



الشركة الكويتية للاستثمار
KUWAIT INVESTMENT Co.
خبرة تستحق الثقة - منذ 1961

09 JUN 2024

Date :

Ref. :

التاريخ :
الإشارة : ٥٧٢/٢٠٢٤

To: Boursa Kuwait Company
State of Kuwait

السادة/ شركة بورصة الكويت
المحترمين
دولة الكويت

Dear Sir,

تحية طيبة و بعد،،

Subject: Sustainability Report for the
year ended on 31 December
2023

الموضوع: تقرير الاستدامة للسنة المالية المنتهية
في 31 ديسمبر 2023

With reference to the above and the requirements of the CMA Executive Bylaws Chapter 1, Module 12 (Listing Rules) of Law No. 7 of 2010 regarding the Establishment of Capital Market Authority and Regulating Securities Activities and its amendments, regarding the disclosure of the Sustainability report, Attached the Sustainability Report for the year ended on 31 December 2023.

بالإشارة إلى الموضوع أعلاه، وعملا بأحكام الفصل الأول من الكتاب الثاني عشر (قواعد الإدراج) من اللائحة التنفيذية للقانون رقم 7 لسنة 2010 بشأن إنشاء هيئة أسواق المال و تنظيم نشاط الأوراق المالية و تعديلاتهما، والمتعلقة بالإفصاح عن تقرير الإستدامة نرفق لكم تقرير الإستدامة للسنة المالية المنتهية في 31 ديسمبر 2023.

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام،،

Khaled M - Abdulmageed
vice president
Compliance & AML

خالد مصطفى عبدالمجيد
نائب رئيس
متابعة المتطلبات الرقابية
ومكافحة غسل الأموال وتمويل الإرهاب

نسخة إلى:

- هيئة أسواق المال - إدارة الإفصاح

KUWAIT INVESTMENT Co.®

Established 1961 Authorized & Paid-up Capital K.D. 55,125,000

الشركة الكويتية للاستثمار

تأسست 1961 رأس المال المصرح والمدفوع 55,125,000 د.ك

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الشركة الكويتية للاستثمار
KUWAIT INVESTMENT Co. س.ك.
خبرة تستحق الثقة - منذ 1961

SUSTAINABILITY REPORT

2023





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About this Report

This report has been prepared in accordance with the GRI Standards. The GRI Standards, first published in 2015, are globally the most applied standards to report on non-financial performance. The GRI Standards enable an organization to publicly disclose its sustainability impacts on the economy, environment, and people, including impacts on their human rights and how the organization manages these impacts. Sustainability reporting, among other benefits, enhances transparency and increases organizational accountability.

Reporting Period and Frequency

The information stated in Kuwait Investment Company's (KIC) first Sustainability Report covers the year 2023 (January 1st to December 31st). Relevant data from the two previous years has been included for comparability. Non-financial reporting is intended to be published from this year on, on an annual basis.

Scope

The 2023 Sustainability Report covers the performance of KIC only and specifies when information about subsidiaries or portfolio companies is stated.

Since its establishment, the company's headquarters reside in Kuwait City. Although managed from Kuwait, the company has through its investment activities, an international reach.

Contact

For any feedback or questions about this report, please contact:
Abdullah M. AbulQassim | Assistant Vice President
Investor Relations Unit | Dir: (+965) 22967337 | Tel: (+965) 1888852

External Assurance

KIC's Sustainability Report has not been assured by a third-party provider. However, internal stakeholders have reviewed and approved the accuracy of the non-financial disclosures. The consolidated financial statements have undergone an independent audit conducted by the auditor firm RSM Albazie & Co. and have been approved by the Board of Directors.

Sustainability Highlights 2023

ENVIRONMENT	355,799kg of C02e across Scopes 1, 2 and 3.	Significant reduction of paper waste.	Employee awareness session on environmental topics.
SOCIAL	16.7 training hours on average	34% of employees have worked for the company for 15+ years.	Established the young talent group "Diwaniya".
GOVERNANCE	0 incidents of corruption.	1 Female board member.	Implementation of PAM solution for improved cyber security.
ECONOMIC	70% revenue generation in Kuwait.	Revenue growth of 32.1%.	Profit of 10.34M KWD.





Dr. Yousef Mohammed Abdullah Alali
Chairman

Message from the Chairman

On behalf of the Board of Directors, I am welcoming you to KIC's first Sustainability Report for the year 2023. The report was drafted in accordance with Global Reporting Initiative (GRI) Standards; the most recognized and applied standards for non-financial disclosure globally. Our participation in this pivotal moment reflects our dedication to international sustainability frameworks and shows our support for homogenizing the global reporting language.

The world is facing a global climate crisis where human activity is pushing Earth to the brink of a dangerous climate tipping point. Across the world, we are already seeing the impacts of extreme weather conditions and irreversible damage to our natural resources. Additionally, socio-economic conflicts and economic instabilities are massively impacting financial markets. These trends do not only affect the investment industry worldwide but also markets in the State of Kuwait. To navigate through these uncertainties, we see it as our duty to act as a responsible partner for our stakeholders and integrate the topic of sustainability at the core of our business activities.

As a publicly listed company, we are welcoming the efforts by Boursa Kuwait that encourage companies to disclose their non-financial performance. This initiative aligns with our corporate vision to support the economic development of the country, which we have upheld since KIC's foundation in 1961. Embarking on our sustainability journey is a key milestone that demonstrates our corporate efforts to align with the national vision of Kuwait, aiming to transform the country into a financial, cultural, and institutional leader in the region by 2035.

As an investment company, we are aware that our largest impact on the economy, the environment, and society is through the allocation of our capital. We therefore advocate for engagement and collaboration on sustainability topics in the industry, our portfolio companies, and amongst partners across the value chain. Only if we act collectively, we can transition to a prosperous future and secure long-term business continuity.

We recognize that this report is just the starting point on our sustainability journey, and we must continue to integrate sustainability at the core of our business strategy. However, we see this step as a catalyst for creating scalable economic, environmental, and social value in the region and setting a benchmarking example for peers to follow. As we look ahead to the future, we will continue to innovate, collaborate, and lead by example, leveraging our expertise and resources to drive positive change and create shared value.

I would like to use this opportunity to thank our leadership and His Highness the Emir, Sheikh Meshaal al-Ahmad al-Jaber al-Sabah – may God protect you –, for his visionary approach and his role in driving a prosperous local economy. I also extend my gratitude to all members of staff and our partners for their commitment to producing this Report.

Dr. Yousef Mohammed Abdullah Alali
Chairman



Fawaz Sulaiman Al-Ahmad
Chief Executive Officer

Message from the CEO

Dear Team,

I am delighted to present our first Sustainability Report, a milestone that reflects our commitment to responsible business practices and environmental stewardship. This report marks the culmination of efforts to collect, analyze, and reflect upon data that was previously uncollected, allowing us to gain a deeper understanding of our organization's impact on the environment and society.

For the first time, we are providing comprehensive insights into our non-financial performance, showcasing our dedication to transparency and accountability. Through detailed data collection and analysis, we have been able to identify environmental and social challenges and opportunities, enabling us to take proactive steps towards a more sustainable future.

One of the most significant achievements during the reporting period is our newfound awareness across the organization regarding sustainability issues. From the boardroom to the operational teams, there is a shared understanding of the importance of integrating sustainability into every aspect of our business.

In terms of environmental impact, we've collected, for the first time, data on our Scope 1, 2, and 3 emissions, providing us with valuable insights into our carbon footprint. This data serves as a foundation for our continued efforts to minimize our environmental impact and reduce emissions. Socially, significant achievements during the reporting period were our volunteering hours, especially during the holy month of Ramadan. Furthermore, our governance practices have remained steadfast in upholding the highest standards of ethics and integrity. I am pleased to report that we have had no incidents of corruption, underscoring our unwavering commitment to conducting business with honesty and accountability.

As we reflect on our journey thus far, our commitment to sustainability is not just a moral imperative but also a strategic advantage. By embracing sustainable practices, we are not only minimizing risks but also fostering long-term resilience while creating value for our internal and external stakeholders. Integrating ESG into our investment practices will, further, improve long-term liquidity, enhance its reputation, and put KIC in a better position overall.

Looking ahead, we recognize that our sustainability journey is ongoing, and there is still much work to be done. We remain committed to improving, understanding our impact, and collaborating with our partners and stakeholders to drive meaningful progress.

Thank you for your ongoing support and commitment to our shared sustainability goals.

Warm regards,
Fawaz Sulaiman Al-Ahmad
Chief Executive Officer

Overview of KIC

Kuwait Investment Company (KIC) was established in 1961 as the first investment company in Kuwait and the region. Its creation came in the context of the rising development of the State of Kuwait during the second half of the Twentieth Century. Since its inception, KIC has played a vital role in supporting the economy of the State of Kuwait, as one of the pioneering national companies on both the local and regional levels.

