Strong Foundations
Enduring Future

Sustainability Report 2021
"We will direct the government, with all its sectors, to implement a more efficient system of management which places, on top of its priorities, financial balance, economic diversification, the sustainability of the national economy, besides developing all relevant laws and regulations, God willing."

**His Majesty Sultan Haitham bin Tarik**

23 February 2020
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GRI Standards Content Index
I am delighted to place before you the Bank’s 10th consecutive Sustainability Report, which covers achievements across environmental, social, and governance (ESG) criteria for the year 2021. This year’s report marks a milestone in the Bank’s journey in sustainability reporting, and further anchors its commitment to transparency. In 2021, Bank Muscat maintained its onward journey on the path of sustainability guided by the landmark Oman Vision 2040.

The Bank maintained support for customers, partners and employees during the year and also managed to deliver encouraging financial results by enhancing focus on risk management, risk mitigation, safety and security. Customer centricity and digitalisation were some of the key areas of progress during the year.

Bank Muscat also continued to positively impact a number of important areas such as financial inclusion, financial literacy, SME development, education, youth, sports and renewable energy. Efforts for financial inclusion were boosted during the year with the launch of a first-of-its-kind Floosi account for young people aged 15-17. Also, the Woqar banking package launched earlier for pensioners is proving to be very helpful in fulfilling the banking needs of this important demographic segment. Financial inclusivity and access were also improved by further expansion of the e-channel base to more than 800 touchpoints including Automated Teller Machines (ATMs), Cash Deposit Machines (CDMs), statement printers, and mobile branch units located across the Sultanate.

The Bank sustained its social investments in a number of long-running programmes while also partnering with several civil society institutions during the year, including Dar Al Atta’a and the Environment Society of Oman (ESO). The Bank contributed a number of wheelchairs and electric beds to the Oman Association for the Disabled, laptops and BrailleSense devices to visually-impaired students at Sohar University, and hearing aids to the Omani Association for the Hearing Impaired. Through an agreement with the Ministry of Social Development, the Bank is also assisting in setting up a sports field at the Al Wafa Centre for the Rehabilitation of Persons with Disabilities in Al Mudhaibi.

In solidarity with national relief efforts to assist families affected by Cyclone Shaheen, the Bank contributed RO 1 million to the Oman Charitable Organisation to provide assistance to those most in need. In terms of environmental achievements, the Bank succeeded in reducing water consumption and general waste across its facilities during the year.

Bank Muscat also continued its excellent Omanisation ratio of about 95 per cent in line with the national goals on developing Omani human resources. The Bank already has an excellent gender ratio with approximately half of all employees being women, and it is also working steadily to provide more opportunities for persons with disabilities.
In 2022, Bank Muscat is celebrating 40 years of successfully serving Oman. The Bank’s numerous achievements over the past four decades have been possible only through the determined efforts and contributions of its diverse and committed employees as well as its exceedingly supportive stakeholders. Moving forward, Bank Muscat promises to further align with national and international sustainability standards as it works towards deepening its role in the service of the community and the nation.

Waleed K. Al Hashar
Chief Executive Officer
Building the future with a clear roadmap

Introduction
Bank Muscat is proud to present its annual sustainability report for the tenth year running, which represents its commitment to environmental, social, and governance-related best practices and performance for the year 2021.

This report has been prepared in accordance with the GRI Standards: Core option. The Bank also refers to guidelines that regulate sustainable business practices globally. These include its alignment with the United Nations Global Compact (UNGC) Principles, the United Nations’ Sustainable Development Goals, and the Oman Vision 2040.

Scope of the Report

This report showcases Bank Muscat’s sustainability performance for the calendar year 2021, across its operations in Oman only. Operations, subsidiaries, partners, other sister companies or third-party suppliers outside Oman are not referenced. Only financial performance and economic impact figures include its global partners.

All monetary values in this report are expressed in Omani Rial (OMR), unless otherwise stated.

External Assurance

The Bank has opted not to use external assurance for this report, and instead followed an internal assurance process in which all internal stakeholders involved revised and approved content related to their department.

Contact Point

For any inquiry on this report, kindly contact the Corporate Communications & CSR Department (CSR Unit) on (+968) 24 768 595 or visit the website: www.bankmuscat.com
## Key Highlights

### Our people

- Bank Muscat employs **11 people** with disabilities
- **95%** of the Bank’s workforce is Omani
- The Bank’s employee NPS score for **2021** was **4.16/5**

### Our Community

- **1,250** students and **150** families benefitted from Tadhamun Programme
- **250** individuals benefitted from Fak Kurba
- **42,900** individuals benefitted from Green Sports programme
- **31,017** individuals benefitted from Maliyat financial literacy programme
- **R.O 2 Million** donated to Ministry of Health to combat COVID-19

### Our Environment

- **148%** increase in paper recycling volumes compared to 2020
- **E-waste** recycling efforts tripled compared to 2020
- A reduction of **8%** in waste sent to landfill compared to 2020
- A reduction of **6%** in GHG emissions compared to 2020
- A reduction of **6%** in Utility Water consumed compared to 2020
- The Bank enlarged its **scope 1** calculations to include Diesel consumption data
Improving everyday through better banking.

Bank Muscat at a Glance
Bank Muscat is the leading financial institution in Oman and aims to become a distinguished bank in the region. Headquartered in Muscat, the bank has an extensive presence in corporate banking, personal banking, investment banking, Islamic banking, treasury, private banking, and asset management. Bank Muscat is a member of the Bank Deposits Insurance Scheme (BDIS) through which all deposits in the bank are insured up to RO 20,000. Additionally, Bank Muscat is a member of Mala’a (Oman Credit and Financial Information Centre).

The Bank’s largest network of branches in Oman is composed of 174 ones across the Sultanate, including remote areas of the country. As for international branches, they are spread across Saudi Arabia, Kuwait, with representative offices in Dubai (UAE), Iran and Singapore. As a forerunner for the development of Oman, essentially through investments, Corporate Social Responsibility (CSR) commitments and sustainability programmes, Bank Muscat has been closely associated with the progressive growth of Oman and its community. Bank Muscat’s focus stays committed to delivering the best services and financial solutions to its customers. It is the Bank’s utmost priority to inculcate a supportive culture that promotes inclusivity and equality to build a resilient and agile society.

Our Vision

To Serve You
Better Everyday

Our Core Values

Leadership
Always deliver above expectations, becoming role models for those around us.

Innovation
Continuously ask ourselves what we can do better today than yesterday.

Partnership
Create win-win situations for our stakeholders in whatever we do.

Accountability
Acknowled and stand responsible for our actions and decisions.

Integrity
Always adhere to moral and ethical principles, under any circumstances.
**Meethaq Islamic Banking**

Bank Muscat launched ‘Meethaq’ - Islamic Banking Services in 2014 with an objective to provide guidelines for the Shari'a function of the Bank. All the products of Meethaq follow the certification process by the Shari'a Supervisory Board and are created in line with the guidelines of the Central Bank of Oman. It is the most popular and largest Islamic Banking window in Oman, wherein it offers a full suite of Shari'a compliant Islamic banking products and services including deposit products, consumer financing, credit cards, corporate banking, internet banking, mobile banking and 24x7 Contact Centre for customers and corporate sector. Meethaq provides Sharia-compliant financial solutions to its partner companies for their large projects, supporting the economy of the Sultanate.

More information on Meethaq is available at, [https://www.meethaq.om](https://www.meethaq.om)

**Ownership Structure**

(102-S)

- **Others** 34.197%
- **Royal Court Affairs** 23.634%
- **Dubai Financial Group LLC** 11.767%
- **Jabreen International Development Company** 9.99%
- **Public Authority for Social Insurance** 6.05%
- **Ministry of Defence Pension Fund** 6.493%
- **Civil Service Pension Fund** 7.869%
Awards & Recognition

Our achievements reflect our strategic leadership and the collective efforts of our workforce, that strengthen the sustainability journey of Bank Muscat. In 2021, we were honoured to receive the following 34 awards and accolades for our performance throughout the year,
Innovative Deal of the Year (Oman)
Asian Banking and Finance

Best Retail Bank in Oman
Retail Banker Trailblazer Awards 2021

Best Private Bank in Oman
Global Finance

Best Consumer Digital Bank in Oman
Global Finance

Best Corporate / Institutional Digital Bank in Oman
Global Finance

Best Bank in Oman (Large size)
Oman Economic Review

Best Private Bank in Oman
PWM/The Banker

Quality Recognition Award for MT103
JP Morgan

Honoured for pioneering role in CSR
Oman Chamber of Commerce and Industry

Bank of the Year (Oman)
The Banker

Oman Asset Manager of the Year
Global Investor Group

Outstanding Premier Banking Services Award for Asalah Priority Banking
Signature Luxury 100

Honoured for support to persons with disabilities
Ministry of Social Development
At Bank Muscat, financial sustainability is essential to govern stable banking processes within the Organisation. Therefore, all its financial statements are prepared after scrutiny of the books of accounts and in strict adherence to International Financial Reporting Standards (IFRS). The Bank also follows a thorough internal check and control to ensure accurate and timely financial consolidation. The Bank’s financial performance and business performance are reviewed by the Internal and External Auditors quarterly, which are then submitted to the Audit Committee and the Board of Directors for final approval.

Bank Muscat ensures the implementation of high standards for transparency and accuracy of financial performance disclosures by complying with national and international disclosure and transparency rules.

