

Esterad Investment Company B.S.C

Sustainability Report 2024



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About Esterad Investment Company

Sustainability Report

About Esterad Investment Company

Esterad Investment Company B.S.C. ("Esterad" or "the Company") is among the prominent investment firms in the Kingdom of Bahrain. Founded in 1973, Esterad has played a pioneering role in the development of key national projects and industries. With a long and successful track record, Esterad has made secure investments across a diverse range of assets, both regionally and internationally. Notable investments include Saudi Cement Co., which has grown to become the largest cement producer in Saudi Arabia; Balexco, the first privatization initiative by the Government of Bahrain; and the Bahrain Livestock Firm, among many others.

Esterad's investment portfolio is divided into three main areas: Real Estate, Private Equity, and Public Market investments. The Company allocates its own capital to a wide range of real estate opportunities in high-demand locations and desirable destinations. In addition, Esterad applies its deep industry knowledge and experience in multi-sector private equity, making investments in diverse sectors such as Cement, Aluminum, Retail, Infrastructure, and Technology across the GCC region. The Public Instruments division focuses on investing in both equities and fixed income securities, targeting markets in Bahrain, the GCC, and internationally.

In August 2023, Esterad concluded the acquisition of Venture Capital Bank B.S.C.(c). (the "Bank") through Esterad Ventures W.L.L., a fully owned subsidiary.

For nearly half a century, Esterad has been executing capital investments across both Equities and Fixed Income markets in Bahrain, regionally and overseas. Esterad's public market portfolio is highly liquid and is invested in high-quality, high-yielding investments, thereby driving our income and dividends. Esterad has also been associated as a significant minority investor in diversified industries including Cement, Aluminium, Retail, Infrastructure & Technology, across the GCC. Esterad's strategy has now shifted and is focused on 'Value Investing' in overlooked opportunities in GCC. Esterad also invests in proprietary capital across a broad spectrum of Real Estate investments in lucrative locations. Esterad's strategy is based on identifying key target investments and opportunities which have the potential for high capital growth and robust yields. Esterad's income-yielding real estate investments span across various asset classes covering sectors such as commercial, logistics, and retail.

With sound corporate governance practices and focus on creating value for our investors, Esterad remains committed to economic and social progress in the Kingdom of Bahrain.

Key Highlights

Net Assets (BD '000)	
2023	2024
47,862	51,083

Total Income (BD '000)	
2023	2024
7,977	12,752

Profit (BD '000)	
2023	2024
5,524	6,176

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About the Report

At Esterad, we recognize the importance of ESG considerations as a business entity and as a member of the financial services industry. We understand that sustainable growth, ethical governance, and responsible stewardship of resources are not only fundamental to long-term value creation, but are also essential to fostering trust, resilience, and creating a positive social impact. As a forward-thinking investment company, we understand that integrating ESG factors into our decision-making processes is a key driver of financial and non-financial performance. Our approach to ESG is guided by a holistic understanding of its relevance to all aspects of our business—from risk management and compliance to innovation and stakeholder relations. Through this comprehensive approach, we aim to contribute to the well-being of the environment, society, and the broader economy while upholding the highest standards of corporate responsibility.

This Sustainability Report serves as a detailed account of our efforts in aligning our business practices with the principles of sustainability and good governance. It outlines our governance structure, key initiatives, and the key performance indicators (KPIs) used to assess our progress in managing and improving our ESG impact. By transparently sharing this information, we aim to provide a comprehensive view of our policies and practices in relation to environmental stewardship, social responsibility, and corporate governance. This report reflects not only our internal commitments but also our alignment with global best practices and regulatory requirements set forth by the Central Bank of Bahrain. We recognize that adhering to these regulatory requirements is an important part of maintaining our standing as a responsible corporate entity and reinforcing our commitment to sound governance practices. Compliance with these regulations is thus one of the intended outcomes of our ESG strategy, ensuring that we meet the expectations of our regulators while driving meaningful progress across our operations.

This report covers the following key areas:

- **Environmental:** Our initiatives/ actions to monitor and minimize environmental impacts and optimize resource use.
- **Social:** Our initiatives focused on employee well-being, and community engagement.
- **Governance:** Our corporate governance framework, and risk management practices.

As part of the disclosures, relevant Key Performance Indicators (KPIs) have been included in this report. These metrics are used to track and report our progress on ESG-related considerations. By presenting this information, we aim to provide our stakeholders, clients, investors, employees, and regulators, with clear and actionable insights into our ESG performance. We believe that the effective integration of ESG factors into our operations is fundamental to building a sustainable and resilient future for all. This report demonstrates our vision to embed sustainability considerations within our operations, while fostering a culture of accountability and transparency across all levels of the organization.

The scope of this report covers Esterad Investment Company B.S.C. (hereinafter referred to as “Esterad”, “the Group” or “the Company”) and all its subsidiaries. The disclosures in this report are at the Group level. Among Esterad's subsidiaries, Esterad Bank has a separate organizational structure, management control, and independent facilities/ premises. For relevant KPIs, separate disclosures related to Esterad Bank have been included in this report, wherever available.

Message from our CEO

Delivering Sustainable Value Through Responsible Investment

As we release Esterad Investment Company's 2024 Sustainability Report, we reaffirm our commitment to sustainable growth, responsible investment, and sound corporate governance. This report reflects our strategic progress in embedding Environmental, Social, and Governance (ESG) principles into our business model, ensuring long-term value creation for our shareholders, stakeholders, and the broader community.

Esterad has been a competitive player in Bahrain's investment landscape for over five decades, establishing a diversified portfolio across Banking, Real Estate & Hospitality, Private Equity, Education and Public Markets. In alignment with Bahrain's Vision 2030 and the Kingdom's Net-Zero 2060 strategy, we recognize that our role as an investment firm extends beyond financial returns—we are catalysts for economic resilience, sustainable sectoral growth, and responsible corporate stewardship.

Sustainability at Esterad: 2024 Key Milestones

Our sustainability agenda is built upon three foundational pillars: Environmental Stewardship, Social Responsibility, and Governance Excellence. Over the past year, we have taken meaningful steps to integrate sustainability into our operations, reflecting our commitment to both national objectives and global ESG best practices.

1. Environmental Stewardship - Investing in a Greener Future:

As a leading investment company, we acknowledge the importance of environmental sustainability in securing long-term financial resilience. In 2024, we implemented resource efficiency measures, enhanced ESG measurement and monitoring, and initiated steps toward carbon footprint reduction.

- **Environmental Oversight:** Strengthened our governance framework to monitor and minimize resource consumption, including energy, water, and waste.
- **Energy Efficiency & Digital Transformation:** Transitioned to digital-first operational models, reducing paper reliance. Through office facilities powered by a district cooling infrastructure (Bahrain Financial Harbor), effectively optimized energy consumption, thereby embedding sustainable, cost-efficient, and high-performance energy solutions across our premises.

Our long-term environmental ambition is to align with Bahrain's Net-Zero 2060 vision, ensuring that sustainability remains an important consideration in our business strategy.

2. Social Responsibility - Empowering People & Communities:

At Esterad, we believe that people are the cornerstone of sustainable success. Our social responsibility initiatives focus on workforce well-being, Bahraini talent development, and inclusive economic participation.

- **Bahrainization & Talent Development:** We continue to invest in Bahraini talent, achieving 77% nationalization across our workforce, and providing structured career development pathways.
- **Employee Well-Being & Workplace Safety:** Prioritized health, safety, and professional growth, ensuring a work environment that fosters productivity and engagement.
- **Community Engagement & Financial Inclusion:** Partnership with local organizations to support initiatives that drive financial literacy, youth empowerment, and entrepreneurship and structured community engagement through the Esterad Charitable Foundation.

By fostering an inclusive and resilient workforce, we contribute directly to Bahrain's long-term economic and social development.

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Message from our CEO

3. Governance Excellence - Strengthening Trust & Transparency:

Our governance framework is a hallmark of our commitment to ethical business conduct, transparency, and regulatory compliance. With oversight from the Central Bank of Bahrain (CBB), we have fortified our governance model to meet the highest industry standards.

- **ESG Governance & Risk Management:** Established a dedicated ESG Working Group under Board-level oversight to ensure effective integration of ESG risks.
- **Regulatory Compliance & Ethical Conduct:** Aligned corporate governance practices with CBB's ESG reporting guidelines, reinforcing transparency, integrity, and investor confidence.
- **Cybersecurity & Data Privacy:** Strengthened our digital risk mitigation strategies, ensuring compliance with Bahrain's Personal Data Protection Law (PDPL) and global cybersecurity standards.