The inception of KIC in the early 1960s coincided with Kuwait's independence, symbolizing an early commitment by political and economic leaders to support the country's economic development. From then on, KIC aimed to set new standards in the investment industry of Kuwait. It successfully established itself as a strong partner, adhering to the highest international professional standards.

KIC quickly earned recognition as a visionary for the country, contributing significantly to the national economy's growth and development. After over fifty years of operation, KIC pioneered methodologies and traditions that left a lasting impact on local and regional investment practices. Despite facing crises and economic challenges throughout the years, KIC's resilience, built upon solid foundations, allowed it to adapt and thrive, remaining aligned with the direction of the national economy.



KIC was honored as the **"Best Investment Firm"** of 2023 by the International Finance Magazine, affirming its longstanding reputation and expertise since its establishment. The award recognizes not only past achievements but also anticipates KIC's ongoing commitment to innovation and leadership in investments. Over its more than six-decade journey, KIC has undergone strategic restructuring, maintaining its position as a prominent player in the investment sector. Looking ahead, the organization aims to capitalize on emerging opportunities, sustainably expand its global presence, and prioritize ethical business practices to ensure continued success in the dynamic investment landscape.

KIC's Best Services

KIC engages in a range of investment and financial activities in multiple local, regional, and international markets. The set of investment and financial products are offered to clients based locally in Kuwait, and internationally. KIC's specialized teams have a high level of professionalism and vast experience in the field and can therefore attain the best operational results for the shareholders and clients. KIC is the only investment company in the region that holds a banking license which allows them to take deposits from clients. KIC's investment activities services include:



Portfolio Management

The Local & Arab Fund & Portfolio Management Department offers Local/Regional Asset Management Services for institutions and individuals in Kuwait and the GCC States. The investment professionals provide solutions to clients that cover the full range of asset classes, including equity and fixed income.



Fund Management

The Fund Management Department offers a range of investment products based on foundational principles and global indicators. The Department launched a package of local and regional mutual funds invested across various asset categories.



Direct Investment

The Direct Investment Department is responsible for KIC's proprietary investments and manages and monitors a diversified portfolio of mid to long-term direct investments, primarily in the MENA region.



Treasury

Treasury utilizes and invests resources for the benefit of the company in the Local and International markets. It manages the daily cash flow and is also responsible for monitoring and managing the Assets and Liabilities of the company, Foreign Exchange Trading, and investing in the Bond and Sukuk market. Treasury provides a wide range of services to its clients, including Money Market and Foreign Exchange.



Online Trading

KIC is continuously developing its products and service offerings and is sure to adopt the latest technology, as digital development is a key driver for business success. To serve its vision to become a regional financial hub and a one-stop shop to comprehensively cover the financial needs of its clients, KIC established KIC Trade. The online trading platform facilitates trading in multi-markets through multi-products using multi-currencies.

Business Strategy



Comprehensive Corporate Strategy

A strategy designed for the long term, focusing on four core growth initiatives.



Broader Customer Franchise

Expand our customer franchise by introducing programs that encourage stronger connections and loyalty within target market segments.



Commercial Real Estate Development

Introducing a new anchor product in the commercial real estate sector, designed to capitalize on emerging opportunities and diversify revenue streams.



Legacy Assets Optimization

Maximizing the value of retired legacy assets is a key strategic priority.

Additionally, as part of the strategy, there is a focus on enhancing product offerings by launching an online platform, thereby meeting the evolving needs of customers in today's digital landscape. As of the end of 2021, the strategy underwent a thorough review marking the beginning of its implementation. Now, in the third year of execution, significant progress has been made towards the objectives. KIC is currently in the final phase of achieving strategic goals and objectives, with a focus on delivering tangible results that align with the overarching vision for sustained success.

Financial Performance

In terms of assets, equity, and profitability, KIC has evaluated its financial position as being very strong. Results for the reporting year are as follows:

As of 31.12.2023	2021	2022	2023
Revenue	43.815m KWD	20.161m KWD	27.870m KWD
Expenses	13.516m KWD	16.534m KWD	17.070m KWD
Profit	28.836m KWD	3.545m KWD	10.342m KWD

70% of the stated revenue is generated from Kuwait, 4% from the larger GCC region, and 4% from other countries in the MENA region. KIC does not have an explicit tax strategy in place as the organization is only subject to Zakat payments and payments to the Kuwait Foundation for Advancement of Sciences (NLST), which are set at 1% and 2.5% of annual net profit before the Board of Director's remuneration, respectively.



اتحاد شركات الاستثمار
UNION OF INVESTMENT COMPANIES

Memberships Associations
Union Of Investment Companies (UIC)

UIC, a non-profit organization, unites professionals in the investment and financial service sectors to foster development, build capacity, and advocate for the leading standards on topics most relevant within the industry. Membership in UIC allows KIC to access a platform for collaboration, share best practices, and stay informed on ethical investment guidelines. These ultimately direct and influence responsible investment decisions.

Materiality

KIC follows GRI's definition of "Material Topics" - topics that represent the organization's most significant impacts on the economy, environment, and people (including impacts on their human rights). In 2023, the organization carried out a four-step process to determine its key topics:



Define the internal and external stakeholders and assess their relationship with KIC.



Conduct research on the financial and investment industry, including trends, opportunities, and regulations, helping to understand where KIC is standing regarding sustainability performance.



Compare with regional and international peers as well as international sustainability standards like SASB and the SDGs to identify the main ESG topics.



Engage with external and internal stakeholders through:

- Surveys
- Qualitative engagements
- Qualitative and numeric data collection

The Materiality Analysis allowed KIC to publish its updated stakeholder map and its material topics for 2023, visualized in a materiality matrix. Details on both are found below:

