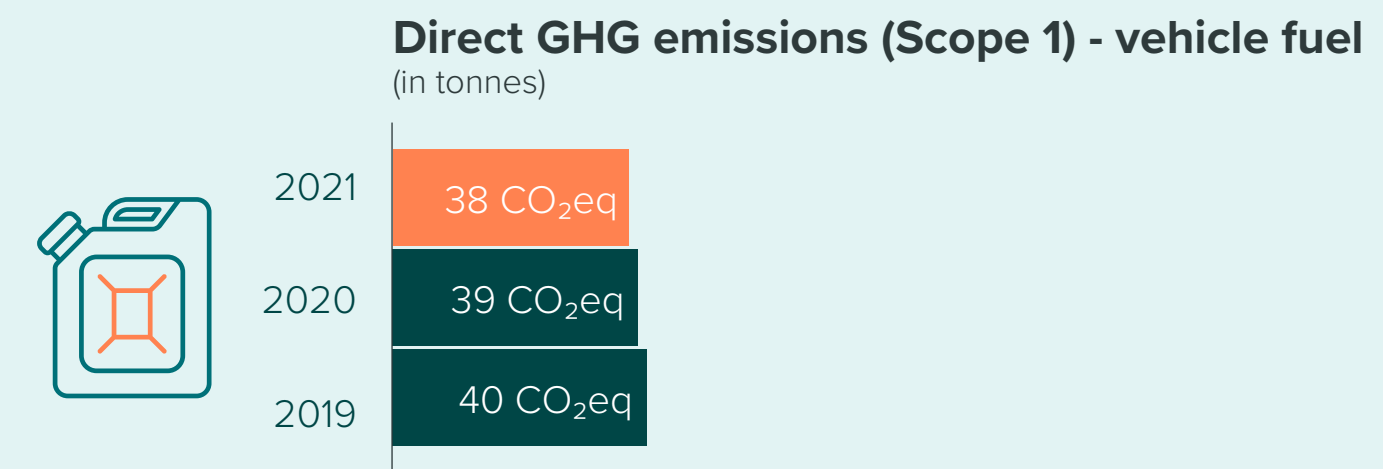
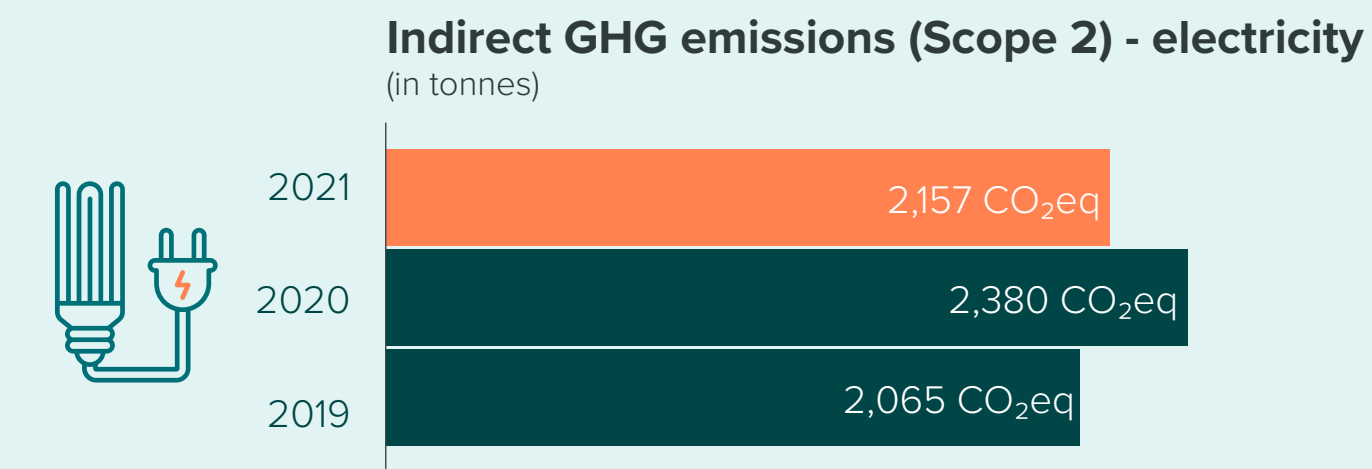
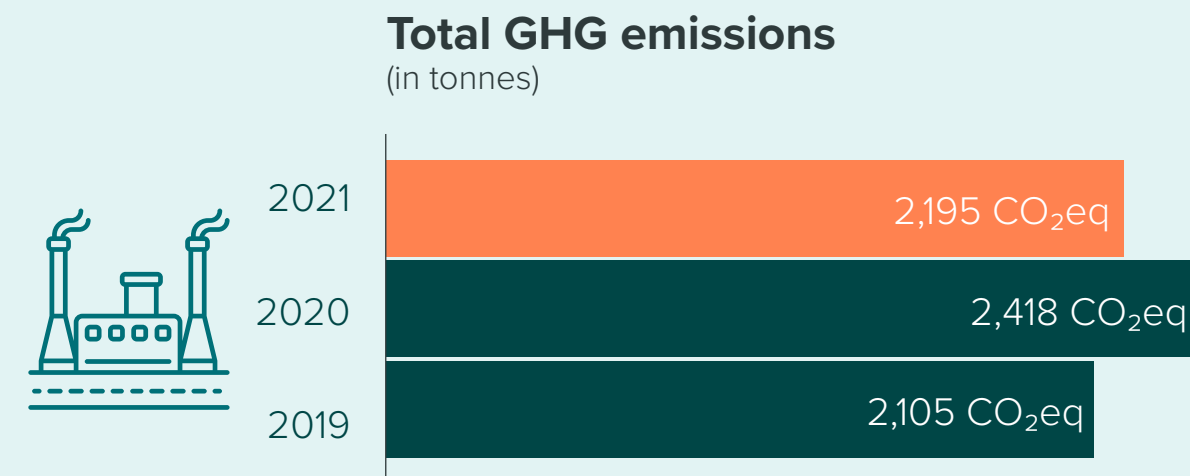
# OUR COMMITMENT TO THE ENVIRONMENT