Governance is the foundation upon which our sustainability strategy is built, ensuring accountability, ethical leadership, and long-term financial resilience.

Aligning with Bahrain's National Vision and Global ESG Standards

Esterad's sustainability strategy is designed to align with Bahrain's national priorities and global ESG best practices:

- **Bahrain Economic Vision 2030:** Supporting economic diversification, innovation, and responsible investment.
- **Bahrain Net-Zero 2060 Strategy:** Integrating climate-conscious decision-making in capital allocation.
- **CBB ESG Guidelines:** Ensuring compliance with evolving regulatory frameworks, fostering responsible corporate behavior.
- **Industry Best Practices:** Aligning with international investment stewardship standards and ESG benchmarks.

As Bahrain's financial sector evolves, Esterad remains committed to playing a leading role in fostering a responsible, transparent, and future-ready investment landscape.

Looking Ahead: Commitment to Long-Term Sustainable Growth

As we look toward 2025 and beyond, we recognize that sustainability is not a destination, but an ongoing journey. We remain dedicated to enhancing our ESG integration, fostering innovation in investment strategies, and driving long-term economic value.

I extend my gratitude to our employees, investors, regulators, and partners for their continued trust and collaboration. Together, we will continue to create sustainable value, drive responsible investment, and support the Kingdom of Bahrain's vision for a prosperous and resilient future.



Ahmed Abdulrahman
Chief Executive Officer

Key Focus Areas

Environmental, Social, and Governance (ESG) factors have become integral to shaping the future of business practices globally. As these principles evolve, they influence not only corporate strategies and operational decisions but also have far-reaching effects on environment and social well-being. Investment firms hold a distinctive role in driving change—not only by ensuring responsible management within their own operations, but also by guiding investments and financing toward outcomes that prioritize long-term sustainability.

Our approach centers on embedding ESG principles across all levels of decision-making, with a focus on promoting sustainable growth while adhering to the highest ethical standards. Through our ESG strategy, we are committed to advancing progress in three key areas: Environmental, Social, and Governance, each playing a vital role in guiding our actions and shaping our overall impact on the world.



Environmental

Resource Consumption: As part of our commitment to sustainability, we monitor our consumption of key resources such as electricity, fuel, water, and paper. As we formalize these initiatives, we are also focused on identifying areas where we can improve our operational efficiency. Our focus remains on actively tracking energy and water consumption, assessing our fuel use, and evaluating strategies to shift away from our reliance on paper, thereby contributing to waste reduction efforts. As our efforts evolve, we are committed to making measurable improvements in resource management as part of our endeavor to reduce our environmental footprint.



Social

Employee Well-being: As part of our commitment to social considerations, we are focused on fostering a positive, supportive, and inclusive workplace culture. We prioritize the health and well-being of our employees, recognizing that a thriving workforce is essential to our success. To support their growth, we invest in professional development through continuous learning opportunities and regular performance evaluations.

Community Engagement: We are dedicated to advancing the social and economic well-being of key stakeholders, including women and youth, through ongoing engagement and strategic partnerships. By prioritizing community development, we seek to contribute to building a more resilient and prosperous economy, reinforcing our commitment to creating a lasting and impactful legacy.



Governance

Business Conduct: Our governance strategy is a key component of our ESG framework, focused on upholding the highest standards of integrity, transparency, and accountability across all operations. Transparency and ethical conduct is central to our approach, and we prioritize regular and timely reporting of our financial information, as well as updates to our risk management and code of conduct policies.

Regulatory Compliance: Regulatory compliance is a key component of our ESG priorities. We are committed to adhering to all applicable laws and regulations, ensuring our operations meet legal and ethical standards. By proactively managing compliance and staying informed of regulatory changes, we maintain accountability and foster a sense of trust with our stakeholders.

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ESG Governance & Materiality Assessment

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ESG Governance

Strong ESG governance is crucial for ensuring sustainable and ethical business practices. Robust ESG Governance is critical to integrate environmental, social, and good governance considerations into our decision-making processes, while also providing a platform for diverse stakeholders to engage and collaborate. By systematically addressing ESG risks and aligning them with strategic objectives, a well-established governance structure enhances organizational resilience, drives long-term value creation, and maintains high ethical standards in all aspects of our operations.

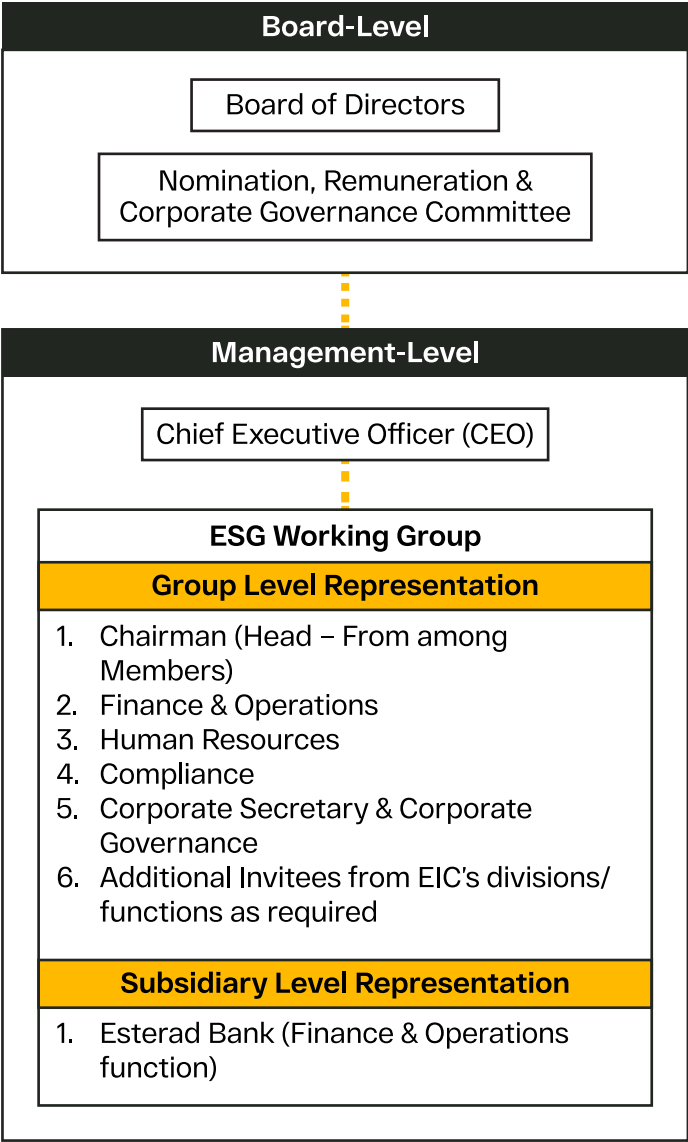
Our ESG governance structure is designed to ensure comprehensive oversight and integration across the organization. It includes representation from key functions at the group level, ensuring that ESG considerations are embedded in all strategic decisions. Additionally, the structure mandates active participation from our subsidiaries, creating a unified, enterprise-wide approach to ESG issues. This collaborative framework drives a robust and coordinated response, aligning efforts across the organization to achieve our sustainability goals.

Board-level Governance

At the Board level, the Nomination, Remuneration & Corporate Governance (NRCG) Committee is designated with overseeing ESG-related matters. The Board's responsibility includes ensuring that ESG factors are embedded in both the overall business strategy and day-to-day operational decisions. The NRCG Committee is also responsible for a regular review of Esterad's ESG policies, reporting, and compliance with legal and regulatory requirements. Additionally, the NRCG Committee oversees the broader risk management framework, ensuring that ESG-related risks are gradually and effectively integrated into the company's overall risk matrix.

Management-level Governance

The ESG Working Group is responsible for operationalizing the ESG priorities and initiatives of the organization in consultation with all the relevant stakeholders including the Board-level leadership, senior management, employees and other relevant stakeholders. The ESG Working Group reports to the Group Chief Executive Officer and includes representatives from EIC's group-level functions – Finance & Operations, Human Resources, Compliance, Corporate Secretary & Corporate Governance – as members. The ESG Working Group is headed by a Chairman, appointed by the Group CEO, from among its members. The ESG Working Group is responsible for identifying and recommending sustainability/ ESG linked initiatives in line with the organizational priorities and goals. The Chairman, in consultation with the Group CEO and members of ESG Working Group, assesses and identifies the relevant subsidiaries which must be represented on the ESG Working Group. An appropriate representative from the concerned subsidiary is then designated and appointed to the Group-level ESG Working Group.