<table>
<thead>
<tr>
<th>Financial Performance and Economic Value Generated and Distributed</th>
<th>2019 (RO 000’s)</th>
<th>2020 (RO 000’s)</th>
<th>2021 (RO 000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>12,290,608</td>
<td>12,453,765</td>
<td>13,072,538</td>
</tr>
<tr>
<td>Total equity</td>
<td>2,002,636</td>
<td>2,043,648</td>
<td>2,150,844</td>
</tr>
<tr>
<td>Net income</td>
<td>185,550</td>
<td>163,358</td>
<td>189,625</td>
</tr>
<tr>
<td>Operating income / Revenues (before recovery &amp; charges)</td>
<td>472,171</td>
<td>456,539</td>
<td>475,480</td>
</tr>
<tr>
<td>Operating costs</td>
<td>-175,262</td>
<td>-159,602</td>
<td>-174,154</td>
</tr>
<tr>
<td>Employee wages and benefits</td>
<td>-104,848</td>
<td>-91,506</td>
<td>-98,300</td>
</tr>
<tr>
<td>Cash dividends to shareholders</td>
<td>108,317</td>
<td>81,238</td>
<td>107,234</td>
</tr>
<tr>
<td>Tax expense</td>
<td>-34,563</td>
<td>-32,291</td>
<td>-34,346</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-20,669</td>
<td>-20,250</td>
<td>-17,305</td>
</tr>
</tbody>
</table>
Progressing through shared partnerships

Sustainability Management
Bank Muscat believes that governance and accountability are key to achieving sustainable value for all stakeholders. On these grounds, the bank has established a Sustainability Committee to ensure the management of environmental, social and governance issues in the Bank. The purpose of the Sustainability Committee is to ensure the Bank incorporates sustainability best practices in its core business activities and corporate culture.

The Committee’s approach to achieving its purpose is defined by the following framework,

**Support**
Aim to support social and humanitarian activities, events, and charitable causes to continue serving local communities.

**Accountability**
Acknowledge that the Bank’s activities should support sustainable development through continuous efforts to benefit society, the economy, and the environment. The Bank aims to develop policies to expand its positive reach, incorporating sustainability into business practices.

**Recognition**
To encourage employees to undertake voluntary activities, there are systems in place to promote participation in such initiatives, thereby benefitting society, the environment, and the economy.

**Development**
Showing commitment to the growth of the economy through the sustainable development of the business, the Bank contributes by working closely with local communities and implementing programmes to benefit society.
3.1 Sustainability Committee Governance

The Sustainability Committee is composed of members from different divisions across the bank such as Human Resources, Internal Audit, Personal Banking, IT, Corporate Banking and Strategy & Corporate Services. The diversity of the members ensures the presence of different perspectives together with a holistic view of the bank and the different ways sustainability can be embedded within. The committee meets six times a year to discuss the Bank’s policies and procedures in terms of contribution to economic performance, development from within, empowering the community and responsible banking while adhering to the Bank’s corporate values. This committee was in place until December 31st 2021.

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Role In The Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdulnasir N. Al Raisi</td>
<td>DGM – Premier Banking</td>
<td>Chairman</td>
</tr>
<tr>
<td>Damian O’Riordan</td>
<td>Head – Internal Audit</td>
<td>Alternate Chairman</td>
</tr>
<tr>
<td>Sheikha Al Farsi</td>
<td>Chief Strategy &amp; Corporate Services Officer</td>
<td>Member</td>
</tr>
<tr>
<td>Ibrahim Al Bulushi</td>
<td>AGM – SME</td>
<td>Member</td>
</tr>
<tr>
<td>Osamah Abdullah</td>
<td>AGM – Project Finance</td>
<td>Member</td>
</tr>
<tr>
<td>Taya Bait-Sabean</td>
<td>AGM – Interior Regions</td>
<td>Member</td>
</tr>
<tr>
<td>Saleh Al Habsi</td>
<td>DGM – Global Institutional &amp; Inv. Bkg</td>
<td>Member</td>
</tr>
<tr>
<td>Said Al Auf</td>
<td>GDGM – Human Resources</td>
<td>Member</td>
</tr>
<tr>
<td>Ahmed Al Ojaili</td>
<td>GDGM – Information Technology</td>
<td>Member</td>
</tr>
<tr>
<td>Intisar Al Araimi</td>
<td>Head of Policies &amp; PMS</td>
<td>Secretary</td>
</tr>
</tbody>
</table>
Bank Muscat’s stakeholders are those who are influenced by its operations, whether directly or indirectly, and whose actions can in turn have an effect on us. The Bank listens to stakeholders and holds their voices critical in the development of sustainable practices by gathering feedback and addressing their concerns through various channels, as mentioned below:

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Method of Engagement</th>
<th>Priority Sustainability Concerns</th>
<th>Bank Muscat’s Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>☐ Annual performance reviews</td>
<td>☐ Job satisfaction</td>
<td>☐ A state-of-the-art head office providing the best work conditions</td>
</tr>
<tr>
<td></td>
<td>☐ Regular dialogue and interaction with employees</td>
<td>☐ Fair compensation</td>
<td>☐ Online HR System</td>
</tr>
<tr>
<td></td>
<td>☐ Training and education programmes</td>
<td>☐ Fair and transparent appraisal system</td>
<td>☐ Staff engagement function within HR Department</td>
</tr>
<tr>
<td></td>
<td>☐ Grievance mechanism</td>
<td>☐ Staff engagement</td>
<td>☐ Learning and development strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>☐ Providing a stimulating work environment</td>
<td>☐ The Bank Muscat intranet, iShare, Work Place, team meetings, periodic one-to-one meetings</td>
</tr>
<tr>
<td>Customers</td>
<td>☐ Call Centre Feedback Management System (FMS)</td>
<td>☐ Information security</td>
<td>☐ Dedicated customer care unit within Customer Service Department (CSD)</td>
</tr>
<tr>
<td></td>
<td>☐ Company website</td>
<td>☐ Effective and friendly customer service</td>
<td>☐ Feedback/complaints monitored and reported to management committee for action</td>
</tr>
<tr>
<td></td>
<td>☐ Focus groups</td>
<td>☐ Innovative and convenient products and services</td>
<td>☐ Mystery shopper programme</td>
</tr>
<tr>
<td></td>
<td>☐ Customer networking events for specific customer segments</td>
<td>☐ Enhanced use of technology and improved access to banking services</td>
<td>☐ Bankmuscatcare whistleblower</td>
</tr>
<tr>
<td></td>
<td>☐ Branches and access points including ATMs and CDMs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Media and social media channels</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Annual report and sustainability report</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Other bank publications, including investor presentations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government (Including Regulatory Bodies)</td>
<td>☐ Government Business Division</td>
<td>☐ Contribution to the national economy</td>
<td>☐ Maintain continuous communication and collaboration with government bodies through meaningful partnerships</td>
</tr>
<tr>
<td></td>
<td>☐ Investment in the national economy</td>
<td>☐ Alignment to Oman’s 2040 vision</td>
<td>☐ Continuous dialogue with ministries and other government bodies on sustainability, economics and social development issues</td>
</tr>
<tr>
<td></td>
<td>☐ Supporting initiatives of national importance</td>
<td>☐ Regulatory compliance and transparency</td>
<td>☐ CSR initiatives</td>
</tr>
</tbody>
</table>

3.2. Stakeholder Engagement

(102-40), (102-42), (102-43), (102-44)
<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Method of Engagement</th>
<th>Priority Sustainability Concerns</th>
<th>Bank Muscat’s Actions</th>
</tr>
</thead>
</table>
| Correspondent/ Other Banks/ International Entities      | • Financial Institutions Group (FIG)  
  • Company website and other publications  
  • Roadshows and presentations           | • Normal business transactions  
  • Enhance lines of credit and growth business | • Dedicated department to engage with stakeholders  
  • Annual Report  
  • Following a relationship-based approach  
  • ISO 9001:2015                                                                            |
| Shareholders/ Investors                                 | • Investor Relations Department  
  • Shareholder meetings  
  • Roadshows and presentations  
  • Company website and other publications | • Creating added value services and products for shareholders and investors  
  • Steady net income and asset growth       | • Annual General Meeting of shareholders  
  • Extraordinary meeting of shareholders (when required)  
  • Board of Directors meetings  
  • Annual Report  
  • Periodic investor meetings and presentations  
  • Investor Relations page on company website  
  • Investor roadshows and presentations                                                                 |
| Local Community/ Non-profit and Other Charitable Organisations | • The Bank’s dedicated sponsorship function  
  • The Bank’s dedicated CSR and Sustainability Department  
  • Open dialogue with non-profits and other entities  
  • Media, social media and other publications | • Responsibility towards all-round development of society  
  • Working closely with social and voluntary associations and non-government establishments | • CSR programmes e.g. Green Sports, Little Investors, etc.  
  • Press releases, social media updates and interviews  
  • Sustainability reporting                                                                      |
| Local, Regional & International Media                   | • Media, social media and other publications  
  • Press conferences  
  • Media networking events                  | • Clear and effective communication  
  • Transparency                              | • Regular press conferences open to all media outlets at the head office  
  • Daily updates across all external communication channels  
  • Annual report and sustainability report                                                                 |
3.3. Materiality Assessment

In 2020, the bank conducted a materiality analysis to identify material ESG topics and their importance to different stakeholders. The materiality analysis is created on the basis of the aggregate sensitivity and importance that a particular topic has, as indicated by key stakeholders. In turn, identification of these topics guides the processes for devising and implementing specific action plans that address material ESG aspects.

The materiality analysis aims to highlight the most relevant ESG topics, pinpointing how they affect the Bank and all stakeholders, and how the Bank can create a significant impact while addressing these topics. Although the pandemic has hindered means of thorough engagement, the Bank has adapted its methods to best suit the requirements of safety, while not compromising on the quantity and quality of stakeholder opinions.