- + In November 2021, the CBB issued a circular to all Bahraini member companies highlighting the CBB's position on climate-related risks and its requirements. The initial phase of the requirements focussed on qualitative disclosure requirements regarding efforts made to address climate-related risks, followed by more comprehensive requirements including quantitative requirements in subsequent phases. In line with the upcoming requirements, BNH has demonstrated dedication and commitment through the newly established ESG committee, which is already working on setting plans for 2022 to align with the CBB requirements.



OUR COMMITMENT TO THE ENVIRONMENT

In 2021, our total Greenhouse Gas (GHG) emissions was 2,195 tonnes of CO<sub>2</sub>eq which translated to an emission intensity of 11 tonnes of CO<sub>2</sub>eq/ employee.



In 2021, we launched the “Think Sustainable, Act Responsible” Campaign, where all staff were asked to share with us their suggestions on building a sustainable workplace. We received thirty-two responses which we plan to assess and put into action where feasible.

## Water, Effluents and Waste

BNH seeks to continually improve efficiency within our company, particularly in the areas of, water and use of materials. BNH’s employees and portfolio companies are responsible for enforcing our water, effluents and waste principles during operations and are expected to comply with applicable laws and regulations.

### Water Consumption



### WASTE GENERATION

At BNH, we seek to minimise the waste we generate and to re-use or recycle materials wherever possible. In 2021, we continued to donate the Group’s plastic waste to the Bahrain Association for Parents and Friends of the Disabled, in support of their initiative of collecting plastic to raise funds for purchasing special wheelchairs for people with disabilities.