Disclosure E.1: Environmental Oversight

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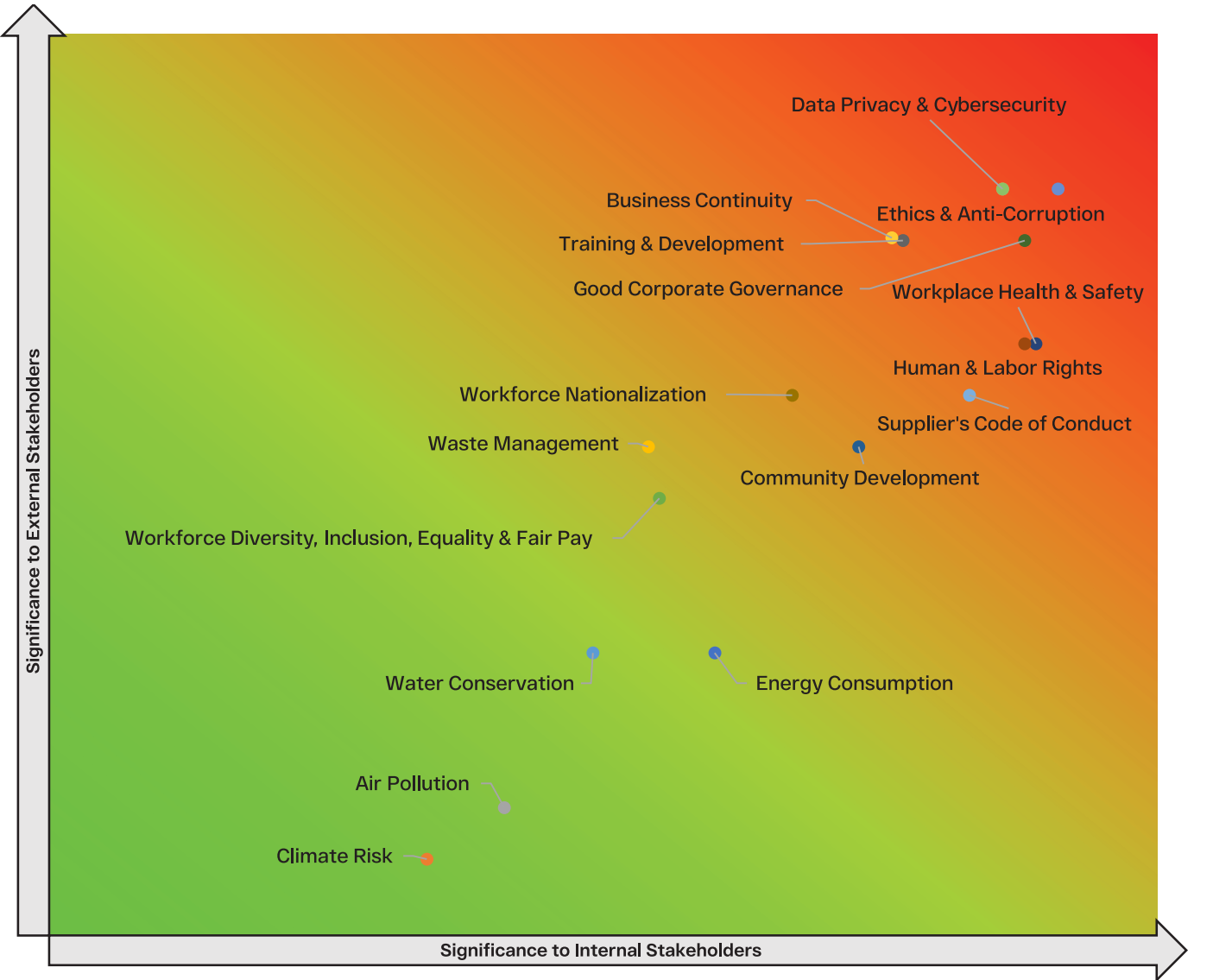
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Materiality Assessment

Materiality Assessment is a critical process for identifying the Environmental, Social, and Governance (ESG) factors that are most significant for an organization and its stakeholders. This assessment prioritizes the ESG issues which are important to investors, customers, employees, and the broader community, thereby ensuring that the organization's ESG strategies align with both business objectives and stakeholder expectations.

As outlined in the Central Bank of Bahrain's ESG Module (Common Volume – Part A), conducting a materiality assessment is particularly important for identifying key sustainability considerations. This process helps identify ESG factors that could potentially impact financial performance and risk management strategies. By understanding the ESG issues that are most pertinent to stakeholders, organizations can make informed investment decisions, mitigate potential risks, and uncover opportunities for long-term value creation. Additionally, the materiality assessment process fosters transparency, accountability, and supports proactive regulatory compliance.

Our materiality assessment was conducted through surveys distributed to key internal and external stakeholders, gathering insights on a wide range of sustainability-related topics. These topics were categorized into three core areas: i) Environment, ii) Social, and iii) Governance, Economy, and Technology. The survey responses were used to develop a materiality matrix, visually representing the relative importance of each issue for Esterad. From this assessment, we identified 10 key material topics for the FY 2024 reporting cycle. These topics were selected based on their importance to the internal and external stakeholders and their relevance to our ongoing initiatives.



Material Topics – Esterad

Environmental

- **Energy Consumption:** Energy use across our internal operations including efforts to effectively measure and monitor energy use and evaluating future strategies for minimizing our consumption footprint.

Social & Community Impact

- **Training & Development:** Focus on enhancing employee skills and knowledge through continuous learning opportunities.
- **Human & Labor Rights:** Commitment to upholding ethical labor practices and respecting human rights across all operations; due considerations for fair wages, safe working conditions, and the prohibition of child labor, forced labor, and discrimination.
- **Workforce Nationalization:** Commitment to supporting local talent and ensuring representation of Bahraini nationals in the workforce; supporting Bahraini youth and early professionals in their career development.
- **Workplace Health & Safety:** Ensuring a safe and healthy work environment for all employees, implementation of policies and practices that prevent workplace accidents, promote employee well-being, and comply with local health and safety regulations.
- **Community Development:** Contribute to the well-being and growth of local communities with focus on initiatives related to supporting education, healthcare, and social programs that aim to create a positive social impact and build stronger relationships with the local community.

Governance & Management

- **Data Privacy & Cyber Security:** Safeguarding our digital assets and infrastructure to ensure compliance with data protection regulations, secure handling of digital information and prevention of data breaches or cyber security threats.
- **Ethics & Anti-Corruption:** Commitment to upholding highest standards of ethical behavior and integrity in all business practices including policies and procedures aimed at preventing corruption, bribery, and any form of unethical conduct, both within the organization and in its external dealings.
- **Business Continuity:** Strong business continuity framework to enhance resilience, reduce risks, and support the long-term sustainability of the organization, ensuring an organization's ability to maintain operations and recover quickly in the event of disruptions, such as natural disasters, cyberattacks, or economic downturns.
- **Good Corporate Governance:** Focuses on principles and practices that ensure the organization is managed in a transparent, accountable, and ethical manner, such as clear roles and responsibilities for the board of directors, executive leadership, and shareholders, as well as ensuring compliance with legal and regulatory requirements.



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Detailed Disclosures - Environmental Impact



Environmental Impact

Resource Consumption

Relevance

- Organizations have a significant impact on the environment through their consumption of essential natural resources, including energy, water, and raw materials. It is vital for businesses to gain a clear understanding of their resource use, monitor consumption patterns, and take proactive measures to minimize any negative environmental impacts resulting from their operations.
- By implementing effective strategies to reduce and optimize resource consumption, businesses can not only mitigate environmental harm but also contribute to broader societal benefits, aligning the organization with responsible environmental stewardship.
- In the context of Bahrain, the nation's pledge to reach net-zero emissions by 2060, with a 30% reduction target by 2035, presents a critical sustainability milestone. Achieving this goal will require organizations to align their sustainability strategies with national objectives and actively collaborate with all the relevant stakeholders. This collective effort is essential to drive meaningful progress and ensure the success of the Kingdom's environmental commitments.

Commitment

- Our commitment to addressing climate-related risks is rooted in the understanding that the increasing frequency of extreme weather events, driven by climate change, will have far-reaching consequences for both our industry and the wider economy.
- In alignment with Bahrain's Economic Vision 2030, we consider environmental stewardship to be a critical factor in ensuring the long-term sustainability of the Kingdom's natural resources. We are fully committed to supporting the objectives of the National Environment Strategy of Bahrain 2006, which prioritizes the reduction of air and water pollution. Additionally, we seek to contribute to regional decarbonization efforts within our operational capacity and support Bahrain's national objectives for reducing greenhouse gas emissions.
- As part of our ongoing commitment to sustainability, we are focused on minimizing the environmental impact of our resource consumption. We recognize the role that our use of energy, water, and other resources plays in contributing to our carbon footprint, and we are dedicated to taking proactive measures to monitor, reduce, and ultimately optimize our resource usage.