This year, Bank Muscat followed a two-step approach for Materiality Analysis:

- Secondary research into the banking and financial sector, and a comprehensive benchmarking exercise to gather material topics. The Bank also paid special attention to topics relevant to the conditions of the pandemic, such as risk management, sustainable lending and supporting SMEs.

- Engagement with stakeholders and top management through computer surveys designed to derive insights into their opinions regarding which topics they think are relevant to Bank Muscat.

The following matrix shows the material topics and their importance to Bank Muscat as identified by respondents:
3.4. Alignment to National and International Agendas

Bank Muscat is aligned with several standards and goals, both nationally and internationally, in order to promote sustainability in its business operations.

United Nations Sustainable Development Goals

Bank Muscat understands the important role financial institutions play in enabling the achievement of the SDGs globally and locally. In recent years, Bank Muscat has been taking a strategic approach to identify the SDGs most relevant to the development of the Sultanate and integrate them in its community development framework. The following table outlines the Bank’s alignment and contribution to specific SDGs.

<table>
<thead>
<tr>
<th>UN SDGs</th>
<th>Target</th>
<th>How Bank Muscat Aligns</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4: Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services.</td>
<td>- Tadhamun programme provides basic home electronic appliances to families under social welfare, to improve their quality of life.</td>
<td></td>
</tr>
</tbody>
</table>
| 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. | - Provides Health insurance for all employees.  
- Developed several initiatives focused on the mental health and well-being of employees, such as Yoga Day.  
- Implemented a green sports programme for the youth and community through which the Bank sponsors green sports fields, and supports sports teams.  
- Contributed to the Ministry of Health towards the cause of COVID-19.  
- Provided free COVID-19 vaccines to employees and their spouses/dependents.  
- Staff wellness programs and communications |
UN SDGs Target How Bank Muscat Aligns

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

- Jesr Al Mustaqbal programme provides educational scholarships to youth under social welfare.
- Maliyat programme develops financial literacy.
- Little Investors programme skills children in financial literacy and entrepreneurship.
- Jadara Academy programs for staff.
- ACCA program to equip youth with specialised certifications.

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

- Workforce made up of nearly half (49%) female employees.
- Female employees are entitled to a total of 50 days maternity leave with full pay, pre/post delivery.
- Women in middle management and Executive management.

5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

- Workforce made up of nearly half (49%) female employees.
- Female employees are entitled to a total of 50 days maternity leave with full pay, pre/post delivery.
- Women in middle management and Executive management.

7.b. Expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries.

- Green Finance Loan is provided to install solar panels on homes.
- Head Office green building.
- Meethaq Solar Branch.

8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

- Support for SMEs with Najahi Account and Najahi Talks.
- Upskill SMEs through Irshad, the financial literacy programme, and through Al Wathbah Academy.
- Invested in a tourism programme which aims to develop the old Misfat village.
- AXA Insurance for High-Quality SME Insurance.

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

- ATM for blind and visually-impaired people.
- 11 employees with disabilities were part of Bank Muscat's workforce in 2021.
- Tadhamun programme provides families on social welfare with basic home electronic appliances.
- Provided wheelchairs and Hearing Aid Devices to people with special needs.
- Products and services for lower-income populations and women to empower them, such as, a lower minimum salary requirement for service eligibility for lower-income people, and the Zeinah suite of products for women.
<table>
<thead>
<tr>
<th>UN SDGs</th>
<th>Target</th>
<th>How Bank Muscat Aligns</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.3</td>
<td>Promote the rule of law at national and international levels and ensure equal access to justice for all. 16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime.</td>
<td>Strong anti-money laundering policies and policies that protect Bank Muscat from terrorist financing scams and risks. Provided financial contributions towards relieving 250 cases of imprisoned insolvents or insolvents</td>
</tr>
<tr>
<td>17.17</td>
<td>Encourage and promote effective public, public-private and civil society partnerships, building on the experience, resources and strategies of partnerships.</td>
<td>Bank Muscat has partnered with a number of organisations in order to reach economic, social and environmental goals, as follows: Ministry of Heritage and Tourism, The Environment Authority, Ministry of Education, Ministry of Social Development, Royal Oman Police, Ministry of Transport, Communications and Information Technology (Former ITA), Ministry of Higher Education, Research and Innovation, Muscat Municipality</td>
</tr>
</tbody>
</table>

**Oman Vision 2040**

“Developing the future vision (Oman 2040) with mastery and high precision in light of broad societal consensus and with the participation of all segments of society. The vision should be relevant to the socio-economic context and objectively foresee the future, to be recognised as a guide and key reference for planning activities in the next two decades.”

Royal Directive

The Oman Vision 2040 focuses on achieving economic growth, diversification of economy, innovation and strong connected communities. As a forefront runner, Bank Muscat, takes the lead in tackling and contributing to the achievement of the Sultanate’s vision through different means such as financial products and services, community programmes, philanthropy, and strategic partnerships with governmental institutions.
Oman Vision 2040
How Bank Muscat Aligns

People and Society

Enhancing Family and Community
Health and Well-being

Several of the Bank’s CSR programmes are geared towards supporting the holistic experience and enjoyment of community life, such as:

- Public Park Creation
- Collaboration with Oman Down’s Syndrome Association
- Collaboration with the Omani Association of the Disabled
- Collaboration with the Omani Association of Hearing Impaired
- Tadhamun
- Green Sports
- Support programmes aimed at individuals and families under welfare
- Several donations to visually-impaired and disabled children
- Support the Sultanate in combating nationwide crises such as the COVID pandemic and Cyclone Shaheen

People and Society
Upholding the Omani Identity and Heritage

Investment in the Misfat tourism programme has helped renovate the old Misfat village, while preserving its cultural heritage.

People and Society
Developing the National Technical and Entrepreneurial Capabilities

Learning and development programmes are not just restricted to employees, the following programmes are open to the whole community:

- Jesr Al Mustaqbal
- Maliyat
- Little Investor
- Irshad
- Al Wathbah Academy
- Najahi Talks

Economy and Development
Creating Wealth through Economic Diversification and Private Sector Partnership

The Bank creates wealth through:

- Financial performance
- Economic value generated and distributed
- Offering diversified loans
- Financial Inclusion for Youth & people with special needs
- Financial products and services designed to enable and empower the growth of SMEs

Economy and Development
Preserving Environmental Sustainability

The Bank supports communal care and restoration of the environment through:

- Green Products
- Green Park

Governance and Institutional
Improving Governance Effectiveness and the Rule of Law

The Bank’s serious commitment to governance and compliance is highlighted in the annual report.


Sustainability Report 2021
Supporting the development and growth of small and medium enterprises, in particular local ones, is of crucial importance to Oman’s economic diversification and sustainability. Thereby, the Sultanate of Oman has taken a number of steps to elevate their growth and expansion, including through strategic lending and investing.

In addition to its products and services directed at facilitating the growth of SME, Bank Muscat expands its impact to incorporate its supply chain. To ensure that responsible practices, high ethics, and transparency standards are maintained, the Bank requires its suppliers to fully integrate environmental considerations in their operations and continuously monitor and improve, so that they mitigate their environmental impact. Suppliers are required to meet the following criteria.

### 01
Comply with all relevant local, national and international environmental laws, obtain and maintain all the necessary environmental permits, approvals and registrations.

### 02
Develop and implement effective environmental management systems that support identifying risks; monitoring performance; and driving continuous improvement.

### 03
Promote environmentally friendly technologies in their own operations and supply chain.

### 04
Commit to proactively undertake initiatives to protect the environment from harm and degradation in relation to their operations.

### 05
Commit to reducing carbon footprint in a timely, but realistically achievable manner.

Furthermore, the Bank has incorporated In Country Value into its strategy, which refers to the total spend in-country that can benefit the local economic development. In 2021, over 70% of the bank’s suppliers are identified as local suppliers.
Securing the future with strong practices

Governance, Compliance & Risks
04. Responsible Governance

4.1. Risk Management & Business Continuity

Business Continuity Management (BCM) is essential for every organisation to ensure its readiness and resilience when faced with internal or external disruptions. In particular, for the constantly changing banking industry, business continuity management is crucial as it helps reduce risks of financial loss and ensure that customers and financial market participants continue to be served and therefore the bank’s sustainability.

Our Business Continuity Management Model

Bank Muscat recognises the emerging environmental, social, and governance risks globally and locally. The Bank implements a holistic and robust BCM where all relevant factors are considered, and contingency measures are in place to minimise any impact on its operations. Factors considered are, for example, compliance with government mandates, environmental factors such as cyclones or extreme winds, and social crises like lockdowns.

COVID-19 Pandemic Actions

During this pandemic, the entire BCM framework was put to test. The Bank successfully continued to operate during pandemic ensuring operations by utilising its recovery locations in order to maintain social distancing norms as well as to place its critical functions in multiple locations to avoid cross contamination. A COVID-19 working group was formed to handle all incidents caused by the pandemic and ensure the Bank continues to service its customer’s smoothly.

The Bank ensures the sound implementation of BCM through different plans and procedures, of which few are highlighted below

- Three recovery locations were established to ensure operations continuity in case the HQ is not accessible.
- BCM framework, recovery strategy, and Business continuity plan which is the fundamental of any recovery and continuity function.
- Crisis Management Committee to take a call as to when the bank can invoke the BCM and activate our recovery sites.
- All staff are mandated to complete their BCM mandatory training on annual basis as part of their KPI.
- Each department has its own BC Plan which identifies its location at the recovery site and resumption procedures for that specific department including its staff details, and department related software.
- Business Continuity test and disaster recovery test on an annual basis to confirm our preparedness for any crisis and affirm that we are meeting our set recovery and resumption strategy.
Risk Management

As a result of the rising economic, social, and environmental issues, due to political conflicts and climate change, we are faced with new emerging risks that are changing the current risk profile. The bank recognises the upcoming changes and impacts that might occur if we are not able to adapt since the early stages.