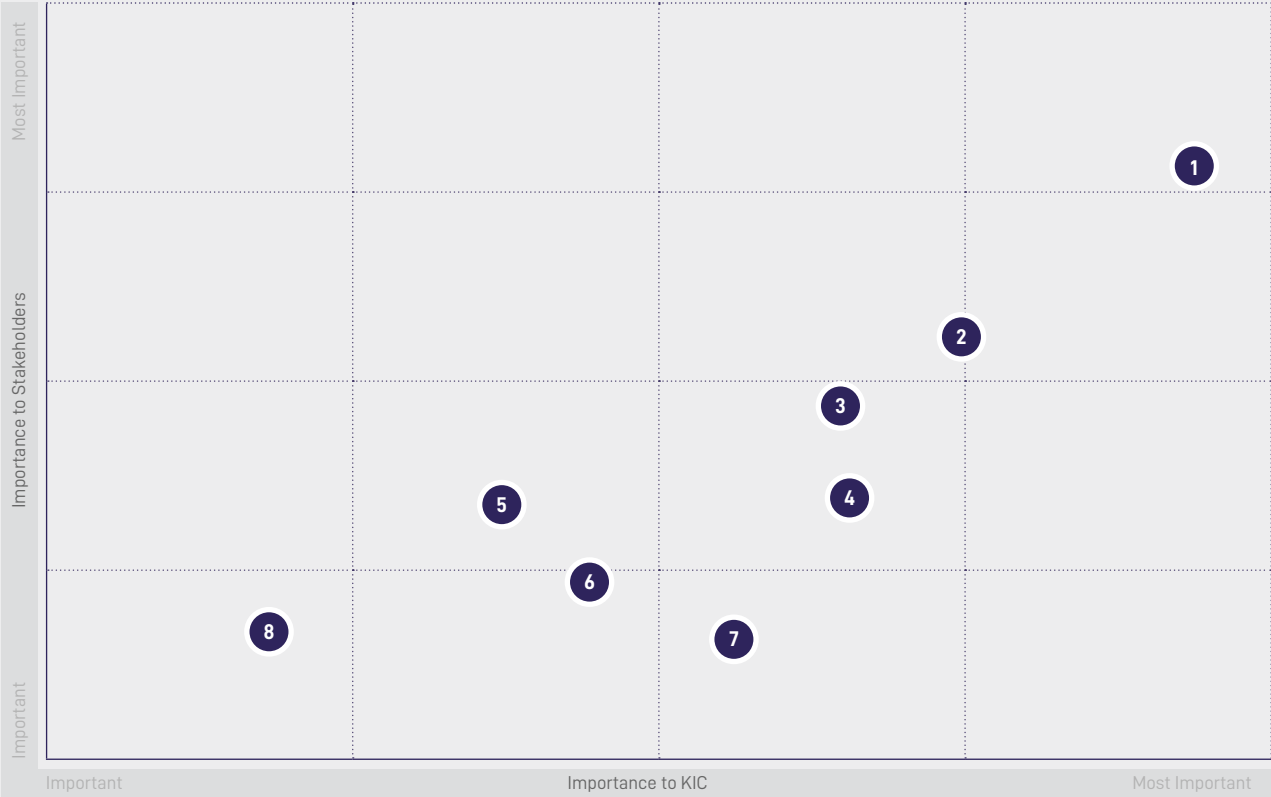
Stakeholder Map

	Stakeholder Group	Engagement Types	Key Topics of Discussion
INTERNAL	Board of Directors	Quarterly BoD Meetings and monthly monitoring of financials.	Strategic oversight, financial and non-financial performance, governance.
	Executive Management	Daily collaboration through online and in-person interactions.	Strategic planning, financial and non-financial performance, shareholder protection.
	Top Management and BoD of Subsidiaries and Associations	Dedicated investment manager, and quarterly board meetings.	Financial and non-financial performance, oversight, and compliance.
EXTERNAL	Government and Regulators	Subject to the laws of the state's regulatory authorities (Central Bank of Kuwait, Capital Market Authority, and Kuwait Stock Exchange) As a listed company, financials are published at Bursa Kuwait. At quarterly investor conferences, financials are discussed. Regulatory reports mandated by CMA.	National laws and regulations, governance and compliance, policies, and socio-economic impact.
	Shareholders and Investors	Investor relations team, and suggestions and opinions through feedback.	Financial performance, shareholder protection.
	Employees	Daily collaboration through online and in-person interactions.	Employee welfare, learning and development, career progression, and employee management.
	Community Partners	Community events.	Community support, partnerships, and socio-economic impact.
	Suppliers	Tenders, RFPs, and negotiations.	Fair competition and partnerships.
	Media	Social media posts, and press releases.	General company performance, business accolades, and awards.

Internal and external stakeholders are responsible for governing sustainability topics. The Board of Directors oversees and reviews, together with the Risk Management Unit, the different possible sustainability impacts, and delegates the management of these impacts to the relevant units and their senior executives. Senior executives then assign Associate Vice Presidents who are responsible for delegating and overseeing sustainability-related topics to the employees of its unit.

Materiality Topics

KIC has identified the below eight topics as the most material to their business. The organization aims at monitoring market trends, regional developments, and new mandates by regulators to identify if and how they impact the business. As per industry best practice, KIC aims to review its material topics on an annual basis and redo its materiality assessment every two to three years. The focus in the upcoming years is to improve the quality and depth of the impact assessments of each material topic.



Material Topics	
1	Responsible Governance
2	Diversity and Inclusion
3	Sustainable Investment and Stewardship
4	Learning and Development
5	ESG Risk Management
6	Innovation and Technology
7	Community Engagement
8	Tackling Climate Change

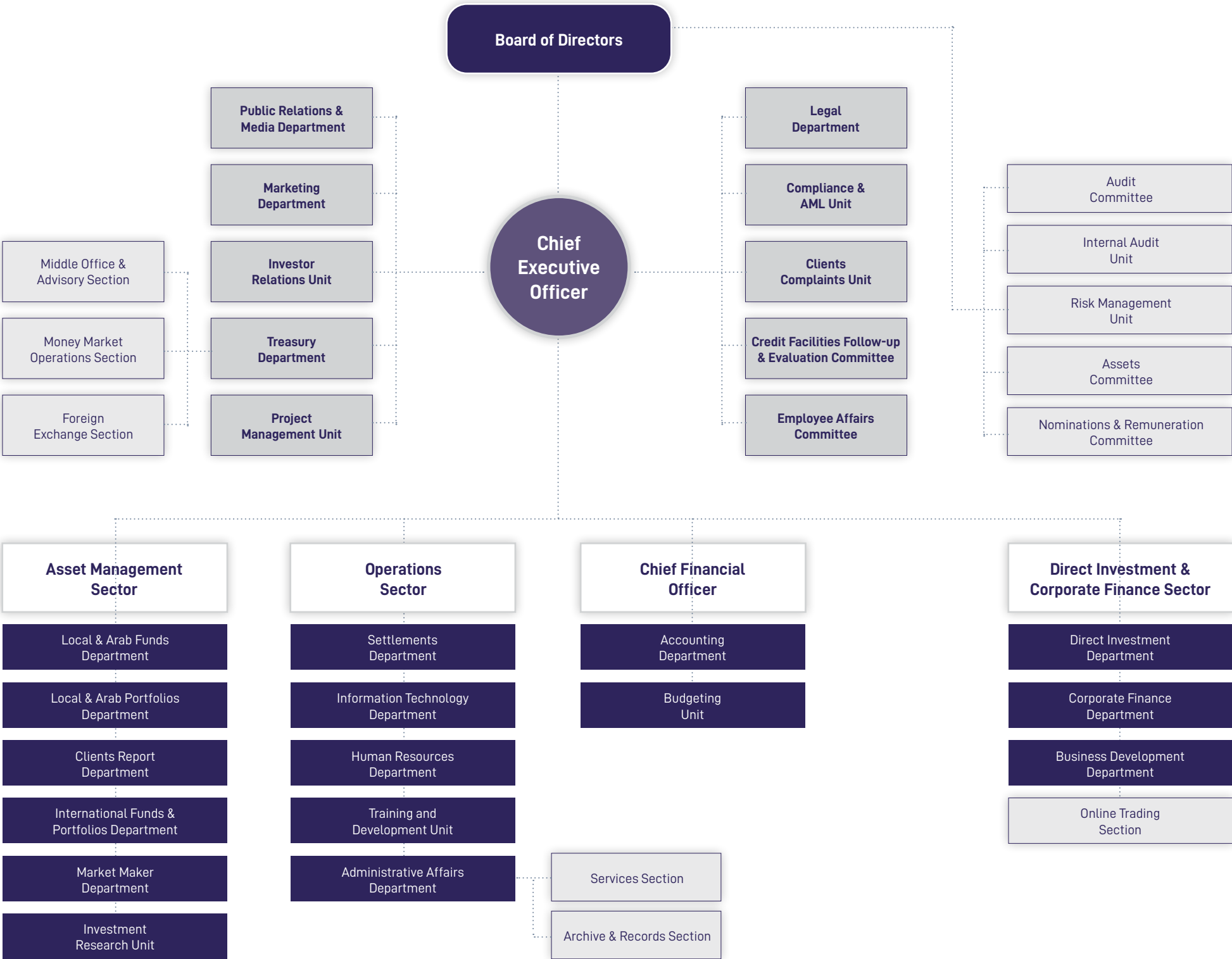
Reporting on KIC's Material Topics

Responsible Governance

Establishing strong and ethical governance procedures at KIC is crucial. As a listed company on Boursa Kuwait, the national stock exchange, and as a 62% owned subsidiary of Kuwait Investment Authority (KIA), it is crucial to comply with local and internal laws and regulations. The main target regarding governance during the reporting period was to ensure no penalties from the regulatory parties were received. To ensure that all targets are met, and to continuously put forward responsible governance practices, KIC's employees attended all relevant seminars given by the Capital Markets Authority (CMA) during the reporting period. Although it can be challenging to train employees in all new and emerging processes and procedures, the organization is committed to investing in training and development and monitoring changes in the market.



Governance Structure



Board of Directors

KIC is led by an experienced board of directors composed of eight members. Their tenure on the governance body is three years. The members of the Board of Directors are nominated following CMA regulations which put forward the criteria of Responsibility, Accountability, Awareness, Impartiality, and Transparency.

Total number of BoD Members **08**

Total number of Men **07** | 87.5%

Total number of Women **01** | 12.5%

Total number of Kuwaitis **08** | 100%

Total number of Independent Directors **01** | 12.5%



Board of Directors



**Dr. Yousef
Mohammad ALAli**
Chairman



**Mishari Zaid Hamad
Alkhaled**
Deputy Chairman



**Jamal Abdulla
Yousef Al-Saleem**
Director



**Tameem Abdulaziz
Al Mansour**
Independent Director



**Mohammad Hamad
Al Mutairi**
Director



**Aliah Faisal
Al Tameemi**
Director



**Jassim Abdullah
Al Hajri**
Director



**Abdulaziz Fahad
Al Hudaib**
Director

The main objective of the BoD, jointly with the Executive Management, is to ensure KIC's strategic goals are achieved, and regulations are followed to safeguard KIC's reputation and avoid penalties. In addition to the strategic oversight, the BoD governs the implementation and compliance by all employees following policies and procedures. The BoD's performance is evaluated annually, and corresponding policies and procedures are updated per identified changes. BoD members are remunerated following CMA regulations and best practices. Internally, there is an established Nominations and Remuneration Committee that oversees the topic under relevant authority metrics. The four Board committees working directly with the Board of Directors are:

**Audit
Committee**

**Risk Management
Committee**

**Assets
Committee**

**Nominations &
Remuneration
Committee**

Conflict of Interest

KIC takes strict measures to ensure no conflicts of interest arise within the organization. The Chairman doesn't hold a senior executive position in the organization. Additionally, capacity-building sessions are mandated to prevent and mitigate conflicts. The mechanism to resolve any conflict, is through an investigation of the situation, the application of approved and effective conflicts of interest policies, followed by the submission of a full report to the BoD. All conflicts of interest raised are then disclosed to KIC's stakeholders during the General Assembly meeting.