The insurance sector is renowned for its large reliance on paperwork. With the support of digitalisation, BNH continues to actively work towards changing this. BNH has implemented the following practices within its business operations to reduce paper usage:

- Implemented multi-function printers with advanced features to control waste.
- Through a Board meeting management software, Board meetings are paperless and are conducted digitally.
- We are working on digitising more of our customer interactions, creating better service options, and reducing the amount of paper we use. Electronic signatures have enabled us to provide a service where customers can digitally purchase policies, manage service, and claims related interactions digitally.
- Introduced digital proposal forms that helped us reduce the number of paper transactions significantly. We introduced Business-to-Business (B2B) online payments in 2020 to reduce paper wastage.

Of the paper waste produced by BNH, in 2021, 1130 kg of paper was sent to Falcon Factory to be recycled

# OUR COMMITMENT TO THE ENVIRONMENT

**+** In 2021, the bni launched its annual calendar under the theme “Let’s grow a better future”. The calendars have been created using plantable seed papers, with the aim of spreading the culture of afforestation and reducing paper waste within the framework of our social responsibility towards Bahrain.

bni has also distributed bio-degradable, 100% wood-free planners, composed of waste cotton scraps which included 12 plantable dividers with sustainable tips to help cultivate a more sustainable lifestyle. In the course of developing this planner bni chose recycled and eco-friendly and environmentally friendly materials. bni also considered a sustainable design, where single-colour printing, thinner fonts, and no images were used in an effort to reduce ink coverage and the overall carbon footprint of the activity.

**OUR COMMITMENT  
TO CUSTOMERS &  
THE COMMUNITY**

## Our Commitment to Customers & the Community

As a contributor to the economic future of Bahrain, we also believe that we need to contribute to the community and our customers. BNH lives according to the concept of “creating prosperity through security” and is committed to the development and welfare of its community and customers and to sustainable sourcing. Community development and customer relationship management initiatives uplift, making the lives of people better through our engagement. We have set robust standards of customer service, guaranteeing a rich customer experience.

### Material Issues Covered

- Customer Experience
- Sustainable Procurement
- Bahrainisation
- Community Engagement

### Sustainable Development Goals



## HIGHLIGHTS

**BD 1.80M**

Procurement spending on local suppliers

**77%**

2021 Bahrainisation Rate

**BD 42,918**

Community investment



## Customer Experience

**As part of digital transformation, BNH has been attempting to simplify customer interaction and achieve more efficient and streamlined business processes to enhance customer experience.**

### Digitalising Customer Interactions

BNH is focused on digital transformation efforts where it has invested in a low code platform which consists of a set of tools strategically aimed at accessing the market faster through rapid development and prototyping. BNH has been using the platform actively since April 2021 and during the first five months of using this platform it has been observed that development time is cut down by 50%. Our goal is to achieve satisfactory result with our business partners to launch and realise value as quickly as possible. This will take some learning for the whole Group given this is a new way of doing business.

In line with the CBB's initiatives towards digital transformation, the CBB has published a circular requiring all insurance firms in Bahrain to implement digital solutions to serve customers' and policyholders' Motor Insurance Policy without requiring their presence in the insurance firm's premises. This digital transformation was introduced in six phases throughout 2021, and as such the BNH Group upgraded its IT system, policies, and procedures to reflect the CBB's requirements and support the digital transformation process in motor insurance.

We are currently in the initial stages of drafting the requirements of a mobile application for both subsidiaries that addresses the basic needs of clients in the early phase. This includes interactions such as providing the customer with facilities to request quotes, purchase their insurance policy plan, endorse policies, intimate and follow-up on claims, raise complaints and have access to insurance policy documentation. Future phases will aim to further develop the application to achieve an overall customer journey enhancement.