To ensure resilience and readiness to face any disruptions, Bank Muscat includes a diverse spectrum of risk types in its management system, executes robust and customised processes following best practices and ultramodern technologies. This approach is strengthened through our Risk Governance Structure and three lines of defence model presented below.

Bank Muscat Risk Governance Structure
To further ensure effective risk management the Bank is guided by a Risk Policy, which provides the framework to identify, assess, monitor, and report operational risks in a consistent and comprehensive manner across the Bank. The main risks monitored by the Bank include Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Reputational Risk, Financial Crime Risk, People Risk, Compliance Risk, Environmental and Social Risk, Financial Reporting Risk, and Technology Risk.

To learn more about Bank Muscat’s Business Continuity and Risk Management, please refer to the annual report on the Bank’s website www.bankmuscat.com

4.2. Governance

Bank Muscat believes that good governance facilitates effective management and control of the business, enables it to maintain high levels of business ethics and optimise the value for all its stakeholders. The bank continues to strive for excellence in business operations through transparency, and accountability to all stakeholders where it conducts affairs with customers, regulators, employees, investors, vendors, the government, and society at large in an open and transparent manner.

Bank Muscat was awarded the Corporate Governance Excellence Award in the Financial Sector by CMA and several accolades from Hawkamah Institute for Corporate Governance.
Board of Directors

The Board of Directors is constructed of nine members, elected in 2019 to serve a three-year term, and is responsible for overseeing how management serves the long-term interests of shareholders and other key stakeholders. The Members of the Board meet regularly to discuss business performance, provide effective leadership and insights regarding business and functional matters.

The Bank’s Board of Directors’ principal responsibilities include, but are not limited to, the following:

- Approval of commercial and financial policies and the budget, to achieve its objectives and preserve and enhance the interest of its shareholders and other stakeholders.
- Policy formulation, supervision of major initiatives, overseeing policy implementation, ensuring compliance with laws and regulations, nurturing proper and ethical behaviour, transparency, and integrity in stakeholders’ reporting.
- Preparation, review and updating of the plans necessary for the accomplishment of the Bank’s aims and the performance of its activities, considering the objectives for which it was incorporated.
- Supervision of the performance of the Executive Management, and ensuring that work is properly attended to, achieve the Bank’s aims, in the light of the objectives for which it was incorporated.

Nomination and Election Process

The Board reviews, in collaboration with the Nomination and Compensation Committee, the skills directors to ensure they meet the “fit and proper” criteria set by the Capital Market Authority (CMA) and the Central Bank of Oman (CBO). Directors must be approved by the CMA and CBO before they are confirmed as members of the Board.

The Board of Directors is elected by the shareholders of the Bank at an Annual/Ordinary General Meeting to serve a three-year term. Shareholders retain the power to elect any candidate to the Board irrespective of whether the candidate is recommended by the Board or not. The Board reports to the shareholders at the Annual General Meeting (AGM) or specially convened general meetings of the shareholders.
**Board Members Independence**

The Bank believes that the independence of its Board Members is imperative to mitigate conflicts of interest, foster independent decision-making and ensure that the best interest of shareholders is a core focus for the Board Members. No executives of the Bank are members of the Board. Six members of the Board are independent in terms of the parameters prescribed by the Code of Corporate Governance for Muscat Stock Exchange listed companies and its amendments. Further, the roles of the Chairman of the Board of Directors (the Board) and Chief Executive Officer (CEO) are separated with a clear division of responsibilities at the head of the Bank between the running of the Board and the Executive Management responsibility for running Bank Muscat’s business.

**Our Committees**

Our committees represent the backbone of our governance, they ensure that transparent and robust governance is executed across functions of the bank and that everything we do serves our vision, purpose, and is in line with our values.

We highlight below a few of the Bank’s committees and their responsibilities

**Board Risk Committee**
- Review risk appetite framework and recommend the same for Board approval.
- Ensures that the Bank maintains a portfolio of high-quality assets.
- Oversees risk policy implementation.
- Monitor Bank’s capital, liquidity, profitability, and quality of assets.
- Fosters transparency and integrity in stakeholder reporting;

**Board Audit Committee**
- Assist the Board of Directors in fulfilling its responsibilities of monitoring/overseeing the financial reporting process, the adequacy and effectiveness of the systems of internal control, the effectiveness of the audit process and the Bank’s process of complying with the relevant laws and regulations.
- The Audit Committee reviews on a biannual basis the Audit Committee Charter, Management Control Policy, and Internal Audit.

**Board Nomination And Compensation Committee**
- Leading the process for Board and Management appointments, through the identification and nomination of relevant candidates for Board approval.
- Setting the principles, parameters and governance framework of the Bank’s Performance and Rewards Policy. In 2021, this involved:
  - Succession and Development Plan;
  - An approval of performance-based reward distribution criteria for Management Team Members.

Setting new benchmarks to exceed expectations

Customer Experience
05. Value for our Customers

Bank Muscat is committed to delivering exceptional experiences and financial services to its customers. In a competitive environment, where customers have a wide range of options to get banking services, we aim to continue being the first bank of choice. At Bank Muscat, we offer unique avenues to our customers to engage with us, to share feedback that influences our decision-making for inclusive benefits to our community and to keep building customer service mechanisms.

5.1. Customer Satisfaction & Engagement

At Bank Muscat, our customers are an invaluable resource for our growth and an important area of impact for a resilient community. In 2021, our main area of focus was to understand the key concerns of customers and identify solutions to them. For this reason, the bank has added multiple leading questions for promoters, detractors, and passive customers.

Customer Complaints

Currently, Bank Muscat captures customer complaints through call centres, emails, and walk-in customers. We are soon going to automate our mobile and internet banking services with this feature, with a seamless process of complaints registration, assigning the respective department from a predefined list based on the nature of the business.

We received 127,735 complaints in 2021, and we consider it as a positive outcome of our efforts in expanding the engagement channels to hear the feedback of every customer. The complaints resolution was 100% with no pending cases and Zero complaints escalated to the top management. We are dedicated to making more robust decisions to enhance the customer experience.

The Bank achieved a 100% of complaints resolution rate with zero cases pending or escalated to top management
In our efforts to maximise satisfaction for our customers, we strive to engage with them in every possible way through offline and online platforms. We have integrated NPS questions in all our products, channels and visit surveys with an aim to measure the experience and capture feedback, which not adds to our NPS score but more importantly, provides us with areas of improvement.

Net Promoter Score

Our ongoing efforts enable us to deliver strategic and smooth customer experience initiatives towards these key areas,

- Designing Products & Services, which are relevant, beneficial and user-friendly.
- Marketing Products & Services so that customers are aware of their options and how to avail them.
- Selling Products & Services in a strategic and profitable manner.
- Delivering Products & Services that are of good quality and are reliable and trustworthy.
- Managing Customer Services efficiently to ensure that customers do not face challenges with products.
Customer Management

The bank has designed an array of systems and policies to prioritise customer relations, experience, and satisfaction.

**Feedback Monitoring**
Internal monitoring of all departments is based on two factors that directly affect customer experience.

**Closing the Loop**
Closing The Loop policy is to change the experience of all dissatisfied customers to satisfied by contacting the customer, understanding the reasons for dissatisfaction, and working on enhancing their experience.

**Severity Analysis**
To serve customers better, the bank has aggregated complaints through all channels, the complaints are classified into High-Medium-Low from the customer’s perspective and internal actions on processes are worked on to enhance customer experience.

**Survey Standardisation**
As part of this policy, the bank conducts regular meetings with all stakeholders to review and enhance customer scores such as Net Promoter Score (NPS), Customer Satisfaction Score (CSAT) and Customer Effort Score (CES).

**Complaint Handling**
Complaints handling policy has been set to describe the process of how to handle the complaint from the registration to the resolution stages. The policy mentions all reports that the bank is currently sending to internal stakeholders to ensure resolution within SLA.

**Focus Groups**
This was created to capture customer’s pain points in a direct interaction with the customer. Focus groups target multiple customer segments and meet with them on a specific topic to get their feedback in every touchpoint that they face.
Minimum Customers Rights
(103-1), (103-2), (103-3)

For Bank Muscat, the protection of customer rights is a crucial part of our business. Our Customer Rights Pillars enshrine the basic yet crucial responsibilities of the bank towards the valued customers.

- **To Choose**: To give customers the right to choose any products or services that best suit their needs and the right to accept or reject them.
- **To Transparency**: To inform customers about the terms and conditions related to financial products or services in a transparent and clear manner.
- **To Be Respected**: To treat customer with respect irrespective of their gender, social status, religious or cultural background.
- **To Be Listened To**: To listen to customers when providing their feedback concerning any banking service through designated service channels.
- **To Confidentiality**: Maintain total confidentiality concerning a customer’s account information and interactions with the Bank, in line with local laws and regulations.
Customer Journey Simplification

Customer journey encapsulates the interaction of a customer with a company for a product or service and the entire process involved in it. Bank Muscat uses customer feedback to identify which product or service needs to be simplified.