Action

- We are conscious of the ongoing national and regional initiatives aimed at addressing climate change in Bahrain and the wider GCC region. While our environmental footprint remains relatively low in absolute terms, we are committed to systematically monitoring and reducing the environmental impacts associated with our operations.
- Our resource consumption primarily involves electricity, fuel, water, and paper. To ensure responsible consumption, we are committed to tracking and reporting our resource use as part of environmental disclosures. We also assess our waste management practices, focusing on enhancing recycling efforts and minimizing direct waste disposal as part of our routine operations.
- We are dedicated to implementing best practices in environmental management and fully adhere to all the relevant regulatory and legal requirements related to environmental protection and waste management. Through these actions, we strive to contribute positively to environmental sustainability while maintaining compliance with applicable environmental standards and regulations.

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Environmental Impact

Energy Consumption

CBB ESG KPI - E.2. Energy Consumption

Description	Outcomes & Data	
<p>Electricity is the primary component of our energy consumption footprint. Our electricity usage is mainly associated with our routine office operations and is sourced from the Electricity and Water Authority (EWA).</p> <p>The consumption of fuel within our operations is predominantly attributed to our vehicle fleet, which facilitates business-related travel. Currently, gasoline (petrol) serves as the principal energy source powering this fleet.</p> <p>Presently, our office premises are jointly occupied by Esterad Investment Company (EIC) and Esterad Bank (EB). The associated electricity costs are allocated between the two entities pursuant to a mutual agreement.</p>	Energy Consumption	
	2024	
	Electricity Consumption (in kWh)	131,909.8
	Fuel Consumption– (Petrol in Liters)	2,195.2
	Energy Consumption (GJ)	
	2024	
	Electricity (GJ)	474.87
	Fuel Consumption (GJ)	77.01
	Total Energy (GJ)	551.88
	Disclosure E.2: Energy Consumption	

Energy Intensity

CBB ESG KPI - E.3. Energy Intensity

Description	Outcomes & Data	
<p>Energy intensity quantifies the efficiency of energy consumption in relation to the scale of operations. Basis the guidance provided by CBB, we have determined energy intensity by calculating the total electricity and fuel consumption per unit of revenue (measured in BHD '000), providing a standardized metric to assess operational energy performance.</p>	Energy Intensity	
	2024	
	Electricity Intensity (kWh per unit revenue)	0.037
	Fuel Intensity (liters per unit revenue)	0.006
	Energy Intensity (GJ per unit revenue)	0.043
	Disclosure E.3: Energy Intensity	

Energy Mix

CBB ESG KPI - E.4. Energy Mix

Description	Outcomes & Data	
<p>Electricity, as part of our energy consumption footprint is fully sourced from Electricity & Water Authority (EWA). There are no other direct renewable sources of electricity.</p>	Energy Mix (GJ)	
	2024	
	Proportion of Electricity	86.05%
	Proportion of Fuel	13.95%
	Proportion of Renewable and Non - Renewable	
	Proportion of NonRenewable Sources	100%
	Proportion of Renewable Sources	0%
	Disclosure E.4: Energy Mix	

Environmental Impact

Greenhouse Gas Emissions

CBB ESG KPI - E.5. Greenhouse Gas Emissions

Description	Outcomes & Data	
<p>As a part of our business activities, fuel consumption for local business travel contributes to Scope 1 GHG emissions. The use of electricity, sourced from gas-based power plants, contributes to Scope 2 GHG emissions, directly linked to Esterad's operational needs.</p> <p>Scope 1 and Scope 2 GHG emissions have been calculated based on the methodology proposed by the GHG Protocol. The emissions factors used in the calculation are sourced from International Energy Agency (2024) Emission Factors.</p> <p>Esterad's current coverage of Scope 3 emissions is limited to travel for business purposes (air travel) only owing to challenges in data availability, complexity in tracking emissions across the value chain, and the lack of standardized reporting methods for indirect emissions from investment projects. In the reporting period, no air travel activity was reported as part of our routine operations.</p>	GHG Emissions	2024
	Scope 1 Emissions (mtCO2-eq)	5.29
	Scope 2 Emissions (mtCO2-eq)	92.15
	Scope 3 Emissions (mtCO2-eq)	0
	Total Emissions (mtCO2-eq)	97.44
Disclosure E.5: Greenhouse Gas Emissions		

Emission Intensity

CBB ESG KPI - E.6. Emission Intensity

Description	Outcomes & Data	
Emissions Intensity measures our total greenhouse gas emissions relative to the size of our workforce. It is expressed as total emissions per full-time equivalent (FTE) employee.	GHG Emissions Intensity	
	2024	
	Total Emissions (mtCO2-eq)	97.44
	Total FTEs	38
	Emissions Intensity (mtCO2eq / FTE)	2.56
Disclosure E.6: Emission Intensity		

Climate Risk Mitigation

CBB ESG KPI - E.7. Climate Risk Mitigation

Description	Outcomes & Data	
Currently, climate-related risks related to our business operations are considered within the wider risk management mechanisms. During the reporting period (FY 2024), no material climate risks were identified and assessed.	Climate Risk Mitigation	
	2024	
	Investments in climate issue(s)	0
Disclosure E.7: Climate Risk Mitigation		

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Environmental Impact

Water Usage

CBB ESG KPI - E.8. Water Usage

Description	Outcomes & Data	
<p>Water consumption, as part of our routine business operations, is sourced from the Electricity and Water Authority (EWA).</p> <p>The current office premises are jointly occupied by Esterad Investment Company (EIC) and Esterad Bank (EB). The associated water costs are allocated between the two entities pursuant to a mutual agreement, wherein EIC assumes responsibility for 35% of the costs, and EB covers the remaining 65%.</p>	Water Consumption 2024	
	Water Consumption (cubic meters)	69.9
	Disclosure E.8: Water Usage	

Waste Generation

CBB ESG KPI - E.9. Waste Generation

Description	Outcomes & Data	
<p>Currently, we do not independently track the waste generated as part of our routine operations. Waste disposal is managed by the facilities team overseeing the larger building in which our office is located, in accordance with the building's waste management protocols. We rely on the building management's established procedures for the collection, disposal, and recycling of waste. No hazardous waste is generated as part of our waste footprint.</p>	Waste 2024	
	Total hazardous waste generated (kgs)	0
	Total non-hazardous waste generated (kgs)	N/A
Disclosure E.9: Waste Generation		

GHG Emission Targets

CBB ESG KPI - E.10. Emission Targets

Description	Outcomes & Data
<p>Currently, we do not have formalized or specific targets related to GHG emissions for Esterad or any of its associated subsidiaries.</p> <p>We recognize the need to tackle climate change and support the nation's climate action. In line with Bahrain's target to achieve net-zero greenhouse gas emissions by 2060, we are dedicated to contributing to the collective efforts from private enterprises and institutions. We aim to fully align with Bahrain's national strategies for reaching net-zero emissions and continuously monitor national policy developments and mandates. Should any regulations regarding mandatory emission targets be introduced in the future, we are committed to adhering to them and aligning our practices, as necessary.</p>	Disclosure E.10: Emission Targets

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Detailed Disclosures - Social & Community Impact

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Social & Community Impact

Our People

Relevance

- Human capital is a critical driver of innovation, productivity, and sustainable growth in an organization's overall success. The expertise, skills, and experience of employees directly influence the effectiveness of an organization's operations and its competitive standing in the market. An engaged workforce also serves as a vital connection to the broader community, helping advance both social and economic progress.
- Companies that prioritize the development and well-being of their employees tend to foster a positive and supportive workplace culture, which equips them to better address emerging challenges and risks.
- Continuous investment in skill development and learning opportunities ensures that the workforce remains skilled, diverse, and engaged. This focus on ongoing training is essential for maintaining high levels of employee satisfaction and engagement, which, in turn, contributes to improved organizational performance and enhanced stakeholder experiences.
- For organizations in the Kingdom of Bahrain, the Bahrain Labor Law provides the legal foundation for safeguarding the rights and well-being of employees.