COVID-19 has fundamentally changed the way of living. It has sharpened our focus, accelerated innovation to meet real-world demands, and reframed our approach to community assistance. As a result of the pandemic, our primary focus was reaching out to our clients, resulting in the successful launch of bni's Virtual Branch, where clients interact with customer service representatives via video call to complete their insurance-related transactions. Another digital initiative was the launch of online claims on bni's website. The feature enables clients to file and track claims on bni's website. To further enhance customer satisfaction and experience, we have internally developed a Complaints Management System that is user-friendly and accessible by the concerned Staff to record, investigate, and resolve all complaints to address customer complaints promptly. Once a complaint is registered, an automatic SMS and email sent directly to the complainant with the complaint code for future follow up.

## Customer Satisfaction

Moreover, in 2021 we invested more time and effort into strengthening bnl’s social media presence, aiming to raise insurance awareness, encourage healthy lifestyle in addition to the traditional marketing objectives and providing a feedback platform to customers. bnl have also started integrating mental wellbeing benefits in our existing plans: this has historically been a standard exclusion under most of our policies, we are in the process of designing diverse benefits and arrangements in connection to mental health and wellbeing. Despite the challenges brought by COVID-19, bnl secured various prestigious key clients on long-term contracts and started implementing a new business plan that aims to build a pool of SMEs.

BNH is in the final stages of designing an online customer satisfaction survey which will be sent out to all customers after visiting the branches or communicating with us through any of our alternative channels (WhatsApp, Call Centre, virtual branch). This will support the Group in obtaining customer feedback upon delivery of its services.

In 2021, bni launched new insurance services catering to market demand, including cyber security insurance services, solar panel insurance packages, the first exclusive insurance for women, and electrical vehicles insurances – Bahrain’s first electric car insurance

## Customer Privacy and Data Security

BNH has an established Cyber Risk Framework to support the Group’s commitment to the security of operations infrastructure and confidential information. The BNH leadership places a high importance on ensuring measures are taken to reduce cyber risks to technology and digital assets. As part of the cyber risk management framework, the Risk Management Committee is responsible for reporting the cyber maturity of the organization when it comes to information security and cyber security controls. BNH’s Incident Management Policy governs security incidents that arise in BNH-controller production environments, with the primary goals of the policy being to restore normal service operation as quickly as possible following a security incident, provide timely and accurate communication to all stakeholders regarding each event, and minimize the adverse impact of an event on business operations and/or the quality of provided services.

Across the Group we have appointed a Data Protection Officer (DPO), established a data protection policy and framework that is approved by its governance structure in order meet the Kingdom of Bahrain’s Personal Data Protection Law (PPDL), which is based on the General Data Protection Regulation (GDPR). The DPO has implemented a Data Register to enhance the group’s maturity outlook with regards to managing its data.

In 2021, we did not record any actual data breaches. Phishing e-mails have been the most prevalent risk; however, the Group’s extensive cybersecurity toolsets and the cybersecurity awareness programmes in place, have protected the Group against cybersecurity threats. The Group conducts external vulnerability assessment and penetration tests on a semi-annual basis and internal vulnerability assessment penetration tests on a quarterly basis to ensure the safety and integrity of our systems.

## Sustainable Procurement

At BNH, we prioritise our purchases activities to directly contribute to local business in Bahrain. Our purchases activities are centralised through our Group Procurement department, which sets policies and guidelines, manages major purchases, facilitates contracts with suppliers and develops sourcing strategies. We strive for procurement with local suppliers where feasible, to initiate economic benefits in the country. Investing in local suppliers creates jobs, builds local capacity, and supports a more stable business environment. We encourage our associate companies to prioritise local purchases wherever possible and are proud that 90% of our suppliers are local.