To create a clear visualisation, the Bank uses a tool called Uxpressia to develop the Customer Journey Maps (CJM). This journey map represents the life cycle of customer engagement, starting from the first interaction they make for a product or a service to the final stage of purchase. The Bank conducts a series of interviews with the concerned stakeholders from both frontline and back-office employees and arrange for further validation with a multi-departmental team to get the most accurate and relevant information. Once a detailed journey is mapped and validated internally with the concerned stakeholders and externally with the customers, a preventive process to identify the most common pain points and possible methods or initiatives for improvements is executed.

The objectives of using CJM are:

- How our customers are interacting with the brand?
- What are the stakeholders or channels involved in delivering a certain interaction?
- When and where are they interacting?
- What sort of pain and gains they are experiencing?
In 2021, the key activities and achievements of the Customer Journey Simplification process involved the following projects:

<table>
<thead>
<tr>
<th>Project Name - Product Type</th>
<th>Pain Points</th>
<th>Pre-Implementation</th>
<th>Post-Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linkage of minor accounts to guardian - Account Opening</td>
<td>Customer Complaints</td>
<td>38 complaints related to minor account</td>
<td>Complaints reduced to 26, related to minor account</td>
</tr>
<tr>
<td>Swift GPI for end-to-end tracking &amp; transparency - Remittance</td>
<td>Status update/ Follow up request/ Amount not received</td>
<td>The CSAT (satisfaction score) status update was 3.7</td>
<td>The CSAT status update improved and reached 3.9</td>
</tr>
<tr>
<td>Enhance the amount field while paying bills - Marketing</td>
<td>Customer Complaints</td>
<td>329 complaints</td>
<td>Complaints significantly reduced to 4</td>
</tr>
<tr>
<td>Adding the cheque number CDM/FFM slip - CDM/FFM</td>
<td>Customer Complaints</td>
<td>639 complaints</td>
<td>Complaints significantly reduced to 6</td>
</tr>
<tr>
<td>Enabling customers to request for NOC through email channel, applicable for international customers only - NOC</td>
<td>Customer Complaints</td>
<td>2 to 4 email requests per week</td>
<td>Received 11 requests</td>
</tr>
</tbody>
</table>

**Knowledge Management Platform**

In 2021, the number of complaints related to staff knowledge was reduced. The Bank achieved an NPS% of 36 and overall CSAT of 4.
Customer Engagement on Social Media

The bank engages & listens to customers across various social media platforms, available 7 days a week from 8 AM to 10 PM, the bank provides customers with responses to their inquiries, listens to their feedback, posts awareness videos & content. This service provides customers with easy access to customer service agents at the touch of their fingers which results in a positive experience of convenience & immediate support.

5.2. Empowering Customers Through Financial Inclusion

Bank Muscat has been an advocate for financial inclusion and with the initiatives in place, we are proud to be making a significant impact in the Omani community. Our Bank, focused on keeping sustainability in the centre of all our business and operations, have taken prominent actions to empower our customers and community at large with financial literacy and financial planning.

Supporting SMEs and MSMEs

Bank Muscat has been continuously supporting the Micro, Small and Medium-sized Enterprises (MSME) sector through different initiatives and programmes that view these businesses as a primary pillar of Oman’s plans for economic diversification in alignment with the Oman 2040 Vision.
Supporting Youth

The development of the Sultanate’s educational eco-system is facilitating higher levels of human development so as to foster Oman’s economic competitiveness and social well-being. As part of our commitment to youth empowerment and facilitating the growth of a knowledge-based economy, Bank Muscat’s Shahadati Finance has been fulfilling the ambitions of many aspiring students seeking college or higher education opportunities and certifications in Oman and abroad.

The Shahadati Higher Education Finance offers up to RO 75,000 for a maximum tenure of 7 years at excellent rates and convenient repayment norms. Bank Muscat also offers Shahadati Fees Finance, which is a short-term financing solution designed to meet private school fees, summer courses, and professional certificates. It is available to Omani nationals at highly competitive rates and offers a maximum amount of RO 10,000 up to a period of one year.

Supporting Women - Zeinah Suite

Bank Muscat rewarded 25 Zeinah customers with RO 1,000 each at a special Omani Women’s Day draw at the Grand Ballroom of the Oman Convention and Exhibition Centre in Muscat in 2021. Held in line with the bank’s commitment to appreciating the role of Omani women in the progress and development of the Sultanate and to encourage a savings culture, the draw gave away a total of RO 25,000 to Zeinah customers. All Zeinah customers who maintained an average monthly balance of RO 1000 were entered into the special draw to reward their good savings habit. Zeinah also holds a monthly draw that rewards 10 women customers with RO 1000 each every month as part of the Al Mazyona 2021 prize draw scheme. Customers who maintain a minimum balance of RO 100 will be automatically entered into the monthly Zeinah draw.
Supporting Retirees - Woqar

Launched in 2020 in line with its crucial role in the financial services sector in Oman and its pioneering achievements in social responsibility, Bank Muscat became the first bank in Oman to extend a financing solution for pensioners in the country. Flexible-term loans starting at 3.75% and with tenors ranging from 1 to 10 years are a key part of the Woqar banking package. Loan facilities are available for pensioners up to 70 years of age. The bank has been encouraged by the large number of queries and applications that have come from across the Sultanate after the launch of this new product. By addressing the financial inclusivity needs of this customer segment, Bank Muscat hopes to further improve living standards for all segments of society. The Woqar package and other measures to support pensioners including moratoriums on repayments and restructuring of loans is part of the bank’s strategy to further improve financial inclusion in the country.

Inclusive Banking Services

In alignment with national directions and the Central Bank of Oman’s Financial Inclusion Mandate, Bank Muscat has been increasing its continuous efforts to provide accessible and inclusive quality banking services for customers with special needs. Most of the Bank’s ATMs are fitted with a ramp making them accessible for customers with physical disabilities. Recently the Bank introduced a special ATM for blind and visually-impaired people. The machine is equipped with a Braille keypad in Arabic and English and provides voice-based instructions in both English and Arabic through a loudspeaker, handset or headset connection. These instructions follow a reduced transaction option menu, enabling the ATM user to remember the menu options when they are spoken.

Furthermore, to ensure that employees are equipped with the needed skills to cater to customers with special needs, Bank Muscat trains branch employees to learn sign language and serve customers with hearing impairment. Since the launch of this training initiative, 73 employees have been trained for this service specifically.
5.3. Privacy & Security

Privacy and Security are critical requirements for banking institutions to earn and maintain the trust of customers. Bank Muscat is committed to keeping the personal and financial information of customers protected and secure through responsible information collection and processing.

The Bank recorded **ZERO** data breaches and non-compliance incidents in 2021.

Customer Privacy Policy

Bank Muscat follows stringent standards to safeguard the security and confidentiality of the customers’ information. The Bank also develops awareness among employees on safe and reliable account management, and ensures that customers are well-informed on what to do if they encounter any issues that need to be addressed immediately by the bank.
Cyber Security

Due to the nature of the banking and financial services sector, it is critical for the Bank to have strict cyber security processes in place to monitor cyberspace activity on a regular basis.

Bank Muscat believes in proactively identifying emerging risks, controlling gaps, and mitigating them. The Bank’s information and cyber security team invests in maintaining and updating the software and hardware systems and implements procedural systems to create a wall against potential cyber risks and malpractice. Furthermore, Bank Muscat is in full compliance with regulatory requirements, industry-leading practices such as ISO 27001, NIST, and CSF which are used to continuously enhance the Bank’s cyber security posture.

**At Bank Muscat, our cyber security risk management emphasises on the following focus areas:**

- Information security governance through security policies, procedures, guidelines and standards
- Implementing a robust security defence network, as well as maintaining strong internal controls to enforce “need-to-know” principles.
- Information security monitoring using the latest solutions and tools - monitoring includes real-time as well as at fixed frequency monitoring.
- Cyber security incident response plans in order to implement effective management of cyber security incidents.
- Information security reviews comprising of new and existing technologies, solutions, networks and also the various process/operations within each and every department of the Bank.
Cyber Fraud Awareness

In recognition of its prominent role in anti-fraud awareness, the General Secretariat of the Council of Arab Interior Ministers announced on the sidelines of the 44th Conference of Arab Police and Security Leaders 2021 that the Sultanate represented by Royal Oman Police has won the Award for the Best Awareness Film in Combating Cybercrimes. Bank Muscat reiterated its commitment to continue to be a proud partner in this awareness campaign, which has been running since its launch in 2019. Bank Muscat has been collaborating regularly with a number of institutions and authorities to enhance public awareness about electronic fraud.
5.4. Technology & Innovation

The use of technology and constant deployment of modern innovations have been crucial to the development of digital banking services. Bank Muscat’s mobile and online banking and e-wallets have streamlined its customers with easy and quick account opening and money transactions. The Bank is also actively promoting its new services and any updates added to existing services on social media channels and even communication platforms such as WhatsApp to create awareness among its existing and potential customers.

BM Wallet & the mBanking App

Bank Muscat’s upgraded BM Wallet and mBanking apps allow the customers to safely transfer money to or request funds from others using the Mobile Payments System of the Central Bank of Oman. Funds can be transferred instantaneously using the following modes. Funds can be transferred instantly, 24/7 and at zero cost to any bank’s registered MPS customer without the need to enter the beneficiary’s long account number. Both the sender and recipient should be registered on the Mobile Payments System (MPS). Bank Muscat customers have the facility to register on the MPS via both its BM Wallet and the mBanking app.