Commitment

- At Esterad, we are committed to the overall well-being of our employees. By prioritizing Skill Development & Training, and Employee Health & Well-Being, we aim to cultivate an environment where every individual can reach their full potential.
- We are dedicated to supporting our workforce through ongoing skill development and continuous learning programs. By providing our employees with the tools and opportunities to enhance their expertise, we empower them to advance professionally, which in turn strengthens the overall performance and resilience of the organization.
- We recognize that the well-being of our employees is fundamental to our success. At Esterad, we are committed to offering a supportive environment that prioritizes the physical, mental, and emotional health of our workforce. Through a variety of resources and programs, we aim to support a culture where employees can thrive, both personally and professionally, enhancing their engagement and overall productivity.

Action

- At Esterad, our Human Resources Policy and Procedures cover a broad spectrum of areas, including employment conditions, leave and benefits, workplace safety, skill development and training. These policies are designed to support the well-being of our employees while ensuring compliance with the provisions outlined in the Bahrain Labor Law.
- We actively strive to improve employee satisfaction by recognizing exceptional contributions and offering long-term benefits to those who demonstrate a strong commitment to the organization.
- Our adherence to Bahrain Labor Law ensures that all employees, regardless of gender, race, ethnicity, or age, are given equal opportunities to succeed.



Social & Community Impact

Workforce Composition

CBB ESG KPI - S.1. Total Workforce by gender, age-group and employment type

Description	Outcomes & Data		
<p>The disclosures related to composition of our workforce include information related to number of employees by gender, age group, and employment type. This covers the reporting period 2024 and includes separate information for Esterad Investment Company and Esterad Bank.</p> <p>Our workforce entirely comprises of full-time employees with a majority of the workforce in the age group of thirty to fifty years. Our workforce consists of an even distribution between management grades (senior, middle, and lower).</p> <p>Esterad Investment Company has a 23% female workforce, while Esterad Bank has a 36% female workforce. Both entities have a majority workforce aged 30-50 years (77% at Esterad Investment Company and 80% at Esterad Bank). Employees under 30 years represent a small proportion (15% at Esterad Investment Company and 12% at Esterad Bank), highlighting the need in attracting younger talent.</p> <p>Corresponding numbers in the parenthesis represents the data as a percentage of the total.</p>	Workforce Composition (FY 2024)	Esterad Investment Company	Esterad Bank
	Total Employees	13 (100%)	25 (100%)
	By Gender		
	Male	10 (77%)	16 (64%)
	Female	3 (23%)	9 (36%)
	By Age		
	Under 30 years	2 (15%)	3 (12%)
	30 – 50 years	10 (77%)	20 (80%)
	Over 50 years	1 (8%)	2 (8%)
	By Employment Type		
	Full-Time Employee	13 (100%)	25 (100%)
	Part-Time Employee	0 (0%)	0 (0%)
	Interns	0 (0%)	0 (0%)
Disclosure S.1: Total Workforce - Gender, Age, & Employment Type			

Child & Forced Labor

CBB ESG KPI - S.2. Child & Forced Labor

Description	Outcomes & Data		
<p>Our Human Resources policy is fully aligned with Bahrain's Labor Law, ensuring strict adherence to regulations regarding child and forced labor. We take proactive measures to prevent such practices, and to date, no instances of violations have been reported. The Human Resources Policy is reviewed and approved by the Board and the management – level Human Resources department.</p>	Child & Forced Labor (FY 2024)	EIC	EB
	Instances of violation related to anti - child and forced labor regulations	0	0
Disclosure S.2: Child & Forced Labor			

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Social & Community Impact

Employee Turnover

CBB ESG KPI - S.3. Employee Turnover

Description	Outcomes & Data		
<p>Employee turnover is a critical metric in understanding an organization's performance in relation to employee well-being. Employee Turnover refers to voluntary and involuntary separation of employees.</p> <p>At Esterad, we monitor employee turnover to understand the outcomes related to a positive organizational culture and employee well-being.</p> <p>Turnover rate at Esterad Investment Company is approximately 7.7% (1 out of 13 employees) while the turnover rate at Esterad Bank is 20% (5 out of 25 employees). Basis the data, all turnovers in both entities are from male employees, with no female employee turnover reported. At Esterad Bank, most turnovers are among employees aged 30-50 years (60%), with the remainder from employees aged over 50 years.</p> <p>Numbers in the parenthesis for total turnover are as a percentage of total workforce. Numbers in the parenthesis for turnover split by gender, age, and employment type is represented as a percentage of total turnover.</p>	Employee Turnover (FY 2024)	Esterad Investment Company	Esterad Bank
	Total Turnover	1 (8%)	5 (20%)
	By Gender		
	Male	1 (100%)	5 (100%)
	Female	0 (0%)	0 (0%)
	By Age		
	Under 30 years	0 (0%)	0 (0%)
	30 – 50 years	0 (0%)	3 (60%)
	Over 50 years	1 (100%)	2 (40%)
	By Employment Type		
	Full-Time Employee	1 (100%)	5 (100%)
	Part-Time Employee	0 (0%)	0 (0%)
	Interns	0 (0%)	0 (0%)
	Disclosure S.3: Employee Turnover – Gender, Age, & Employment Type		

Gender Pay Ratio

CBB ESG KPI - S.4. Gender Pay Ratio

Description	Outcomes & Data		
<p>Gender Pay Ratio is a critical metric ensuring fair and equal compensation for all our employees. Equitable pay practices are more likely to attract diverse talent and enhance employee satisfaction. As part of our commitment to actively monitor and work towards an inclusive work environment, we report the ratio of median compensation by gender. The overall pay ratio is influenced by the median compensation of the senior management and may therefore appear skewed. However, for the middle management the pay ratio is at a healthy 0.61 (EIC) and 0.97 (EB). Similarly, for the lower management, the pay ratio is 1.6 (EIC) and 0.75 (EB), demonstrating a relatively stronger pay parity among lower management employees.</p>	Gender Pay Ratio (FY 2024)	EIC	EB
	Median Female Compensation to Median Male Compensation Ratio	0.15	0.51
	Disclosure S.4: Gender Pay Ratio		



Social & Community Impact

Health & Safety

CBB ESG KPI - S.5. Health & Safety

Description	Outcomes & Data			
<p>Esterad's health & safety metrics reflect the overall well-being of our workforce. Our disclosures cover Esterad Investment Company's details for the past three years including the reporting period 2024. Given the nature of our operations, our employees are based out of facilities and premises governed by building and fire safety regulations from Civil Defense Services.</p> <p>In the last two reporting periods, there were no incidents of workplace injuries or fatalities reported.</p>	Health & Safety			
	2022	2023	2024	
	Esterad Investment Company			
	Total Number of Injuries & Fatalities	0	0	0
	Lost days due to work injury	0	0	0
	Esterad Bank			
	Total Number of Injuries & Fatalities	0	0	0
	Lost days due to work injury	0	0	0
Disclosure S.5: Health & Safety				

Non-Discrimination & Human Rights

CBB ESG KPI - S.6. Non-Discrimination - S.9. Human Rights

Description	Outcomes & Data
<p>We are committed to upholding the highest standards of human rights by strictly adhering to Bahrain's Labor Law, ensuring the appropriate preventive and redressal mechanisms against discrimination in all forms. We are dedicated to fostering a work environment that respects and protects the dignity and rights of every individual.</p> <p>Our Human Resources Policy, in alignment with the Bahrain Labor Law, ensures that Esterad remains committed in practice to the principles of non-discrimination and human rights. The Human Resources Policy is reviewed and approved by the Board on a periodic basis. At the management level, the Human Resources department is responsible for implementation of the policy.</p>	Policy Framework
	Esterad Investment Company & Esterad Bank
	Human Resources Policy (Approved for both the entities)
<p>Disclosure S.6: Non-Discrimination</p> <p>Disclosure S.9: Human Rights</p>	

Continued...