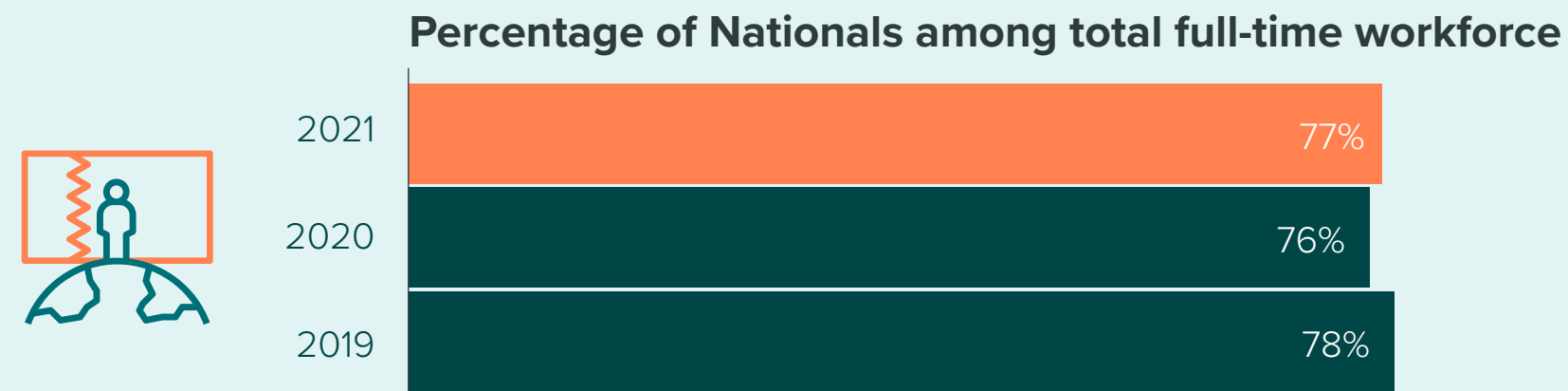
Procurement Practices	2019	2020	2021
Total number of suppliers engaged	315	183	260
Total number of local suppliers engaged	275	159	234
Percentage of procurement spending on local suppliers (%)	92%	89%	88%