Just Tap Cards

Bank Muscat’s “Just Tap” debit, credit, and prepaid cards as well as the contactless wearables have become very popular as they allow customers to complete their low-value point-of-sale (POS) transactions at groceries and supermarkets with a simple tap of the POS terminal, without the need to enter their personal identification number (PIN) for transactions up to RO 40. Customers can conduct multiple transactions totalling up to RO 60 or up to 10 transactions every day using the ‘Just Tap’ feature of their card or their Shababi wearable band.
Growing the future by empowering lives

Strong communities
At Bank Muscat, communities are our valued stakeholders, and we are proactively involved to support them through best possible initiatives. We have a robust CSR and Sustainability Strategy that prioritises long-term benefits across our Social Investment Pillars, namely Youth and Sports, Education, Social Welfare, Environment and Economy. This systematic approach is in-line with the vision of our government to empower our community and strengthen the Omani economy, which further translates to global targets for an inclusive and sustainable world. At Bank Muscat, we also map our progress by conducting Social Impact Assessments of our initiatives.

6.1. Financial Literacy

The constantly changing and fragile economic environment, further emphasised recently by the pandemic, demands that people have the necessary financial knowledge and tools to make the right decisions. Bank Muscat believes that customised financial literacy programmes help customers make better financial decisions. Consequently, well-informed customers benefit the bank by paying on time, being less likely to default or go into bankruptcy, and being better able to meet their financial commitments for loans and mortgages.

Bank Muscat provides programmes customised to individuals from different segments, and for SMEs, highlighted below.

**Maliyat Programme**

Maliyat, the complementary online financial literacy programme, aims to provide general knowledge to help individuals gain essential skills needed to manage their finances according to their age group. The programme focuses on financial awareness and successful financial planning.

**2021 Impact:** 31,017 beneficiaries

**Irshad Programme**

Irshad Financial Coaching Clinic is considered one of the sustainable programmes launched by Bank Muscat, which aims to provide financial coaching and guidance to SMEs, startup companies, entrepreneurs, and individuals. The programme aims to provide free financial consultation introduced by a group of qualified coaches in this field on how to benefit from the income generated from business/private projects. Additionally, Irshad programme provides coaching in areas such as managing financial debt, budgeting, importance of saving, challenges for SMEs and how to raise capital.

**2021 Impact:** 129 beneficiaries
6.2. Youth & Sports

Green Sports Programme

In the tenth year of its launch, the Green Sports Programme has proven to be a thoroughly successful model for serving the local community. The programme enhances the role local teams play by developing modern sports infrastructure across the Sultanate, which also complements government efforts to build a sporting nation. Making significant contributions to sustainable development, the unique Green-Sports initiative aims at promoting Oman as a sporting nation by greening and developing football fields. The programme increased its support in 2021 to a total of 20 new teams instead of 15 teams annually, expanding its impact to reach 60,000 beneficiaries.

<table>
<thead>
<tr>
<th>Impacts</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Applicants</td>
<td>77</td>
<td>102</td>
</tr>
<tr>
<td>Number of Teams Supported</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Total Number of Beneficiaries Since the Launch of the Programme</td>
<td>36,900</td>
<td>42,900</td>
</tr>
</tbody>
</table>
Chartered Accountant Certifications

In collaboration with the Petroleum Development Oman (PDO), the bank provided scholarships for 50 Bachelor’s degree holders to complete the “Chartered Certified Accountant”, an internationally recognised accountancy certificate provided by the Association of Chartered Accountants (ACCA). In 2021, the first 3 students completed their certification and graduated successfully.

Jesr Al Mustaqbal

Bank Muscat believes that access to quality education is a basic right that should be ensured for all, especially individuals with underprivileged backgrounds. In collaboration with the Ministry of Higher Education, Research and Innovation, Bank Muscat set forward an initiative targeting Omani youth who fall under the social welfare umbrella, Jesr Al Mustaqbal, to support them and improve their chances of upward social mobility through educational scholarships. Over 58 students benefitted from the programme so far.

6.3. Social Welfare

<table>
<thead>
<tr>
<th>Programme</th>
<th>Tadhamun</th>
<th>Fak Kurba</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Tadhamun programme is a fine example of the public-private partnership launched by the bank in association with the Ministry of Social Development to support social welfare and low-income families. Aimed at reaching out to social welfare families across the Sultanate and supporting them with essential household appliances, the programme focuses on distributing basic electronic home appliances such as air-conditioners,</td>
<td>Due to the humanitarian dimension behind this initiative, in 2021 and partnership with the Omani Lawyers Association, Bank Muscat continued for the fourth year the financial contributions to release 250 cases of citizens who were serving a prison term or those who have arrest warrants issued against them due to claims in civil, commercial, legitimate, and labour cases.</td>
</tr>
<tr>
<td>2021 Impact</td>
<td>150 family benefited</td>
<td>250 beneficiaries</td>
</tr>
</tbody>
</table>

| 2021 Impact | 1,240 students benefited | 
Bank Muscat Hearts

CSR plays an integral role in Bank Muscat's culture. Bank Muscat Hearts (BM Hearts) is a staff volunteer group committed to channeling their passion and goodwill into charity initiatives and activities.

Staff Voluntary activities

- **Board Games - (local youth support)**
  - **Beneficiary**: Bahja Association for Orphans

- **Iftar Ramadhan**
  - **Beneficiary**: Social development Association Ibri

- **Eid Al Fitr Celebration**
  - **Beneficiary**: Muscat Charity Team

- **Eid Al Adha Celebration**
  - **Beneficiary**: Nidaa Al Khair & Omani Women Association

- **Boushar House - Sawa Nabni**
  - **Beneficiary**: A family consist of 7 members

- **Elderly medical beds & Wheelchair**
  - **Beneficiary**: Ihsan Association (Dakhliya Branch)

- **Book Donation**
  - **Beneficiary**: Al Masarra Hospital

- **Blood Donation**
  - **Beneficiary**: Sultan Qaboos University Hospital
Cyclone Shaheen

In 2021, the sultanate was hit by a strong cyclone (shaheen) it affected the Al Batinah region destroying the infrastructure. The bank contributed R.O 1 Million to the Omani Charitable Organisation to relieve the affected families.

COVID-19 Support

In 2021, amid the ongoing pandemic, Bank Muscat contributed an additional RO 1 million to the Ministry of Health to support the Ministry’s efforts against COVID-19. This contribution helped the Ministry provide more vaccine doses to people in Oman and was a part of the Bank’s plan and the strategy of enhancing its role in the field of community service and social responsibility. Total amounts contributed since the beginning of the Pandemic reached RO 2 Millions.

6.4. Environment

Green Products

In the environmental sector and in line with the Sultanate’s strategy to preserve the environment and to adapt to climate change, Bank Muscat launched its Green Finance product in association with the International Finance Corporation (IFC). The bank is thus targeting awareness around sustainable consumer practices and increasing energy savings. This product encourages customers to install solar panels on their rooftops and use solar energy for a large part of their household energy requirements.

Green Space

In partnership with Muscat Municipality, the Bank inaugurated Al Khoudh Public Park, in Al Seeb, which is currently the biggest public park in Al Khoud with a total area of more than 15,000 sq. feet. The community is benefitting from this joint initiative that keeps them closer to the natural environment, while providing them recreational facilities such as multi-sports court, kids playground, outdoor gym, etc. Additionally, it has been fostering a sense of belongingness and appreciation towards environmental stewardship.
6.5. Economy

**Al Wathbah Academy**

This initiative was launched by Bank Muscat in the year 2014 and due to its relevance and contribution to the Oman Vision 2040, the Bank expanded it to more locations across the entire Sultanate. The initiative aims at acknowledging and recognising the important role played by the SME sector in the development and diversification of Oman’s economy. Through the SME Academy, Bank Muscat has been training and upskilling the budding entrepreneurs with business knowledge and networking opportunities. Till end of 2021, 170 entrepreneurs have graduated from the SME Academy.

<table>
<thead>
<tr>
<th>Impacts</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Beneficiaries</td>
<td>17</td>
<td>34</td>
</tr>
</tbody>
</table>

**Investment in Tourism (Misfat Al Abriyeen)**

The prominence of the tourism sector in the sustainable economic future of the Sultanate, Bank Muscat, in partnership with the Ministry of Heritage and Tourism and Al Misfat Al Ahliya, completed the old Misfat village project in Misfat Al Abriyeen in Wilayat Al Hamra. Under this unique project of tourism, we transformed the old village entrance and visitor’s centre, and developed a restaurant and bakery and Harat Al Shuwa. Through this project, we have been promoting a tourism strategy that is centred around a sustainable development model benefiting the local communities with security and preservation of their cultural heritage.
Creating value through employee enrichment

Value for Employees
Bank Muscat believes that diversity yields innovation and empathy in the workplace, where employees come together to share and learn from their differences. The Bank focuses on fostering gender equality and inclusion of people with disabilities. We believe that everyone should be given equal opportunities and customised support to fulfil their potential regardless of their gender, creed, or background.

**Gender Equality**

Bank Muscat recognises the important role women play in our society and in the economic development of the Sultanate, therefore, we strive to create attractive work opportunities for women that empower their professional and personal lives. We are proud to have 49% of our workforce as female.

<table>
<thead>
<tr>
<th>Our People Gender Profile</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Full-Time Employees</td>
<td>3,745</td>
<td>3,779</td>
<td>3,850</td>
</tr>
<tr>
<td>Percentage of Female Employee</td>
<td>48%</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Percentage of Male Employees</td>
<td>52%</td>
<td>51%</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Newly Hired Gender Profile</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of New Hires</td>
<td>280</td>
<td>188</td>
<td>265</td>
</tr>
<tr>
<td>Percentage of Female New Hires</td>
<td>39%</td>
<td>44%</td>
<td>38%</td>
</tr>
<tr>
<td>Percentage of Male New Hires</td>
<td>61%</td>
<td>56%</td>
<td>62%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top Management Gender Profile</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of All Employees in top Management</td>
<td>37</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>Percentage of Female in Top Management</td>
<td>14%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Percentage of Male in Top Management</td>
<td>86%</td>
<td>88%</td>
<td>90%</td>
</tr>
</tbody>
</table>

**People with Disabilities**

In line with the vision of the Sultanate, Bank Muscat strives to create an inclusive and nurturing environment for people with disabilities where they can tap into their potential and carry out fulfilling lives.