Sustainability Report



Social & Community Impact

Nationalization

CBB ESG KPI - S.7. Nationalization

Description	Outcomes & Data		
<p>Nationalization represents the proportion of Bahraini nationals in our workforce and embodies our steadfast dedication to fostering professional development of local talent. Aligned with the Bahrain Vision 2030, we actively support nationalization priorities by creating opportunities that empower Bahraini nationals to take on meaningful roles and leadership positions within our organization.</p> <p>We ensure full compliance with the Labor Market Regulatory Authority and by doing so, we uphold our obligation to regulatory standards while prioritizing the integration of Bahraini nationals across all facets of our operations.</p>	Nationalization	Esterad Investment Company	Esterad Bank
	Number of Bahraini Nationals	10	18
	Proportion of Workforce (%)	77%	72%
Disclosure S.7: Nationalization			

Management Composition/ Diversity

CBB ESG KPI - S.10. Management Composition/ Diversity

Description	Outcomes & Data		
<p>Our management composition and workforce diversity are regularly assessed across age groups and gender to ensure a balanced and inclusive workplace. We are committed to fostering diversity at all levels, with a focus on creating equal opportunities for growth and advancement, while reflecting a wide range of perspectives in our leadership and teams.</p> <p>EIC has 100% male representation at the senior level, whereas the Bank reflects a marginally better but still limited gender diversity at the senior level where 17% of senior positions are held by women. As we continue to measure and monitor management composition, we draw insights from these disclosures to inform our strategies to resolve such potential gaps.</p> <p>The Bank's middle management is more balanced with 37.5% male and 62.5% female, reflecting strong female representation at this level. Both EIC and EB show 60% male and 40% female distribution at the entry level, demonstrating better gender parity at junior levels.</p>	Management Composition	Esterad Investment Company	Esterad Bank
	Senior Level	5	12
	Male	5	10
	Female	0	2
	Middle Level	3	8
	Male	2	3
	Female	1	5
	Entry-Level	5	5
	Male	3	3
	Female	2	2
Disclosure S.10: Management Composition/ Diversity			



Social & Community Impact

Skill Development & Employee Trainings

CBB ESG KPI - S.11. Development & Training

Description	Outcomes & Data										
<p>At Esterad, training and development are core components of both our employee strategy and overall organizational growth. We recognize that continuous learning and skill enhancement are essential for fostering a highly skilled and flexible workforce.</p> <p>We actively encourage employees at all levels to participate in training initiatives that are tailored to their specific roles and responsibilities. These programs cover a wide range of key areas, including professional development, risk management, anti-money laundering (AML), cybersecurity, and data protection. All training is aligned with the standards set by the Central Bank of Bahrain (CBB) and designed to meet the functional needs of each employee, ensuring they are well-prepared to perform their duties effectively and in compliance with relevant regulations.</p> <p>Additionally, our employees have also participated in workshops that focused on corporate governance, investor summits, Islamic Finance principles, and financial literacy seminars.</p>	<table><tr><th>Training & Development</th><th>2024</th></tr><tr><td>Average Hours of Training</td><td>11.8</td></tr><tr><th>By Gender</th><td></td></tr><tr><td>Male</td><td>12.0</td></tr><tr><td>Female</td><td>11.4</td></tr></table> <p>Disclosure S.11: Development & Training</p>	Training & Development	2024	Average Hours of Training	11.8	By Gender		Male	12.0	Female	11.4
Training & Development	2024										
Average Hours of Training	11.8										
By Gender											
Male	12.0										
Female	11.4										

Sustainability Report



Social & Community Impact

Our Community

Relevance

- The success of any business is deeply interconnected with the well-being of the community in which it operates. Organizations rely on the local community for a variety of critical resources, including skilled labor, suppliers, and customers. As such, the strength and vibrancy of the community often reflect directly on the organization's performance and resilience.
- Active engagement with the community through strategic social, economic, and environmental initiatives can yield significant, long-lasting benefits. By fostering a strong foundation in the community, businesses not only support their own growth but also build an engaged society, creating a positive feedback loop that benefits both the organization and its surrounding environment.
- The United Nations Sustainable Development Goal 11 (Sustainable Cities & Communities) highlights how businesses can contribute to the creation of resilient and thriving communities. Investing in community development presents a valuable opportunity for businesses to generate long-term value for both internal and external stakeholders. The Bahrain Vision 2030 also refers to the need for creating a productive and globally competitive economy focused on social well-being and prosperity of its citizens.

Commitment

- Esterad's Corporate Social Responsibility (CSR) policy is rooted in the principles of the "Triple Bottom-Line Approach," balancing economic, environmental, and social imperatives while addressing the needs of shareholders and stakeholders. Guided by Bahrain's Corporate Governance Code and international standards, Esterad emphasizes compliance with laws and corporate governance, minimizing environmental impact, prioritizing health and safety, and making meaningful contributions to the community and Bahrain's economic and social development.
- Core principles include developing employees, adhering to values, and maintaining ethical conduct. Esterad actively engages with stakeholders, respects cultural heritage, upholds human rights, and focuses on community development projects for lasting livelihood improvements, rejecting any unethical behavior across its operations.

Action

- Our community engagement efforts are centered around supporting public health and education initiatives through financial contributions.
- Education and skill development, especially for students and the youth, are central to our efforts. We strongly back initiatives that provide the youth with the tools and resources they need for success in their future careers.
- In addition to education, we prioritize improving community health and actively support public health initiatives. We recognize the vital work that charitable organizations do to support individuals facing serious health challenges and are committed to supporting these organizations in their efforts to offer essential aid to those in need.
- We actively collaborate with charitable organizations, orphanages, and other NGOs to fund programs that have a tangible, positive impact on those they serve.



Social & Community Impact

Community Investment Programs

CBB ESG KPI - S.8. Community Investments

Description	Outcomes & Data		
<p>Esterad is deeply committed to its Corporate Social Responsibility (CSR) initiatives, which are implemented through the Esterad Charitable Foundation, a dedicated institution established to drive meaningful contributions to community welfare. By creating this foundation, Esterad has established a structured platform for effective philanthropy, enabling the organization to focus its efforts and resources on areas within Bahrain where it can create the most significant positive impact. Whether through direct initiatives or partnerships with established organizations, our efforts are consistently aligned with creating lasting value and fostering a positive social impact.</p> <p>Through the Esterad Charitable Foundation, we are proud to support organizations that play a critical role in advancing community well-being. In 2023, Esterad partnered with the Bahrain Red Crescent Society, which undertakes essential humanitarian work, including social services, health awareness campaigns, blood bank initiatives, first aid training, family reunification programs, and volunteer development. Additionally, the Foundation also supported the Be-Free Program, launched in 2002, which focuses on child empowerment through its flagship project, "I'm Strong, Smart, and Safe Child." This program aims to eliminate child abuse and neglect by equipping parents and educators with the tools and knowledge needed to protect children and address these critical issues effectively.</p> <p>In 2024, Esterad, given various operational and business-related considerations, deemed it prudent to temporarily suspend its Corporate Social Responsibility (CSR) initiatives. This decision, taken after thorough deliberation, was considered essential to safeguarding the long-term sustainability and viability of our CSR activities. Notwithstanding this temporary suspension, Esterad reaffirms its unwavering commitment to its CSR principles and anticipates the resumption of its contributions to community welfare through the Esterad Charitable Foundation at the earliest.</p>	Community Investments		
	2023	2024	
	Total Amount (BHD)	40,080	0
	Percentage of Revenue	0.5%	0%
Disclosure S.8: Community Development			

05

Detailed Disclosures - Governance

Sustainability Report



Governance

Corporate Governance

Relevance

- Corporate governance plays a crucial role in ensuring that companies are managed and controlled with transparency, accountability, and fairness. Strong governance practices are foundational to building trust with stakeholders, safeguarding the interests of investors, and maintaining regulatory compliance. As such, effective corporate governance not only promotes ethical business conduct but also directly contributes to the long-term sustainability of the firm and the broader financial ecosystem.
- In the context of Bahrain's evolving financial markets, investors are increasingly focused on firms that prioritize strong governance structures, as these are seen as indicative of lower risks, better decision-making, and more resilient performance, especially in times of economic uncertainty.
- In Bahrain, key regulatory frameworks related to corporate governance include the Bahrain Commercial Companies Law, the Corporate Governance Code of Bahrain by the Ministry of Industry & Commerce (MOIC), and the High-Level Controls Module of the CBB Rulebook. These frameworks provide critical guidance in relation to establishing and maintaining corporate governance roles, responsibilities and controls.

Commitment

- At Esterad, corporate governance is the cornerstone upon which we build trust, integrity, and professionalism in our operations. Our commitment to upholding the highest standards of governance is reflected in our adherence to legal and regulatory requirements and our dedication to maintaining transparency in all our business practices. By continuously reviewing and enhancing our governance framework, we aim to safeguard the interests of our investors, clients, and other stakeholders.
- Our corporate governance approach is built on core values of openness, integrity, and transparency. These principles guide our interactions with stakeholders and reinforce our commitment to reliability and consistency. We firmly believe that a well-structured governance framework is essential for building a reputable business that is not only capable of managing risks but also positioned to thrive in an increasingly complex and competitive market environment.
- We strive to remain a trusted partner for investors, while upholding the principles of fairness, transparency, and accountability in all our endeavors.