Scope: BNH



## Bahrainisation

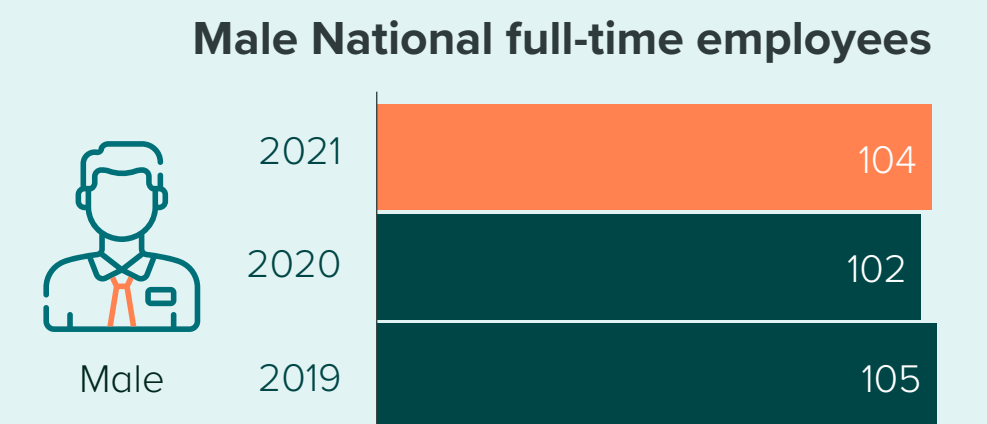
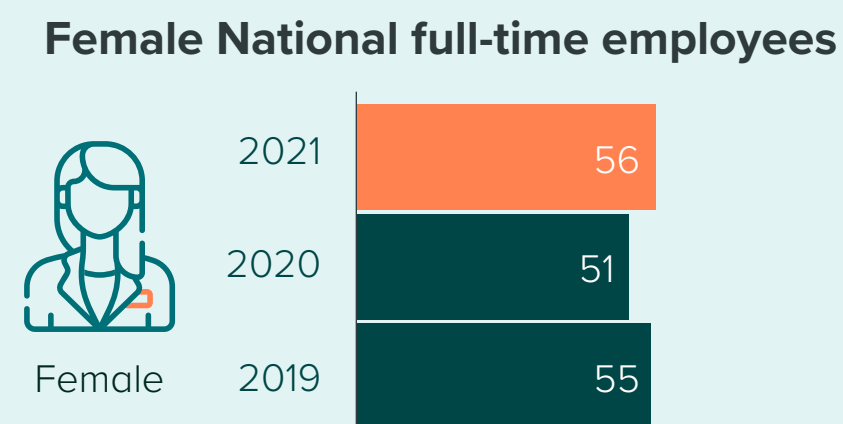
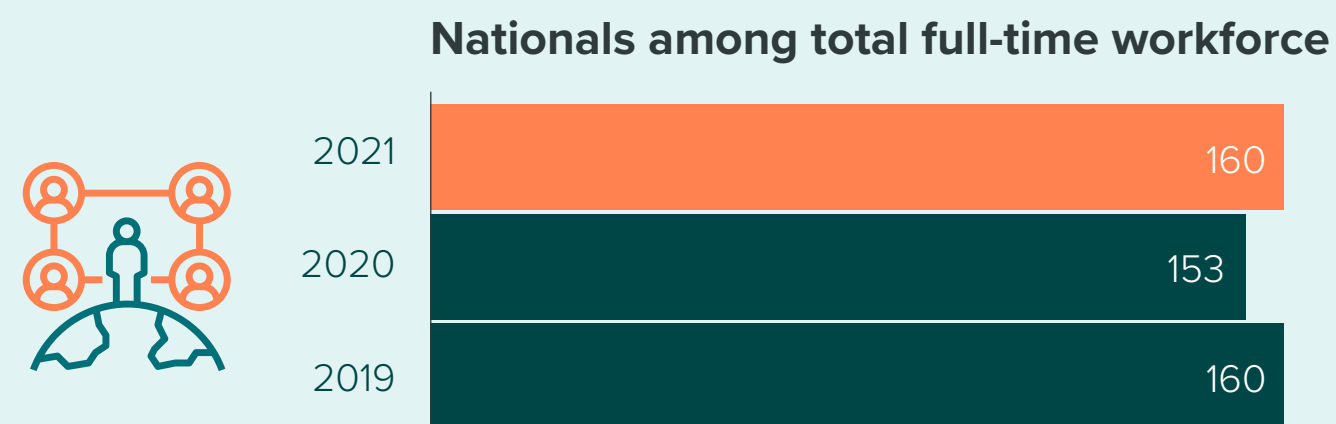
To support Nationalisation, BNH has measures in place to reflect the company’s commitment to support the employment of locals where possible. BNH has always strived to lead the way to recruit Bahraini nationals within the company.



We hope to increase the percentage of nationals in all positions, through various measures outlined below:

- It is the policy of BNH to employ Bahraini nationals who have the appropriate qualifications, skills and experience, and the Group places efforts to locate Bahraini candidates.
- Bahraini employees are encouraged to further their training through private study and financial assistance will be provided if the field of study is one from which the employee will improve his/her career and present position or in the Group.
- BNH also supports youth in Bahraini universities by offering internship opportunities in a range of functions within the Group.

In 2021, we employed an additional seven nationals, increasing our Bahrainisation rate to 77%. Of those employed, five were female, resulting in our female workforce to be composed of 89% Bahraini National females.