<table>
<thead>
<tr>
<th>PwD Employees</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of PwD Employees</td>
<td>12</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Number of Female PwD Employees</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of Male PwD Employees</td>
<td>11</td>
<td>11</td>
<td>10</td>
</tr>
</tbody>
</table>
Omanisation

In line with government directions, Bank Muscat invests in developing Omani talents through several initiatives that are focused on attracting and developing key talent in the bank. The initiatives fall under Talent Management and Succession planning umbrellas such as High Potential Graduate Programme, Management Development Programmes, Professional Certifications. The Bank targets local talents by collaborating with universities, the Ministry of Manpower, and employment fairs. The Bank is proud to be the largest employer of local talents with 95% of its workforce being Omanis.

Bank Muscat has achieved **100%** Omanisation in branch operations, giving priority for Omanis to occupy all key positions

<table>
<thead>
<tr>
<th>Omani Employees</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of All Employees</td>
<td>3,745</td>
<td>3,779</td>
<td>3,850</td>
</tr>
<tr>
<td>Percentage of Omani Employees</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Percentage of Omani Employees in Top Management</td>
<td>76%</td>
<td>76%</td>
<td>77%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expat Employees Profile</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Nationalities Employed</td>
<td>37</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>Percentage of Expat Employees</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

7.2. Employee Engagement and Benefits

Pulse Engagement Survey

Pulse Engagement survey measures how our employees feel at Bank Muscat, how much their work is fulfilling and how invested they feel in Bank Muscat’s growth and progress. Their satisfaction is a direct indicator of the effectiveness of our people management processes, and the Bank leadership.

<table>
<thead>
<tr>
<th>Employee Satisfaction Score</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.09/5</td>
<td>4.05/5</td>
<td>4.16/5</td>
</tr>
</tbody>
</table>
Retention Rate

(103-1) (103-2) (103-3) (401-1)

Another metric used by the Bank to measure the effectiveness of its people processes and employees’ satisfaction is retention rate. Beyond employee satisfaction, ensuring high retention helps the Bank to optimise productivity, saves costs and efforts of hiring and training new employees.

<table>
<thead>
<tr>
<th>Turn-Over Rate per Gender</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turn-Over Rate for All Employees</td>
<td>5.74%</td>
<td>4.26%</td>
<td>3.87%</td>
</tr>
<tr>
<td>Turn-Over Rate for Male Employees</td>
<td>3.42%</td>
<td>2.78%</td>
<td>1.77%</td>
</tr>
<tr>
<td>Turn-Over Rate for Female Employees</td>
<td>2.32%</td>
<td>1.48%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Turn-Over Rate for Employees with 5-15 years of service</td>
<td>48%</td>
<td>53%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Benefits for Full-Time Employees

(401-2) (401-3)

A female employee is eligible to a 50 days maternity leave with full pay, pre/post delivery.

2 months of minimum notice period given to employees prior to big operations changes.

All active employees up to the age of 60 years may be covered by a group insurance scheme against loss of life/disability.

All Omani employees will be covered under the Social Security Scheme of Public Authority of Social Insurance (PAS) and will be governed by PASI laws.

End of Service Benefits are provided to all expat employees.
7.3. Learning and Development

Training Days Delivered

The employees are the driving engine of the Bank, hence, Bank Muscat invests in developing the needed skills and competencies that employees will need in the long term to be best prepared to respond to emerging trends and opportunities of the market. Furthermore, ensuring the continuous development of the employees helps improve innovation, career growth, and job satisfaction, consequently making the Bank an attractive employer for young talents.

<table>
<thead>
<tr>
<th>Training Days</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Days for All Employees</td>
<td>5.98</td>
<td>5.82</td>
<td>9.59</td>
</tr>
<tr>
<td>Training Days for Male Employees</td>
<td>5</td>
<td>5.6</td>
<td>9.44</td>
</tr>
<tr>
<td>Training Days for Female Employees</td>
<td>7</td>
<td>6</td>
<td>9.75</td>
</tr>
</tbody>
</table>

Jadara Learning Center

Aimed at talent development, Bank Muscat gives high priority to boost the skills of its employees. To provide fulfilling and effective learning and development experiences, the Bank created the Jada Academy, Oman’s leading learning and development academy and a case of best practice for other organisations.

Jadara Academy offers multi-level leadership and functional banking development programmes while partnering with the best-in-class business schools such as Harvard and Insead Business Schools. In 2021 over 215 staff participated in Functional Development Programs and 18 participated in Management Development Programs.
7.4. Talent Management

Bank Muscat’s Talent Development approach is based on the 70-20-10 learning model where 70% focus is given On-the-Job exposure, 20% is learning through others and 10% classroom/online training programmes. The leadership programmes are facilitated by leading global business schools. The Talent pool is segmented into six levels based on experience, role & grade and unique training programmes are designed coupled with online and self-learning modules.

An ongoing Talent Measurement process is in place to monitor and report the progress in On-the-Job exposure and training programmes outcomes. The focus is to groom internal talent to fill vacant positions from within the bank and have a robust succession pipeline across the bank.

Jadara Academy 2021 Achievements

- Jadara team organised training workshops in various Sustainability related topics e.g., Climate Change and Carbon Management, Sustainability Integration Training, Social Return on Investment
- Launch of IT Academy and completion of over 26 Workshops attended by over 650 participants as part of the academy
- Launch of various Functional Certifications and Management Development Programs
- 67 Staff availed Educational Assistance in Local Colleges.
- Recorded equal participation from male and female employees on the learning platform and in programmes
- 7 staff availed Overseas Scholarships in various Top global universities
- Upgrading Oracle system to fully automate Jadara Academy workflow and thereby considerably eliminate manual paperwork
- 7 staff availed Overseas Scholarships in various Top global universities
Performance Management

The Bank’s performance management process is a transparent and effective process designed to fulfill the professional objectives of employees and align them to the Bank’s organisational objectives.

- Objective Setting is the first stage of the PMS.
- Staff need to set objectives in the system.
- KRA driven PMS aligns everyone around achieving the bank’s strategic objectives.

By the end of the Objective Setting Process, each employee should be able to:
- Describe Expectations
- Define their contribution
- Identify Development Needs
- Know how to work towards their career goals
The Annual Appraisal is a three-step process where HR assesses performance against assigned objectives and competencies developed. The steps have the following focuses:

**Update Accomplishments:** employee completes their accomplishment against KRAs

**Supervisor Assessment:** supervisor assesses the employee’s KRA, assigns performance rating, and recommends promotion if the employee is eligible.

**Reviewer Assessment:** the supervisor’s manager reviews overall KRAs, and the rating provided then gives a sign-off in the system.

### 7.5. Health and Wellbeing

{(103-1), (103-2), (103-3)}

The health and wellbeing of the employees have always been a material topic for the bank and was further emphasised by the pandemic. The bank empower its employees to lead balanced and healthy lives by focusing on seven pillars:

- Physical
- Spiritual
- Workplace Culture
- Social
- Intellectual
- Emotional
- Occupational

The Bank also promotes health awareness through regular health events organised in association with leading organisations in Oman.
Health and Safety

Bank Muscat acknowledges that people are its most important assets and therefore the health and safety of its staff, customers, and vendors/partners (whilst on its premises) is of paramount importance.

The bank’s Health and Safety (HSE) Policy is compliant with regulatory guidelines and has been approved by the Ministry of Manpower. The bank ensure regular inspection of the fire detection systems in all its premises, conducting emergency evacuation drills, staff training on how to handle minor fires, and installation of In-Vehicle Monitoring System (IVMS) in all its vehicles so that staff adhere to the traffic rules and regulations while they are on duty.

**Mandatory training delivered to new hires during their onboarding process**

| Emergency Evacuation training | Fire Warden training for HO and each bank muscat branch |

To further enhance the safety of our employees the Bank introduced an incident reporting system where all staff can report any incident/unsafe conditions which will be actioned immediately by the Health and Safety department.