Action

- At Esterad, we have a robust corporate governance framework covering all aspects of our operations. Central to this framework is the Board of Directors, which provides strategic oversight and ensures that our governance framework remains effective and aligned with international best practices. The Board is supported by specialized sub-committees, namely the Executive Committee, the Audit & Risk Committee, and the Nomination & Remuneration Committee, each tasked with overseeing key areas of governance, risk management, and executive performance. Board Independence, and evaluation of Board performance are other critical levers of our corporate governance framework. In addition, we have implemented comprehensive policies to manage potential conflicts of interest and ensure that all related party transactions are subject to rigorous scrutiny and transparent reporting.
- Our corporate governance framework is further reinforced by our Code of Business Conduct & Ethics, guiding the professional behavior of all employees and directors within Esterad. Our Whistleblower Policy, which ensures that concerns regarding unethical conduct can be raised without fear of retaliation.
- Esterad Bank, our subsidiary having a standalone scope of operations, has also established similar corporate governance structures and policies ensuring adherence to highest standards of integrity and oversight across our operations.

Sustainability Report



Governance

Board Composition

CBB ESG KPI - G.1. Board Composition

Description	Outcomes & Data		
<p>The composition and expertise of our Board of Directors are fundamental to realizing our strategic vision. With a diverse mix of technical, legal, financial, and industry-specific experience, the Board plays a pivotal role in guiding our direction and enhancing business performance. Their varied backgrounds and collective expertise ensure that decisions are made in alignment with the highest ethical standards and industry best practices.</p> <p>In line with the High-Level Controls Module of the CBB Rulebook, regulations of the Ministry of Industry, Commerce & Tourism and Esterad's Corporate Governance Framework, we maintain a balanced Board composition, which includes both non-executive and independent directors.</p> <p>The Esterad Investment Company Board is aided by three major Board Committees for issues related to corporate governance and related oversight. These Committees include a.) Audit & Risk Committee b.) Executive Committee and c.) Nomination, Remuneration, Governance Committee. The three committees have clear mandates as demonstrated through their individual Terms of Reference. The Executive Committee focuses on Esterad's commercial strategy, and the Audit & Risk Committee focuses on Esterad's financial reporting and internal controls. The Nomination, Remuneration & Governance Committee supervises the structure, size, and composition of the Board, the CEO and senior executives.</p> <p>Esterad remains in full compliance with the Code of Governance and the CBB Rulebook.</p>	Board of Directors (FY 2024)	Esterad Investment Company	Esterad Bank
	Total Members	8	4
	Female Members	0	0
	Executive Members	0	1
	Non-Executive Members	3	0
	Independent Members	5	3
	Tenure : 1 - 3 years	1	4
	Tenure : 4 - 6 years	4	0
	Tenure : More than 6 years	3	0
	By Election	8	4
	By Appointment	0	0
	Disclosure G.1: Board Composition		



Governance

Collective Bargaining

CBB ESG KPI - G.2. Collective Bargaining

Description	Outcomes & Data
Our approach to employee relations is characterized by open communication and transparency. Prior to joining the company, all prospective employees are made fully aware of the terms and conditions of their employment. This process ensures that individuals are well-informed about their roles, responsibilities, compensation, benefits, and expectations. Our alignment with Bahrain's Labor Law ensures that employees are extended the freedom of association, protection against discrimination, recognition of worker representatives, dispute resolution mechanisms and timely negotiations in good faith. As part of our recruitment process, candidates receive clear documentation outlining their employment terms, including job descriptions, salary packages, working hours, and other relevant policies. This transparency helps to foster mutual understanding and ensures that employees have a clear understanding of their contractual obligations from the outset of their employment.	<p>None of the employees within the organization are covered under collective bargaining agreements.</p> <p>Disclosure G.2: Collective Bargaining</p>

Whistleblower Policy

CBB ESG KPI - G.3. Whistleblowing Policy

Description	Outcomes & Data			
The Whistle-Blower Policy encourages all employees to report any illegal activities or misconduct occurring within Esterad. The policy outlines the proper internal channels for reporting such issues and specifies the protections in place for whistle-blowers, ensuring they are not stigmatized or subjected to retaliation. The Audit & Risk Committee is responsible for receiving, investigating, and addressing any complaints or concerns raised through whistle-blowing reports.	Whistleblowing Mechanism	2022	2023	2024
	Number of instances reported under the Whistleblowing Policy	0	0	0
	Disclosure G.3: Whistleblowing Policy			
Esterad Bank has also established a Whistleblowing Policy related to reporting malpractices, breach of internal rules and regulations, criminal offences or breaches of applicable regulations.				

Continued...

Sustainability Report



Governance

Data Privacy

CBB ESG KPI - G.4. Data Privacy

Description	Outcomes & Data										
At Esterad, we understand the critical role that information technology (IT) plays in driving innovation, supporting our business operations, and ensuring the security of the data we manage. As part of our commitment to responsible governance, our IT Policy establishes clear guidelines for the ethical and secure use of technology across the organization. This includes robust measures to protect the confidentiality, integrity, and availability of sensitive information, ensuring compliance with relevant data protection laws (Personal Data Protection Law – “PDPL”) and industry standards. We take a proactive approach to cybersecurity, implementing regular risk assessments, continuous monitoring, and a comprehensive disaster recovery plan to safeguard against potential threats.	<table><tr><th>Cybersecurity & Privacy</th><th>2024</th></tr><tr><td>Number of data security breaches</td><td>0</td></tr><tr><td>Number data security breaches involving costumers' personally identifiable information</td><td>0</td></tr><tr><td>Percentage of data security breaches involving costumers' personally identifiable information</td><td>0</td></tr><tr><td>Number of account holders impacted</td><td>0</td></tr></table>	Cybersecurity & Privacy	2024	Number of data security breaches	0	Number data security breaches involving costumers' personally identifiable information	0	Percentage of data security breaches involving costumers' personally identifiable information	0	Number of account holders impacted	0
	Cybersecurity & Privacy	2024									
	Number of data security breaches	0									
	Number data security breaches involving costumers' personally identifiable information	0									
	Percentage of data security breaches involving costumers' personally identifiable information	0									
Number of account holders impacted	0										
	Disclosure G.4: Data Privacy										

Sustainability Disclosures

CBB ESG KPI - G.5. Disclosure Practices

Description	Outcomes & Data
<p>Currently, Esterad does not provide or submit its sustainability data (partially or fully) to any of the sustainability reporting organizations.</p> <p>Since 2025, Esterad has begun issuing an Annual Sustainability Report, starting with this inaugural report for the reporting period of FY 2024. As part of the disclosures, Esterad assesses its environmental, social and governance impact by aligning with the UN Sustainable Development Goals. The disclosures metrics/ KPIs are in line with the requirements of the CBB Common Volume – Part A - ESG Reporting Requirements.</p>	Disclosure G.5: Disclosure Practices



Governance

Conflict of Interest

CBB ESG KPI - G.6. Conflict of Interest

Description	Outcomes & Data
<p>The Conflict-of-Interest Policy, outlined in Esterad's Board Charter, provides guidance on how to manage situations where a conflict of interest may arise. In compliance with the applicable provisions of the Commercial Companies Law, the Central Bank of Bahrain's Rulebook, and Esterad's Board Charter, any party facing a conflict of interest is enabled to disclose the nature and extent of their interest to the Company. The Board Charter and the Board's Code of Ethics govern the responsibilities and the conduct of the Board members and ensures that the interests of our stakeholders are safeguarded.</p> <p>In line with the requirements of Bahrain Commercial Companies Law, Esterad has established appropriate procedures related to Related Party Transactions. Such transactions require Board approval and are duly disclosed in the annual financial statements.</p>	<p>Nil Related Party Transactions were recorded under the Related Party Governance framework.</p> <p>Disclosure G.6: Conflict of Interest</p>

Supplier Code of Conduct

CBB ESG KPI - G.7. Supplier Code of Conduct

Description	Outcomes & Data
<p>Currently, there is no separate Supplier Code of Conduct. Procurement below a certain threshold is recognized under purchases/ petty cash expenses and procurement above a certain threshold is capitalized as an asset acquisition, in line with the established accounting practices.</p>	<p>Procurement from all our vendors / suppliers is conducted through an established process and appropriate documentation is maintained.</p> <p>Disclosure G.7: Supplier Code of Conduct</p>

Incentivized Pay

CBB ESG KPI - G.8. Incentivized Pay

Description	Outcomes & Data
<p>Currently, our compensation structure does not include any incentives or bonuses linked to sustainability considerations.</p>	<p>Disclosure G.8: Incentivized Pay</p>