Scope: BNH

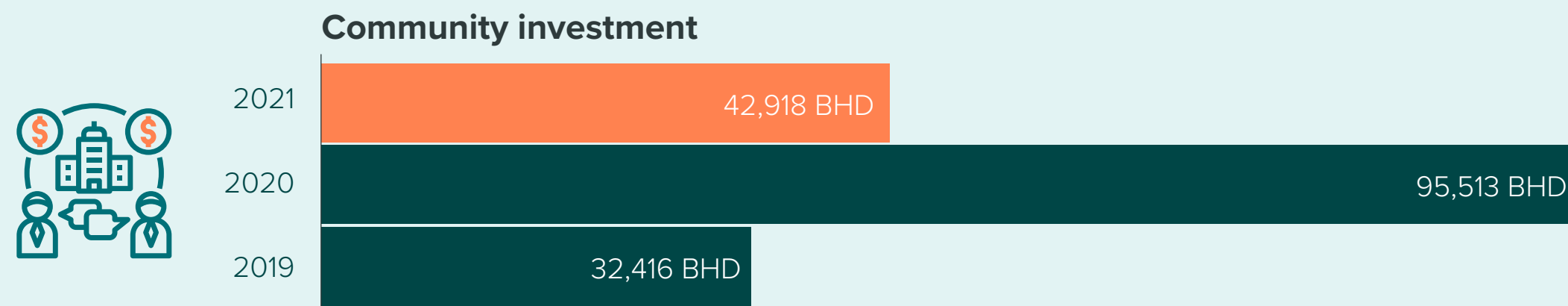


In 2021, we launched a Summer Internship Programme in collaboration with bni, offering highly motivated and accomplished students from various universities the opportunity for mentorship, collaboration, and personal interaction with its staff and customers. The Internship program for students reaffirms the Group’s commitment to social responsibility, developing and nurturing Bahraini talents.

## Community Engagement

BNH respects the communities where we conduct their operations. We aim to deliver targeted activities and initiatives that progress socioeconomic development of the communities where we operate through innovative, social, and philanthropic initiatives that align with our values and have a positive impact on people, society, and the environment. Our areas of focus depend on a range of factors, primarily the requirements and needs of the community such as promoting economic growth, creating job opportunities, health, and philanthropic activities.

In 2021, our total community investment amounted to BHD 42,918



Community Investment	2019	2020	2021
Community investment as a % of company revenue (%)	0.2%	0.6%	0.4%

Scope: BNH

## Corporate Social Responsibility

In 2021, the BNH Group conducted the following CSR activities.



OUR COMMITMENTS & TO CUSTOMERS & THE COMMUNITY



Continued insuring cars and properties of charity societies and care centres in Bahrain. Charitable organisations who benefitted from this include the Bahrain Down Syndrome Society, UCO Parents Care Centre, and Hope Institute for Special Education.



bni supported the General Directorate of Traffic Awareness campaign promoting car safety and risks of not maintaining old cars. Free car check-ups and maintenance was distributed to the public. bni also supported the General Directorate of Traffic back to school awareness campaign, promoting safety tips on the roads and in cars.



Sponsored a full floor at the BIBF, a national educational institution, which is committed to delivering relevant trainings and accredited certifications to the workforce in the financial sector, including the insurance industry.



bni were the main sponsors of the Civil Defence Story writing and Illustrating competition “Civil Defence Protection and Safety,” aiming to support young talents and promote safe practices.



Launched a vaccination bni Standard car insurance promotional campaign, where customers were entitled to a special rate on their bniStandard car insurance upon presenting their vaccination certificate. This was undertaken in support of Bahraini-Government’s initiatives for promoting vaccinations.



Continued offering training to high school and universities students.



## Corporate Social Responsibility

In 2021, the BNH Group conducted the following CSR activities.



OUR COMMITMENT  
TO CUSTOMERS &  
THE COMMUNITY



Launched bnlFit in collaboration with the Ministry of Youth and Sports: a program that aims to encourage a healthy lifestyle, aims to train young Bahraini candidates to become certified personal trainers, accredited by reputable international bodies.



Sponsored a full floor at the BIBF, a national educational institution, which is committed to delivering relevant trainings and accredited certifications to the workforce in the financial sector, including the insurance industry



In effort to support local businesses, launched the annual Eidiyah campaign in Ramadan, gifting BHD 1000 to bnl's followers favourite local business. In 2021, the winner was CRO & KNIT, a business which produces high quality yarn used for handcrafts.



In honour of World Heart Day, organised four indoor cycling classes for corporate clients. The event aims to assert the significance of increasing awareness of cardiovascular problems and promote joint efforts to fight heart and artery diseases.