COVID-19 Actions

During the COVID-19 pandemic, the Bank took stringent measures to ensure that the health and safety of its staff and customers are not compromised. The Bank followed all advisory/directives issued by local authorities and the WHO global best practices to prevent virus transmission across the Bank. If there was an identified case in the Bank, a dedicated team ensured that necessary sanitisation of the workplace is undertaken.
Building a green legacy

Managing Environmental Footprint
08. Our Environmental Footprint

8.1. Energy Consumption

Electricity

The bank fosters good consumption habits in employees to reduce their electricity usage. The facility team makes sure to turn off electrical appliances when not being used or not necessary to have on.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Consumption (MWH)</td>
<td>11,680</td>
<td>11,747</td>
<td>12,356</td>
</tr>
</tbody>
</table>

Fuel Consumption

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrol consumed for owned/leased vehicles (Litres)</td>
<td>1,304,280</td>
<td>88,666</td>
<td>93,658</td>
</tr>
<tr>
<td>Diesel consumed for owned/leased vehicles (Litres)</td>
<td>903</td>
<td>6,845</td>
<td>1,126</td>
</tr>
</tbody>
</table>

8.2. Water Consumption

As a financial institution, our water consumption is limited to activities that maintain our facilities which is not considered having a significant impact compared to other industries. Nonetheless, the bank strives to reduce its utility water consumption by implementing initiatives to monitor it such as decreasing the water pressure in sanitary devices. Furthermore, the bank is compliant with the local regulatory requirement for water management and discharge to ensure safe and efficient management.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Water Consumed (Litres)</td>
<td>20,642,000</td>
<td>23,643,000</td>
<td>22,256,000</td>
</tr>
</tbody>
</table>

8.3. Waste Management

To reduce waste, the bank invests in high-quality assets with maximum service life to avoid frequent replacement. Moreover, in case an asset is unfunctional the bank opts for repairing it rather than directly replacing it. Further, the bank collaborates with Be'ah, an Omani for environmental services that supports us in recycling our E-waste in an efficient and sustainable manner.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper sent for recycling (kg)</td>
<td>53,800</td>
<td>55,911</td>
<td>138,400</td>
</tr>
<tr>
<td>E-waste sent for recycling (kg)</td>
<td>50,000</td>
<td>5,430</td>
<td>21,950</td>
</tr>
<tr>
<td>General waste sent to landfill (m3)</td>
<td>6,580</td>
<td>6,202</td>
<td>5,726</td>
</tr>
</tbody>
</table>
### 8.4. Greenhouse Gas (GHG) Emissions

<table>
<thead>
<tr>
<th>Scope 1: Direct emissions</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel consumption by vehicles owned or leased (tCO2e)</td>
<td>3,222.53</td>
<td>2,417.33</td>
<td>234.19</td>
</tr>
</tbody>
</table>

### Scope 2: Indirect emissions

<table>
<thead>
<tr>
<th>Electricity consumption (tCO2e)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,954</td>
<td>10,156</td>
<td>11,588</td>
<td></td>
</tr>
</tbody>
</table>

**Total Emissions (tCO2e)**

<table>
<thead>
<tr>
<th>Total Emissions (tCO2e)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,176.53</td>
<td>12,573.33</td>
<td>11,822.19</td>
<td></td>
</tr>
</tbody>
</table>

* Emission figures for scope 2 are updated from previous reports due to change in emission factors used.
* Scope 1 Emissions are derived from all direct energy consumption, with emission factors calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
* Scope 2 Emissions are derived from all purchased energy consumption, with country specific emission factors derived from the International Energy Agency for country/regional electricity database.
Delivering high level of transparency

GRI Standards Index
# GRI Content Index

For the Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Page Number(s), URL reference, or notes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 101: Foundation 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 102: General Disclosures 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>12</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>12</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>12</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>12</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>13</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>12</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>12</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>58</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>As a financial institution our sourcing needs rely on service providers such as security service providers.</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>No significant changes occurred to Bank Muscat or its supply chain during the reporting period.</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>For this information please refer to our Annual Report</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>12</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>12</td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>5</td>
</tr>
<tr>
<td>102-15</td>
<td>Key impacts, risks, and opportunities</td>
<td>For this information please refer to our Annual Report</td>
</tr>
</tbody>
</table>
## GRI 102: General Disclosures 2016

<table>
<thead>
<tr>
<th>102-16</th>
<th>Values, principles, standards, and norms of behavior</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>For this information please refer to our Annual Report</td>
</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>33</td>
</tr>
<tr>
<td>102-19</td>
<td>Delegating authority</td>
<td></td>
</tr>
<tr>
<td>102-20</td>
<td>Executive-level responsibility for economic, environmental, and social topics</td>
<td></td>
</tr>
<tr>
<td>102-21</td>
<td>Consulting stakeholders on economic, environmental, and social topics</td>
<td></td>
</tr>
<tr>
<td>102-22</td>
<td>Composition of the highest governance body and its committees</td>
<td></td>
</tr>
<tr>
<td>102-23</td>
<td>Chair of the highest governance body</td>
<td></td>
</tr>
<tr>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td></td>
</tr>
<tr>
<td>102-25</td>
<td>Conflicts of interest</td>
<td></td>
</tr>
<tr>
<td>102-26</td>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
<td>For this information please refer to our Annual Report</td>
</tr>
<tr>
<td>102-27</td>
<td>Collective knowledge of highest governance body</td>
<td></td>
</tr>
<tr>
<td>102-28</td>
<td>Evaluating the highest governance body’s performance</td>
<td></td>
</tr>
<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td></td>
</tr>
<tr>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td></td>
</tr>
<tr>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
<td></td>
</tr>
<tr>
<td>102-32</td>
<td>Highest governance body’s role in sustainability reporting</td>
<td></td>
</tr>
<tr>
<td>102-33</td>
<td>Communicating critical concerns</td>
<td></td>
</tr>
<tr>
<td>102-34</td>
<td>Nature and total number of critical concerns</td>
<td></td>
</tr>
</tbody>
</table>
### GRI 102: General Disclosures 2016

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-35</td>
<td>Remuneration policies</td>
<td></td>
</tr>
<tr>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td></td>
</tr>
<tr>
<td>102-37</td>
<td>Stakeholders’ involvement in remuneration</td>
<td>For this information please refer to our <a href="#">Annual Report</a></td>
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**Stakeholder Engagement**

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<td>102-40</td>
<td>List of stakeholder groups</td>
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<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>Collective bargaining is not permitted in the Sultanate of Oman.</td>
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**Reporting Practices**

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<td>Entities included in the consolidated financial statements</td>
<td>For this information please refer to our <a href="#">Annual Report</a></td>
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## Material Topics

### GRI 200 Economic Standard Series

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<td>201-1 Direct economic value generated and distributed</td>
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<tr>
<td>201-4 Financial assistance received from government</td>
<td></td>
<td></td>
<td>No financial assistance was received by Bank Muscat from the government.</td>
<td></td>
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For this information please refer to our [Annual Report](#).
### GRI Content Index (continued)

#### GRI 300 Environmental Standard Series

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<th>The Bank has maintained its initiative of replacing lamps with LED lights.</th>
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<td>Energy consumption outside of the organization</td>
<td>The bank currently does not account for energy consumption outside of the organization.</td>
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<td>Energy indirect (Scope 2) GHG emissions</td>
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<td>Other indirect (Scope 3) GHG emissions</td>
<td>The bank currently does not account for Scope 3 emissions.</td>
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<td>103-1 Explanation of the material topic and its Boundary</td>
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<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
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<td>GRI 402: Labor/Management Relations 2016</td>
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<td>403-2 Hazard identification, risk assessment, and incident investigation</td>
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<td>403-3 Occupational health services</td>
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<td>403-4 Worker participation, consultation, and communication on occupational health and safety</td>
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### GRI 403: Occupational Health and Safety 2018

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<td>403-5</td>
<td>Worker training on occupational health and safety</td>
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<td>Promotion of worker health</td>
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<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>65</td>
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<td>403-8</td>
<td>Workers covered by an occupational health and safety management system</td>
<td>All employees are under the Bank’s insurance coverage.</td>
</tr>
<tr>
<td>403-9</td>
<td>Work-related injuries</td>
<td>No recorded injuries during the reporting period.</td>
</tr>
<tr>
<td>403-10</td>
<td>Work-related ill-health</td>
<td>No recorded work-related ill-health cases during the reporting period.</td>
</tr>
</tbody>
</table>

### GRI 103: Management Approach 2016

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<tr>
<th>Code</th>
<th>Description</th>
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<td>103-1</td>
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### GRI 404: Training and Education 2016

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<td>404-1</td>
<td>Average hours of training per year per employee</td>
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<td>Programs for upgrading employee skills and transition assistance programs</td>
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<td>Percentage of employees receiving regular performance and career development reviews</td>
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### GRI 103: Management Approach 2016

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### GRI 405: Diversity and Equal Opportunity 2016

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<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
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</table>
### GRI 103: Management Approach 2016

**103-1** Explanation of the material topic and its Boundary
- Bank Muscat promotes an inclusive and equal workplace culture with rigid accountability systems in case of violation under its code of conduct. No incidents of discrimination were recorded during the reporting period.

**103-2** The management approach and its components

**103-3** Evaluation of the management approach

### GRI 406: Non-discrimination 2016

**406-1** Incidents of discrimination and corrective actions taken
- Non of Bank Muscat suppliers are identified to be at risk of incidents of Child Labour abuse.

### GRI 408: Child Labor 2016

**408-1** Operations and suppliers at significant risk for incidents of child labor
- Non of Bank Muscat suppliers are identified to be at risk of incidents of forced or compulsory labor.

### GRI 409: Forced or Compulsory Labor 2016

**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor

### GRI 411: Rights of Indigenous Peoples 2016

**411-1** Incidents of violations involving rights of indigenous peoples
- No persons were identified as indigenous people at Bank Muscat.
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<th>GRI 413: Local Communities 2016</th>
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<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
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<td>413-2</td>
<td>Operations with significant actual and potential negative impacts on local communities</td>
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<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
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<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
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<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
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### GRI 103: Management Approach 2016

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### GRI 417: Marketing and Labeling 2016

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<td>417-1</td>
<td>Requirements for product and service information and labeling</td>
<td>36</td>
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<td>417-2</td>
<td>Incidents of non-compliance concerning product and service information and labeling</td>
<td>No incidents of non-compliance concerning product and service information and labeling were recorded during the reporting period.</td>
</tr>
<tr>
<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>No incidents of non-compliance concerning marketing communications were recorded during the reporting period.</td>
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### GRI 418: Customer Privacy 2016

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<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
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<td>Explanation of the material topic and its Boundary</td>
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<td>103-2</td>
<td>The management approach and its components</td>
<td>No incidents of non-compliance with laws and regulations in the social and economic area recorded during the reporting period.</td>
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