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Sustainability Report



Governance

Code of Business Conduct & Ethics

CBB ESG KPI - G.9. Ethics & Anti-Corruption

Description	Outcomes & Data						
For Esterad Investment Company, the Code of Business Conduct and Ethics serves as a foundational framework to promote honesty, integrity, and professionalism, while preventing any unethical behavior. This Code is essential to our long-term success, as it ensures that Esterad maintains the highest ethical standards. It offers clear guidance for addressing ethical challenges and provides a transparent process for reporting any misconduct without fear of retaliation. Esterad Bank, has also established a Code of Conduct, Ethics and Conflict of Interest Policy for its staff, Senior Management and Board of Directors related to conduct of business of the Bank, protect the rights of the Banks and its shareholders and investors and ensure compliance with all laws and regulations applicable to the Bank.	<table><tr><th>Disclosure of Breaches/ Violations</th><th>2024</th></tr><tr><td>Instances of violations related to Conflit of-Interest Policy</td><td>0</td></tr><tr><td>Proportion of employees compliant with the Code of Business Conduct</td><td>100%</td></tr></table>	Disclosure of Breaches/ Violations	2024	Instances of violations related to Conflit of-Interest Policy	0	Proportion of employees compliant with the Code of Business Conduct	100%
	Disclosure of Breaches/ Violations	2024					
	Instances of violations related to Conflit of-Interest Policy	0					
	Proportion of employees compliant with the Code of Business Conduct	100%					
		Disclosure G.9: Ethics & Anti-Corruption					

Compliance & Anti-Money Laundering

CBB ESG KPI - G.9. Ethics & Anti-Corruption

Description	Outcomes & Data								
<p>Esterad's Compliance and Anti-Money Laundering Policy ensure adherence to applicable to laws, rules and regulations. Compliance is responsible for ensuring adherence to all the relevant regulatory requirements from the Ministry of Industry & Commerce, Central Bank of Bahrain, and Bahrain Bourse. Esterad also ensures adherence with CBB regulations related to anti-money laundering (AML) and Combating the Financing of Terrorism (CFT) to ensure proper ringfencing against illicit activities such as corruption, money laundering and bribery. The Compliance and Anti-Money Laundering Policy cover all employees and directors at Esterad. Esterad Bank has also established an Anti-Money Laundering Manual consisting of comprehensive policies and procedures for preventing money laundering and terror financing activities. The manual includes detailed procedures on KYC, customer due diligence, and internal/ external Suspicious Transaction Reporting (STR)</p>	100% of our employees completed their anti-money laundering trainings. No incidents of fraudulent activities or legal incidents were reported during the period.								
	<table><tr><th>AML/Financial Crime</th><th>2024</th></tr><tr><td>Number of confirmed cases of AML/CFT policy violations</td><td>0</td></tr><tr><td>Regulatory Penalties/Fines related to AML/CFT imposed on the Group</td><td>0</td></tr><tr><td>Total number and nature of confirmed incidents of corruption.</td><td>0</td></tr></table>	AML/Financial Crime	2024	Number of confirmed cases of AML/CFT policy violations	0	Regulatory Penalties/Fines related to AML/CFT imposed on the Group	0	Total number and nature of confirmed incidents of corruption.	0
	AML/Financial Crime	2024							
	Number of confirmed cases of AML/CFT policy violations	0							
	Regulatory Penalties/Fines related to AML/CFT imposed on the Group	0							
Total number and nature of confirmed incidents of corruption.	0								
Disclosure G.9: Ethics & Anti-Corruption									



Governance

Assurance

CBB ESG KPI - G.10. Assurance

Description	Outcomes & Data
Currently, Esterad does not undertake a third-party validation or external assurance of any of its ESG disclosures.	Disclosure G.10: Assurance

Disclosure Policy

Description	Outcomes & Data
Esterad's Disclosure Policy is designed to ensure that key information, excluding confidential business data, is appropriately shared with the general public, investors, creditors, and other relevant stakeholders. This includes the Company's financial performance, Directors' Report, and interim reports. The policy aims to foster open and transparent communication that is accurate, timely, and accessible to all parties on an equal basis.	

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Appendix

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Sustainability Report

CBB Index – Recommended ESG KPIs (1/2)

The Central Bank of Bahrain's Common Volume Part A – ESG Module includes a list of the recommended ESG KPIs. The following ESG index provides a reference to the location within this publication where each CBB Recommended ESG KPI has been reported, in addition to the reasons for its omissions, wherever applicable.

No.	Key Performance Indicator	Reference(s)	Reason for Omission
Environmental			
1	E.1. Environmental Oversight	Section 02 - ESG Governance & Materiality Assessment (Page 10) Disclosure E.1. : Environmental Oversight	-
2	E.2. Energy Consumption	Section 03 – Detailed Disclosures – Environmental Impact (Page 15) Disclosure E.2. : Energy Consumption	-
3	E.3. Energy Intensity	Section 03 – Detailed Disclosures – Environmental Impact (Page 15) Disclosure E.3. : Energy Intensity	-
4	E.4. Energy Mix	Section 03 – Detailed Disclosures – Environmental Impact (Page 15) Disclosure E.4. : Energy Mix	-
5	E.5. Green House Gas Emissions	Section 03 – Detailed Disclosures – Environmental Impact (Page 16) Disclosure E.5. : GHG Emissions	-
6	E.6. Emission Intensity	Section 03 – Detailed Disclosures – Environmental Impact (Page 16) Disclosure E.6. : Emission Intensity	-
7	E.7. Climate Risk Mitigation	Section 03 – Detailed Disclosures – Environmental Impact (Page 16) Disclosure E.7. : Climate Risk Mitigation	-
8	E.8. Water Usage	Section 03 – Detailed Disclosures – Environmental Impact (Page 17) Disclosure E.8. : Water Usage	-
9	E.9. Waste Generation	Section 03 – Detailed Disclosures – Environmental Impact (Page 17) Disclosure E.9. : Waste Generation	-
10	E.10. Emission Target	Section 03 – Detailed Disclosures – Environmental Impact (Page 17) Disclosure E.10. : Emission Target	-

No.	Key Performance Indicator	Reference(s)	Reason for Omission
Social			
1	S.1. Total Workforce by Sex, Age-Group, and Employment Type	Section 04 – Detailed Disclosures – Social & Community Impact (Page 20) Disclosure S.1. : Workforce Composition	-
2	S.2. Child & Forced Labor	Section 04 – Detailed Disclosures – Social & Community Impact (Page 20) Disclosure S.2. : Child & Forced Labor	-
3	S.3. Employee Turnover	Section 04 – Detailed Disclosures – Social & Community Impact (Page 21) Disclosure S.3. : Employee Turnover	-
4	S.4. Gender Pay Ratio	Section 04 – Detailed Disclosures – Social & Community Impact (Page 21) Disclosure S.4. : Gender Pay Ratio	-
5	S.5. Health & Safety	Section 04 – Detailed Disclosures – Social & Community Impact (Page 22) Disclosure S.5. : Health & Safety	-
6	S.6. Non -Discrimination	Section 04 – Detailed Disclosures – Social & Community Impact (Page 22) Disclosure S.6. : Non-Discrimination	-
7	S.7. Nationalization	Section 04 – Detailed Disclosures – Social & Community Impact (Page 23) Disclosure S.7. : Nationalization	-
8	S.8. Community Investments	Section 04 – Detailed Disclosures – Social & Community Impact (Page 26) Disclosure S.8. : Community Investments	-
9	S.9. Human Rights	Section 04 – Detailed Disclosures – Social & Community Impact (Page 22) Disclosure S.9. : Human Rights	-
10	S.10. Management Composition & Diversity	Section 04 – Detailed Disclosures – Social & Community Impact (Page 23) Disclosure S.10. : Non -Discrimination	-
11	S.11. Development & Trainings	Section 04 – Detailed Disclosures – Social & Community Impact (Page 24) Disclosure S.11. : Development & Trainings	-

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Sustainability Report

CBB Index – Recommended ESG KPIs (2/2)

No.	Key Performance Indicator	Reference(s)	Reason for Omission
Governance			
1	G.1. Board Composition	Section 05 – Detailed Disclosures – Governance (Page 29) Disclosure G.1. : Board Composition	-
2	G.2. Collective Bargaining	Section 05 – Detailed Disclosures – Governance (Page 30) Disclosure G.2. : Collective Bargaining	-
3	G.3. Whistleblowing	Section 05 – Detailed Disclosures – Governance (Page 30) Disclosure G.3. : Whistleblowing	-
4	G.4. Data Privacy	Section 05 – Detailed Disclosures – Governance (Page 30) Disclosure G.4. : Data Privacy	-
5	G.5. Disclosure Practices	Section 05 – Detailed Disclosures – Governance (Page 31) Disclosure G.5. : Disclosure Practices	-
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