Compliance

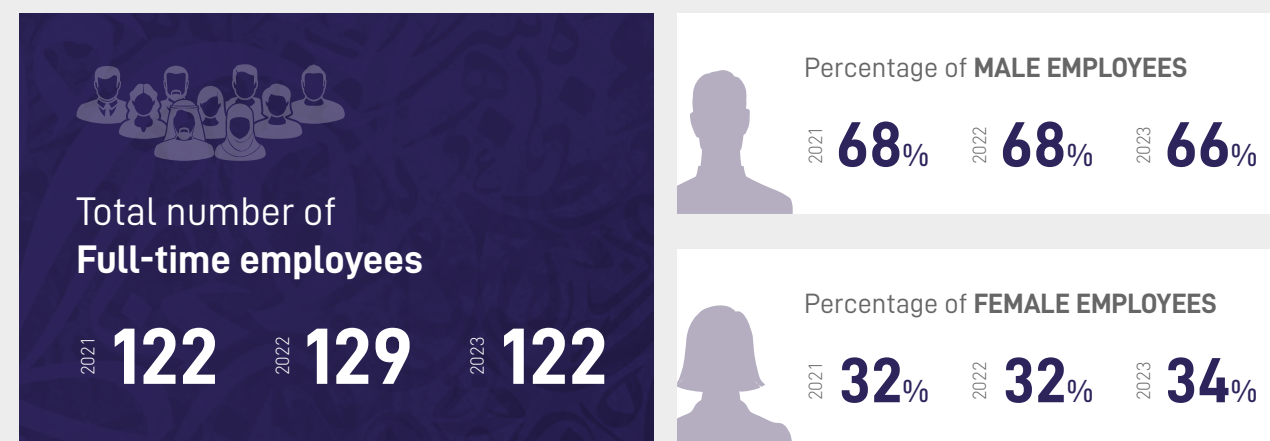
Compliance is a key theme of KIC's governance and is deeply ingrained in all business activities. This theme helps KIC to attain its strategic and regulatory objectives, allowing it to gain a positive reputation in its industry. KIC follows strict anti-money laundering and compliance policies. The application of strict procedures prevents KIC from facing any potential penalty.

KIC is governed by two main regulators: Kuwait's Central Bank (CBK) and CMA. KIC is subject to the Central Bank's regulations, as the unique business structure allows it to accept deposits from clients for investments. Consequently, CBK supervises KIC for financing activities, and CMA as an investment company. As specified by CMA, KIC needs to submit monthly and quarterly reports on their performance, including disclosures on corruption and conflict of interest. Additionally, KIC engages with different ministries, including the Ministry of Finance on taxes and the Ministry of Commerce on licenses or approvals.

The Risk Management Unit conducts yearly evaluations and assessments of corruption and fraud-related events at the departmental level (wherever related) through Risk Control Self-Assessment (RCSA) processes and incident reporting. The Unit then communicates any identified risk to stakeholders and higher management for resolution. During the last three years, KIC hasn't reported any incidents of corruption. Nevertheless, the company has put in place robust assessment and reporting mechanisms to address such incidents. Additionally, all employees have been trained in anti-corruption topics to avoid incidents from occurring.

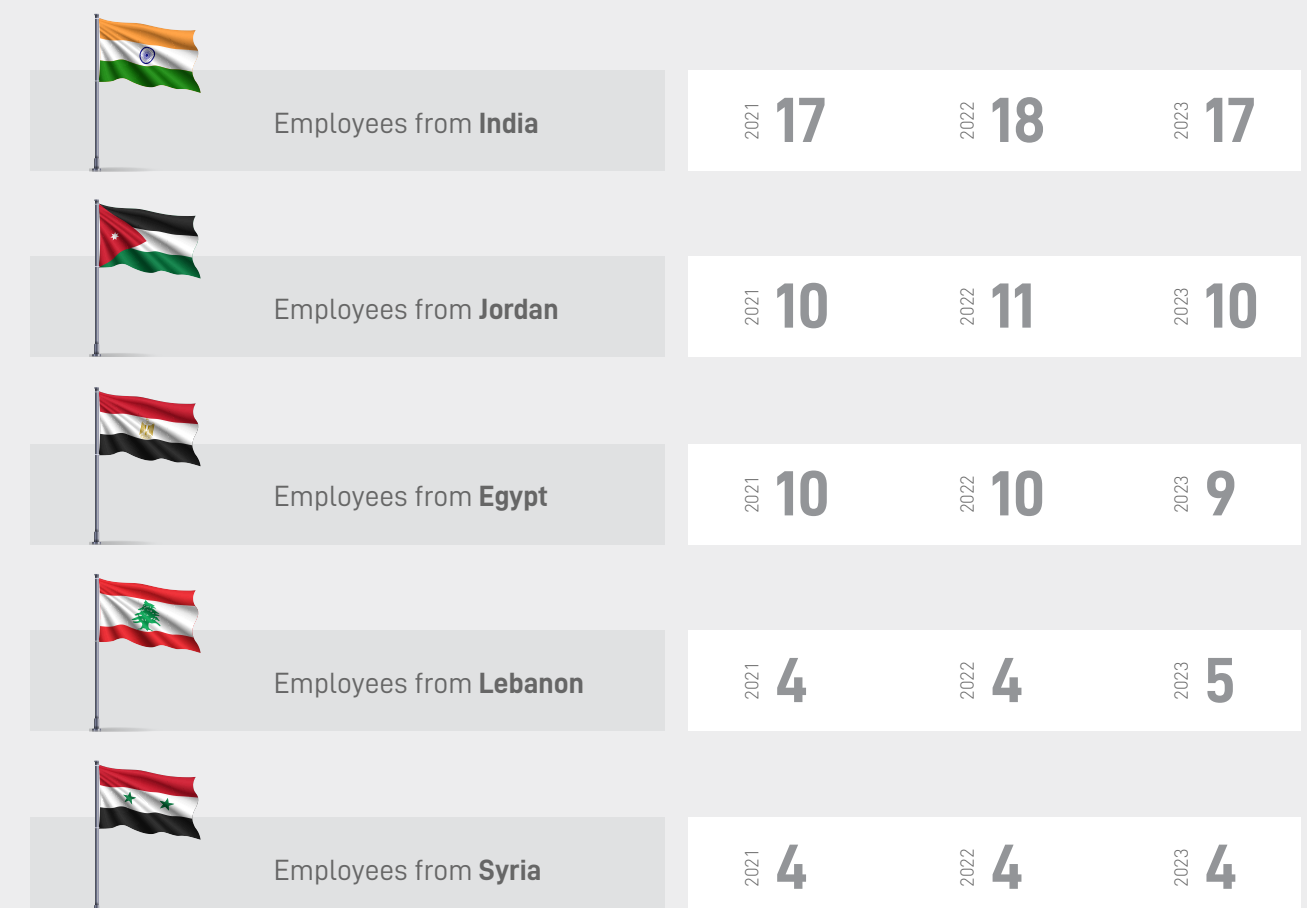
Diversity and Inclusion

Diversity and Inclusion is one of the focuses in its Human Resources strategy. Establishing a diverse workforce supports fairness, reduces discrimination, and ensures equal chance and opportunity for all. These practices ultimately lead to a harmonious work environment and increase employees' morale, satisfaction, and productivity. KIC involves all Department Heads and Top Management in developing this topic. KIC relies on profiles from different backgrounds which support a positive work environment, boost problem-solving and innovation, as well as attract talent. KIC can count on talents of both genders, from 12 different countries and various ages to perform in their roles. There is also a balanced mix of employees having served the company for many years and fresh graduates, allowing departments to rely on experienced elements, as well as always challenging the status quo thanks to fresher talents.



By Age	2021	2022	2023
Employees aged 18-24 (%)	0%	0%	1%
Employees aged 25-34 (%)	16%	16%	15%
Employees aged 35-44 (%)	41%	42%	41%
Employees aged 45-54 (%)	23%	24%	27%
Employees aged 55+ (%)	20%	18%	16%

By Years of Service	2021	2022	2023
Employees working with KIC for 0-4 years (%)	18%	22%	23%
Employees working with KIC for 5-9 years (%)	29%	26%	23%
Employees working with KIC for 10-14 years (%)	22%	17%	20%
Employees working with KIC for 15+ years (%)	31%	35%	34%



Turnover Rate	2021	2022	2023
Turnover rate all employees (%)	7%	5%	10%
Men (%)	3%	4%	8%
Women (%)	3%	1%	2%

Employee Benefits

KIC's employees enjoy various benefits for their daily health and well-being:



Ticket Allowances



Guaranteed one-month salary bonus



Health, medical, and life insurance coverage

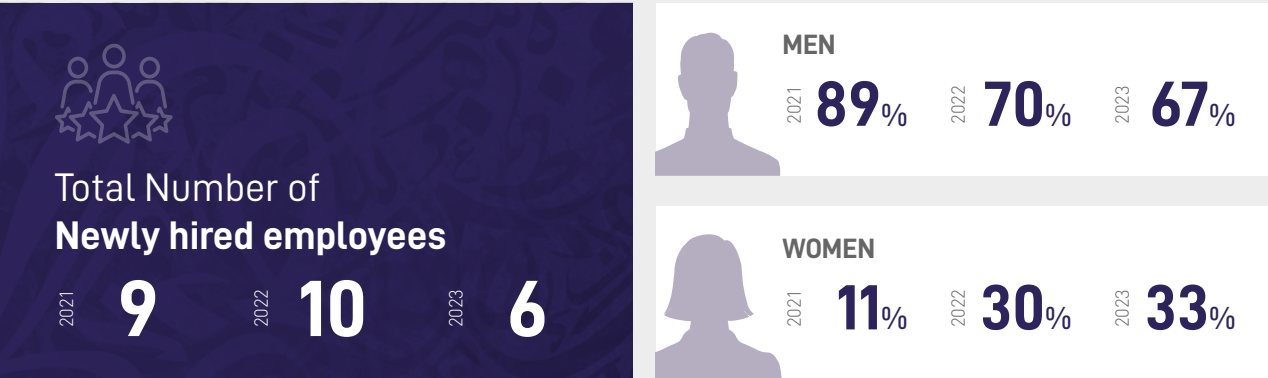
To guarantee the quality of the benefits received by its employees, the company reviews and updates its ticket allowances every four years, and the medical and life insurance every year. The insurance policies are updated annually in accordance with employee preferences and concerns. KIC invites all employees to fill out a survey that supports the decision-making and implementation of change.

Equal Pay

KIC acknowledges that fair salaries and justified bonus payouts are crucial topics in the investment industry. Hence, there are strict metrics in place that ensure the oversight of the topic. Clear salary scales were designed by specialist consultants and approved by the Board. These are applied regardless of employee gender. For bonuses and rewards a transparent system is established that cannot be altered or changed.

Fair Recruitment

Recruiting fairly is a must as it allows the company to access a diversity of valuable talents, that can help KIC grow and sustain operations. For this effort, KIC publishes job ads to touch different candidates, who will go through successive stages of interviews and filtration, allowing KIC to ensure fair and non-biased recruitment processes.



Parental Leave

Family is very important, a value recognized by KIC. As such, additional health insurance coverage is extended to family members, additionally to pregnant women receiving the following benefits:



Pregnant women at 26 weeks (about 6 months) of pregnancy can request a 2-hour reduction in daily working hours.



Following childbirth, all new mothers are entitled to 70 days (about 2 and a half months) of maternity leave.



Upon returning to work, mothers are granted a 2-hour break for baby feeding during the first two years after childbirth.

Grievance Mechanisms

During the reporting period, KIC surveyed the satisfaction of the overall HR performance, through which no grievance case were reported. Nevertheless, one critical concern was raised directly from the staff to the HR department: One employee wasn't satisfied with the lack of promotion during 2023. The concern was raised to the Human Resources Committee, who met the employee and explained the reasons behind the non-promotion. The case was then closed as the employee understood the reasons.

There were
no cases or incidents of discrimination
reported in 2023.



Learning and Development

For KIC, the topic of Learning and Development (L&D) is an essential component of the company's mission and has significant importance due to the following reasons:



Boosts employee growth, satisfaction, and motivation, and lowers turnover rates.



Enhances organizational performance and competitiveness.



Ensures adaptation of new technology and advances implementation of new processes, regulations, and market trends.



Fosters a culture of innovation, leadership, and continuous improvement.

Different policies and initiatives are established to ensure the consistent and effective management of L&D topics to align with the organizational objectives. These policies are continuously reviewed to meet the company's strategy requirements:

- Training Programs in Kuwait and abroad.
- The Learning Management System (LMS).
- Employee Engagement Initiatives, including workshop participation and in-house seminars.
- Annual Compliance Training.
- An E-Learning Platform.
- Opportunities for professional technical certifications.
- Comprehensive newcomer orientation across all departments.

Despite the various challenges faced, such as resistance to change culture and a limited timeline, the company managed to exceed its set target for 2023. In the 2023 training & development plan and the Employee Development Plan (EDP), it was planned to train 62 employees on a total of 168 courses. After the end of the year evaluation, the target was exceeded, 110 employees were trained, and 410 courses were completed. These included training courses and E-learning courses.

Training Hours	2021	2022	2023
Average training hours for male employees	25.1	15.3	14.1
Average training hours for female employees	19.6	23.9	23.2
Average training hours for all employees	23	20	16.7

Training Programs

The training programs proposed to employees are based on the competencies required for each employee. Physical and e-learning courses include soft skills programs, technical courses, leadership, and specialized programs. During the reporting period, four courses were provided:



Building brands and embracing digital opportunities.



Environment Social Governance (ESG) considerations.



The effects of environmental change on businesses.



The transformative impact of Artificial Intelligence (AI) on everyday business operations.

An internal workshop has also been conducted to introduce the new feature of KIC's online platform. Additionally, an E-learning database has been introduced. The database grants access to all KIC employees to support their continuous training, assist in acquiring information about the investment market, develop their current and future job capabilities, and provide information on how to develop hard and soft skills. The training platform covers the development areas needed by the employees such as leadership, organizational behavior, and financial and technical competencies. KIC has also conducted several seminars for Kuwaiti employees regarding the updates on retirement pensions.

Awareness and Training on Sustainability

In a collaboration effort between the Training & Development Unit and the Public Relations Department, awareness sessions for employees on the following topics were conducted:



Drugs



First Aid



Office Health



ESG



Developing Creativity Skills

KIC organized a training workshop to educate on professional photography skills. The training workshop, presented by Ahmed Alshayji, included several topics, including learning about the secrets and types of photography, the techniques of professional photographers, and technical and artistic basics for creative photography. The workshop aimed at enhancing employees' skills in the field of professional photography.



Sustainability Session

Given the growing interest within the company in sustainability and considering that KIC covers a wide segment of clients, the company delivered a symposium titled "Together Towards Sustainability", presented by Eng. Maryam Alsaad. This symposium came in support of the company's pillars of moving forward toward sustainability, spreading the concept of sustainability, and emphasizing the role that every employee plays in achieving the company's mission. The mission also aligns with the goals of Kuwait Development Vision 2035.



To measure the effectiveness of all Education and Training programs, a post-evaluation form and an action plan form were completed by employees. Additionally, an annual Employee Engagement Survey to assess educational and training efforts is circulated. The results in 2023 were considered as "satisfying".

Career Development

KIC's Career Progression Framework is homogenous across all departments. Employees start as Officers and the promotion policy put in place allows the employee to grow within their department, until potentially reaching the SVP status. All employees have equal opportunity in their career progression, which is based on their performance and readiness to get promoted. To improve its Career Progression Framework, KIC took into consideration employees' experience and feedback and updated its grading structure for performance evaluations. The company is currently working on a succession plan and a leadership program for middle management. These plans will promote equal opportunities in career development.

There are currently no specific programs for women's career progression. However, there are 3 VPs and 4 AVPs that are female employees, and the company is working on women empowerment and development within KIC.

Percentage of employees who received regular performance and career development review

2021 | 2022 | 2023

100%

Employee Satisfaction

The HR Department, Public Relations Department, Training and Development Unit, and the Administration Department have put multiple initiatives throughout 2023. To evaluate the success of the programs, a focus group was established which collects all concerns raised and feedback through an internal survey. The group then identifies potential shortcomings and corresponds accordingly. Some new initiatives which were introduced in 2023 were a staff cafeteria, the development of a new training approach, the improvement of the performance management evaluation, and the creation of an award for best practice: "The Excellence Award". Additionally, the HR Department implemented a new pay and reward approach to motivate its employees. In 2024, the HR Department plans to introduce an employee satisfaction survey.

The biggest challenge that KIC and its dedicated focus group face is to change the mindsets and beliefs of employees to welcome new initiatives and implement new policies. Motivating the employees and increasing their morale can be also challenging. As a response, Human Resources is working on a new communication approach to motivate, increase morale, and provide tips on how to avoid negativity.

To enhance teamwork, the management of KIC assigned a special work task to four employees from various Departments with the titles of "Officer" and "First Officer". These employees were assigned tasks related to administrative procedures in the Treasury Department, the Accounting Department, and the Operations Department. After providing the teams with administrative questions about work procedures, the special work team extracted answers and compelled relevant information. At the end of the three-day program, a presentation was prepared and presented to the CEO and the Deputy CEO's concerned Vice Presidents. Upon completion, the team was honored by Fawaz Al-Ahmed (CEO) with certifications of appreciation.



Sustainable Investment and Stewardship

KIC acknowledges that the most significant impact of its operations stems from the indirect effects it creates through its capital allocation. Due to the diverse portfolio, the level of sustainability integration varies across asset classes and investment activities. In the years ahead, KIC's investment teams aim to progressively incorporate the social and environmental footprint of its portfolio into its operations and advocate for sustainability through proactive ownership practices.

Equity Investments

The investment philosophy in KIC's equity investments is founded upon conservative principles of fundamental investing. KIC constructs diversified portfolios that are designed to preserve original capital and achieve long-term growth.

During the application process for an account opening, for corporate and individual clients, KIC is conducting a thorough due diligence process. To ensure that customers are compliant with the law and KIC's internal regulations, an extensive questionnaire covering a variety of governance-related questions is required to be completed.

Real Estate Investments

KIC invests in low-risk core and core+ commercial real estate in Germany and other European countries. Due to the nature of the investments, the ESG compatibility of properties is the most important criterion considered during the investment decision-making process.

Responsible investment opportunities are identified by following clearly defined ESG criteria that align with the responsible investment conduct. Before the investment, an ESG due diligence for investment properties is conducted. Following this process and targeting ESG-rated properties or redeveloping older properties to meet ESG standards offers the following benefits: Enhanced long-term shareholder value; increased property value, improved cost efficiencies from energy savings and waste management, and mitigated regulatory and environmental risks. These factors contribute to a stronger, overall investment portfolio, enhanced financial performance, and access to diverse funding sources.

KIC requires the investees in the real estate portfolio to disclose their ESG performance. Furthermore, the investment managers engage with stakeholders in meetings, where financial and non-financial performance is discussed and the expectations, concerns, and priorities related to responsible real estate investment are understood. Stakeholders are also consulted to get feedback on ESG metrics and how these can be developed and integrated.

Through the successful management of the real estate portfolio, including comprehensive due diligence before the selection of investment properties, the company achieved its goals and targets which are centered around achieving higher yield and Internal Rate of Return (IRR) through ESG-rated properties. Despite reaching its 2023 targets, KIC faced challenges in sourcing and identifying properties that meet ESG criteria. The limited availability of ESG-compatible properties in the market can be a significant obstacle.

During the reporting period, KIC specifically invested in a property project with a high ESG rating. Upon completion, the property was awarded the LEED Platinum certification, which is the highest level of LEED certification. Leadership in Energy and Environment Design (LEED), is a rating system developed to provide independent, third-party certification for buildings that take measurable, positive steps toward protecting and improving human and environmental health.



Sustainability in selected investment activities:

	Opportunities	Challenges
Equity investments in Local and MENA portfolios	KIC has the power to influence the country's ecosystem and push for greater ESG consideration among players and industry peers.	Kuwait is a relatively small market, and only a few players have considered ESG criteria so far. The options for investments could be limited if strict ESG criteria were mandated.
Real Estate Investments	KIC sees the integration of ESG criteria as a substantial opportunity in its real estate investments. Considering environmental and social criteria will put the company in a better position. For example, better liquidity, and enhanced reputation.	Finding viable projects that uphold the ESG requirements can limit investment options.
Green Bonds	There are currently no investments in the bond market, however, KIC recognizes the growing importance of green and sustainable debt issuance.	

Portfolio Management

Effective governance and ethical oversight of portfolio companies and investees are essential to adhere to compliance topics and to align with KIC's governance direction. Oversight of portfolio companies is led by the Direct Investment Department. The Department's main responsibilities are periodical engagements with the investee's management for performance monitoring. The Department also collaborates with the Internal Audit and Compliance Department for internal controls and regulatory compliance.

As an investment company, KIC recognizes that its largest impact is through its capital allocation - in other words, its investments and owned subsidiaries. The company therefore strives to constantly optimize its oversight and positively influence portfolio companies, especially subsidiaries and investees whom it has the most control over.

Name of Subsidiary	Principal Activities	% of Holding in 2023
KIC Financial Brokerage Company K.S.C. (Closed)	Brokerage	45.47
Kuwait International Fair Company K.S.C. (Closed)	Exhibition	51
Kuwait Foreign Investment Company	Investment (USA)	100
Kuwait Maritime Transportation Company K.S.C. (Closed)	Maritime services	76
Arab Financial Services Company K.S.C. (Closed)	Brokerage	100
Al Masar Leasing and Investment Company K.S.C. (Closed)	Leasing and Investment	45.75
Al Awaed Fund	Managed Fund	100
KIC Bond Fund (Under Liquidation)	Managed Fund	100
Al Hilal Islamic Fund	Managed Fund	99.75
KIC Capital Fund B.S.C.(a)	Investment (Bahrain)	100
MAJEL S.A.R.L	Real Estate (Germany)	86.8

ESG Risk Management

In some departments, the focus is on achieving specific targets, while the Risk Management Department ensures that factors within the entire business and across the market are considered. They oversee the due diligence process, monitor operational and liquidity risks, and implement preventive controls to mitigate any residual risks, ensuring a smooth journey toward shareholder objectives. Risk control assessments are conducted every six months, led by the Risk Committee, and approved by the board. The finance function plays a crucial role, starting with understanding the financial aspects of goals and their resource allocation. The Department is integral for strategy formulation, aligning with shareholder expectations, and tracking financials and risks. Regular meetings with the Board of Directors are conducted to review and adjust control tools and compare expected versus actual outcomes.

Currently, KIC has not received an ESG (Environmental, Social, and Governance) rating from any agency, and capital standards primarily adhere to local regulations without ESG considerations. However, KIC recognized the growing pressure from various stakeholder groups to disclose its ESG performance. From the perspective of KIC, obtaining a rating from a credit agency could offer significant benefits, as it enhances transparency and credibility in the eyes of stakeholders.

Innovation and Technology

KIC believes that its IT strategy is key to supporting the organization's sustainability goals. Thus, the IT Department has an important role in facilitating the enterprise's ESG efforts, as well as driving the digital transformation of operations and business models. According to Digital Information World, by 2030, 21% of the global electricity consumption will be used for ICT production and operation. Therefore, the choice to adopt digitization and cloud solutions is also part of the climate responsibility of the company, as it allows to improve efficiency.

Additionally, the IT Department engages itself in sustainability through the following actions:

- 

Promoting and purchasing energy-efficient computers.
- 

Utilizing 'shut down' and 'sleep' when the computers aren't in use.
- 

Emphasizing the usage of shared printers.
- 

Enabling a paperless work environment.



Adaptive IT Strategy Execution Framework (ASEF)

KIC adopted the Adaptive IT Strategy Execution Framework (ASEF), effective between 2021 and 2026. This allows the company's wide goals to be understood and implemented by the IT Department and translated into projects integrated into a Yearly Plan Execution. The plans are assessed at the end of each period. The focus of the IT strategy is to ensure business continuity and high availability. Hence, the execution plan for the year 2023 was built around cloud transformation, security enhancement, infrastructure upgrade, and preparing for digitalization in the following aspects:



Digital Marketing



Customer interaction



Security enhancements



Cloud computing

By implementing the IT strategy, KIC identified the following benefits:



Long-term benefits:

While initial investments might be required, the long-term cost savings, efficiency gains, and market opportunities offered by IT sustainability outweigh the initial investment.



Holistic approach:

Integrating sustainability throughout IT operations, from data centers and hardware to software choices and user practices, maximizes the positive impact.



Stakeholder engagement:

Collaborating with employees, clients, and stakeholders in developing and implementing IT sustainability initiatives fosters stronger engagement and support.

Digital Achievements



Cloud Transformation

The IT Department continued to transform solutions over a cloud solution to enhance and secure KIC operations, and ensure the high availability of services:

- Migrate Swift payment to a fully scalable cloud-based solution, Swift's Alliance Cloud, which is equipped with Swift-standard security and built-in flexibility.
- Connect KIC compliance operations with World-Check One from LSEG (on Cloud) to accelerate and simplify compliance with regulatory obligations related to Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), enabling detailed screening and monitoring of Politically Exposed Persons (PEPs), and heightened risk individuals and entities.
- To allow users to connect and visualize data, the IT Department implemented Microsoft Cloud Power BI. The Accounting Department was chosen as phase one of this endeavor, tasked with building a set of reports essential for fulfilling reporting requirements.



Security Enhancement

- KIC implemented Privileged Account Access Management (PAM) - a solution from CyberArk - that enhances the auditing and control records of any KIC production server.
- An agreement with a third party was signed to ethically penetrate KIC's applications, systems, and networking (internally and externally) to test against vulnerabilities and possible security breaches.
- All Operating Systems on KIC production servers, as well as Oracle Database, were updated with the latest releases to patch known security flaws and improve the overall security posture.



Solutions Upgrade

- The latest update of the T24 Solution was installed to keep KIC synched with the latest solution enhancements by the vendor.
- The SharePoint portal was upgraded to the latest release which offers more features for future business workflow enhancement.

 Improvement of Internal Processes	Many internal processes and workflow were improved, including: • Attendance system • Leave management • Contract management The IT department also developed a new web-app Performance Management Solution (PMS) based on an internationally recognized framework. Additionally, the department revised all existing contracts under its custodian and eliminated what is not beneficial for KIC - either by actual market price, quality of service, or by service utilization.
 Back Office Centralization	Centralization of the back office was conducted by automating required processes and developing a new application for KIC Dealers (Deals Allocations). These allow KIC to efficiently complete the order placing cycle, deal with portfolio allocation, and integrate transactions seamlessly with the T24 system.
 High Availability & Failover	Advanced monitoring and failover mechanisms were implemented, contributing to increased system resilience, and reduced potential points of failure.

Community Engagement

Effective community engagement aligns with Kuwait Investment Company's overarching goals by:



Strengthening stakeholder relationships and building trust



Fostering a supportive environment



Enhancing the company's credibility and reputation to attract investment opportunities and improve public perception.

During the year 2023, the social responsibility initiatives of the company were centered around the following categories:

Be a model for Kuwaiti companies in CSR through three focuses:



National Contribution and Volunteering

Participating in local holidays.

Sponsoring public events.



Focus on Kuwait's Youth

Events targeting youth.

Employment of national talents.



Employee Engagement

Regular sports games, cultural events, and workshops for KIC's employees.

KIC values its social responsibility commitment and looks to improve its involvement through Quarterly Feedback to the Public Relations Department on the initiatives' successes and failures, and yearly feedback and evaluation for employees.

During the reporting period, a noteworthy achievement is the substantial increase in employee engagement. There has been a remarkable surge in the participation of employees in various activities, particularly among the younger demographic. Also, the number of employees expressing eagerness to volunteer in diverse events and activities has improved, with about ten individuals showing commitment. This represents a notable 7% increase compared to the figures from five years ago. This positive shift can be attributed to the successful integration of employee input through collaborative initiatives, fostering a culture of active involvement and enthusiasm among the workforce.

For more information on KIC's activities and events please refer to the website or its social media channels.



Local Contribution & Volunteering

Ramadan

Contributing locally is important for KIC as it values the traditions of Kuwait and supports the progress of modern society. Employees are dedicated to upholding the company's leading position among local private sector entities committed to enhancing social responsibility in Kuwait. They achieve this by advocating for meaningful programs and initiating impactful initiatives that benefit society.

During the reporting year, KIC continued its cooperation with the Ministry of Endowments to maintain its social mission. During the holy month of Ramadan, the following initiatives were undertaken:

- Distribution of Iftar meals at the Grand Mosque, exceeding 100,000 Iftar meals provided over the past 12 years.
- Iftar meals were distributed in the densely populated area of Al-Mutlaa.
- For the 18th consecutive year, 13,000 Suhoor meals were distributed at the Grand Mosque and Bilal Bin Rabah Mosque.



Cultural Activities

KIC is keen to support Kuwaiti creatives and encourage them to showcase their artistic works. In February 2023, the company welcomed a group of talented artists who specialize in drawing and graffiti (writing on walls) to create a mural about Kuwait's landmarks, in the company's building.



Breaking Records

KIC honored professional athlete Yousef Al-Shatti for achieving a new world record for Kuwait in the Guinness Book of World Records. He holds the position of the fastest swimmer, after covering a distance of 21 kilometers in Kuwait Bay (from Ras Al Subiya to the Kuwaiti Army Officers Club) within 9 hours and 44 minutes, breaking the previous world record of 12 hours. KIC is proud to support outstanding nationals who achieve qualitative sporting achievements in the name of Kuwait.



Sports Events

KIC organized the first Ramadan Elite Football Championship for the Elite Generation, in cooperation with the Public Authority for Sports, under the patronage of the Minister of Information and Culture, and Minister of State for Youth Affairs, Abdul Rahman Baddah Al-Mutairi. The final match was preceded by a gathering that united former football stars and amateur players.

KIC organized its second padel tournament in the holy month of Ramadan, in cooperation with the Union of Investment Companies. After the unparalleled success achieved by the tournament in its first edition last year, it decided to continue the tournament for future years. This sport is particularly popular among young people, especially because the tournaments offer a chance for employees from different companies to meet and interact. What sets this tournament apart is that every company within Kuwait's private sector can represent itself by fielding a single team, fostering an atmosphere of robust competition and mutual learning. Following the tournament, the top three teams were duly recognized and honored.



Knowledge Sharing Among Investment Professionals

KIC staff actively engaged in various events organized by the Union of Investment Companies and Kuwait's Foundation for the Advancement of Sciences (KFAS), serving as trainers to share their expertise with other firms. Participation in events in 2023 was notably easier compared to previous years, as COVID-19 restrictions had previously limited the company's involvement.

Kuwait's 62nd National Day

During February, KIC celebrated Kuwait's national holidays along with the company's employees. The celebration featured several activities, including performances by a Kuwaiti folk arts band that captured the essence and heritage of Kuwaiti society. As part of its yearly tradition, KIC adorned the Souq Al-Manakh building to honor the country's national holidays.

Career Development for Graduate Students

KIC participated in the Career Opportunities Exhibition organized by Kuwait University, which aims to connect male and female graduates of the College of Administrative Sciences, and other colleges, with companies. This event allows students to start their career path in an optimal environment and permits companies such as KIC to attract talents by welcoming fresh graduates into their teams. KIC sees it as its social responsibility to participate in university events and connect with today's and future talents.

Ramadan Celebrations

During Ramadan, the Public Relations and Media Department organized competitions and activities during working days and distributed prizes to the company's employees. The administration also celebrated Qarqi'an, a Kuwaiti heritage custom.

Additionally, KIC organized a symposium for employees, led by Mr. Khaled Muhammad Al-Qassar. The symposium, titled "Ramadan is a Point of Change", dealt with the themes of change at the personal, family, professional, and societal levels, and the positive impact they have on people during the holy month. The symposium also enhances the keenness of employees to achieve goodness, achievement, and outstanding work.

Honoring Employee Efforts

At the generous initiative of the Executive Management, Departments with outstanding performance were selected and honored to express the company's appreciation for their exceptional work. This recognition is an integral part of the company's policy that aims to foster a culture of excellence, creativity, and renewed energy among KIC employees. It serves to inspire ambition and encourage further contributions towards achieving the company's goals.

Celebrating KIC's 62nd Anniversary

In a wonderful family atmosphere, the employees of KIC celebrated the 62nd anniversary of the company's foundation. As part of the festivities, the company welcomed Kuwaiti shipbuilders "Al-Qalalif" to its headquarters. The CEO and all employees gathered to witness the construction of "Al-Boom," one of the most renowned Gulf ships. His ship is part of the emblem of several countries in the Arabian Gulf.

Agricultural Activities

The Public Relations and Media Department arranged an agricultural initiative, during which employees planted trees around the front facade of the Souq Al-Manakh building. This endeavor aimed to foster a sense of environmental responsibility and educate society about the significance of tree planting. It is in line with Kuwait's efforts to create a balanced environment and improve air quality.



None of these achievements would have been possible without the volunteer efforts of our employees who coordinated the distribution of Ramadan meals and organized various sports events. KIC extends its thanks and gratitude to them for their dedication this year.

Employee Engagement

Creating social bonds within the company and fostering employee health and well-being is a key focus in KIC's CSR activities. KIC created an Instagram page accessible to employees to enhance the familial bond. To foster employee well-being, KIC creates an entertaining and pleasant atmosphere through many social events and celebrations for its employees. For example:

Monthly Breakfast

At the end of each month, all company employees meet for breakfast to strengthen internal communication and facilitate the rapprochement between employees and senior managers. Additionally, the gatherings are used to celebrate and honor employees for their achievements.

Employee Wellness Programs

Health holds significant importance for KIC and its employees. Therefore, various sports programs and health awareness sessions were organized in 2023:

Cultural Activities

KIC organized a padel tournament for its employees as part of its ongoing commitment to enable the company's work team to live a more active and energetic sporting style and to encourage its employees to engage in sporting activities throughout the year. The tournament lasted for two days and witnessed great competition with the participation of six teams. After the tournament, the winning teams were honored. Sports events are at the heart of the company's social responsibility program, contributing to promoting a healthy lifestyle inside and outside of work hours.



“Promoting Health and Safety in the Workplace”

As a responsible employer, KIC organized a special awareness symposium titled “Promoting Health and Safety in the Workplace.” The symposium, led by family medicine consultant Dr. Ahmed Abdul Malik, covered topics such as proper nutrition methods and healthy habits for employees to adopt during working hours.

The company is keen to continuously provide guidance and awareness on health topics, including necessary prevention methods to protect employees from dangers and occupational injuries.



Youth Empowerment

To support the development of young talent within the company, the Public Relations Department established an informal group named the “Diwaniya.” This gathering brings together employees aged between 23 and 38 from various departments.

Originating over 200 years ago, the Diwaniya tradition has long played a pivotal role in the country's political landscape and parliamentary system. Within this setting, a wide range of topics can be freely discussed, forming relationships and inspiring young people. KIC has adopted this approach to engage all employees, spanning across departments such as HR, PR, Accounting, Asset Management, and Direct Investment. In a dynamic community, new ideas are presented and suggestions and proposals are formalized and presented to company executives. The Diwaniya represents a significant opportunity to involve the younger generation in the company's decision-making processes.

The Diwaniya plays an important role in enhancing KIC's community engagement efforts by facilitating collaborations and providing insights. It has also cultivated a cohort of young employees who are dedicated to enhancing the corporate image of their workplace and has fostered loyalty among colleagues.



Sports Classes

KIC encourages its employees to practice sports activities of all kinds. It also provides an appropriate work environment that supports maintaining a healthy lifestyle, including organizing weekly football matches in a friendly yet competitive atmosphere. The company's youth gather with the participation of the CEO, department directors, and employees from multiple sectors.

Tackling Climate Change

It's important for KIC to understand, monitor and manage its environmental impacts, including waste, water, and energy management. The main opportunity identified in reducing the environmental footprint is lower operational costs, including the purchase of materials. During the reporting period, KIC undertook several initiatives to minimize its environmental footprint, including:



Emphasizing paperless technology, primarily through electronic communication for internal correspondence.



Recycling water bottles by sending them to a recycling company.



Engaging with recycling facilities and waste collection companies to enhance recycling efforts for old papers and devices.



Encouraging employees to recycle materials through communication initiatives.



Conducting employee awareness sessions.
(Please refer to the "Community Engagement" chapter for more information).



Assessing areas requiring improvement based on environmental standards.

Environmental topics are primarily managed by KIC's Admin Department. The Department is currently working on identifying and developing the requirements that suit the needs of the business, including recycling and waste management and sustainable procurement policies. However, KIC has recognized several challenges in promoting environmentally friendly practices, including limited resources and the high cost and complexity of certain sustainable methods.

Environmental Footprint

ENERGY	2021	2022	2023
Petrol Consumption (Used by the two cars owned by KIC)	Approx. 8,000 liters		
Scope 1* (Direct emissions by the two cars owned by KIC)	Approx. 18,800 kg CO ₂ e		

*GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in June 2023 by the UK Department of Environment, Food and Rural Affairs (DEFRA).

ENERGY	2021	2022	2023
Electricity Consumption	N/A		477,470.8 kWh
Scope 2** (Indirect emissions from KIC's electricity consumption)	N/A		322,292.8 kg CO ₂ e
Scope 3*** – Cat. 6 (Indirect emissions from KIC's employees Business Travel)	N/A		14,706.8 kg CO ₂ e

**GHG emissions for Scope 2 have been calculated using the carbon conversion factors published in January 2022 by the International Financial Institutions Technical Working Group on Greenhouse Gas Accounting (IFI TWG)

***GHG emissions for Scope 3 have been calculated using the carbon conversion factors published in 2018 by the International Civil Aviation Organization (ICAO)

	2021	2022	2023
Total Emissions	N/A		355,799.6 kg CO ₂ e
Emissions Intensity (Emissions per employee)	N/A		2,916.3 kg CO ₂ e

KIC's electricity and water bills are included as a lump sum in the rent of their office space. KIC has currently no breakdown of the exact kWh of electricity or m2 of water consumed within their offices. The provided figures are calculated by taking the total electricity and water consumption of the building and deriving the percentage (approx. 20%) of floorspace occupied by KIC. The total occupied floor space is equivalent to 5,660m2, in other words, the entire fifth floor of the office building. As the building consists of multiple, more energy-intensive units such as retail shops, it is estimated that KIC's actual consumption is lower. In collaboration with the building owner, the team is aiming to calculate more accurate numbers in the upcoming years.

Supply Chain Management

Performance	2021	2022	2023
Total number of suppliers	27	36	34
Total spending in KWD on suppliers	148,937.00	176,177.00	164,296.00
% of local (Kuwait-based) suppliers out of all suppliers	100%	100%	100%

Efficient supply chain management is crucial as it leads to cost savings, better financial performance, and financial stability. The biggest challenges for the company are to balance cost efficiency with the quality of the products, as well as keeping the suppliers' prices stable, particularly this last year.

In 2023, KIC chose to concentrate on automating its purchasing process by using its informational system and by collaborating closely with its main suppliers. Further, there was a focus on localizing the supply chain, by contracting only with Kuwaiti suppliers.

KIC has three main commitments when contracting with a supplier:



Building strong relationships with its suppliers by signing long-term contracts.



Ensuring the highest quality of products.



Ensuring fast delivery of the products.



Continuous evaluation of the suppliers, based on their commitment, response time, and product quality.

GRI Content Index



Statement of use	Kuwait Investment Company (KIC) has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as Sector Standards for the financial industry have not been published as of the end of the organisation's reporting period.
GRI Service Statement	For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders

GRI STANDARD	DISCLOSURE	PAGE	OMISSION			BOURSA KUWAIT ESG DISCLOSURES
			Requirements	Reasons	Explanation	
General Disclosure						
GRI 2: General Disclosures 2021	2-1 Organizational details	4				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				Sustainability Reporting
	2-4 Restatements of information	4				
	2-5 External assurance	4				External Assurance
	2-6 Activities, value chain and other business relationships	11, 32, 46				
	2-7 Employees	22, 23				
	2-8 Workers who are not employees	22				
	2-9 Governance structure and composition	18, 19, 21				Board Independence Board Diversity
	2-10 Nomination and selection of the highest governance body	19				
	2-11 Chair of the highest governance body	20, 21				
	2-12 Role of the highest governance body in overseeing the management of impacts	21, 33				
	2-13 Delegation of responsibility for managing impacts	15, 33				
	2-14 Role of the highest governance body in sustainability reporting	19				Environmental Oversight
	2-15 Conflicts of interest	21				

	2-16 Communication of critical concerns	21				
	2-17 Collective knowledge of the highest governance body	21				
	2-18 Evaluation of the performance of the highest governance body	21				
GRI 2: General Disclosures 2021	2-19 Remuneration policies	21				
	2-20 Process to determine remuneration	21				
	2-21 Annual total compensation ratio			Confidentiality constraints	The information is considered confidential by the organization. Information on compensation is disclosed in KIC's annual financial report	
	2-22 Statement on sustainable development strategy	7, 9				
	2-23 Policy commitments	28, 41				
	2-24 Embedding policy commitments	28, 41				
	2-25 Processes to remediate negative impacts	25				
	2-26 Mechanisms for seeking advice and raising concerns	29				
	2-27 Compliance with laws and regulations	21				
	2-28 Membership associations	13				
	2-29 Approach to stakeholder engagement	15				
	2-30 Collective bargaining agreements			Not applicable	The Kuwaiti Labour Law presently contains no provisions on collective bargaining	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14				
	3-2 List of material topics	16				
Responsible Governance						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 21				

GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	21				
	205-2 Communication and training about anti-corruption policies and procedures	21				Ethics & Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	21				
Supply Chain Management (non-material topic)						
GRI 3: Material Topics 2021	3-3 Management of material topics	46				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	46				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	46				
	308-2 Negative environmental impacts in the supply chain and actions taken	46				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	46				
	414-2 Negative social impacts in the supply chain and actions taken	46				Supplier Code of Conduct
Tackling Climate Change						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	45				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	45				Energy Usage
	302-2 Indirect Fuel Consumption	45				Energy Intensity
GRI 306: Waste 2020	306-3 Waste generated	4, 45				Environmental Operations
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	45				Water Usage
	303-5 Water consumption	45				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	45				GHG Emissions Emissions Intensity
	305-2 Energy indirect (Scope 2) GHG emissions	45				
	305-3 Other indirect (Scope 3) GHG emissions	45				
	305-5 Reduction of GHG emissions	45				
Diversity and Inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	22				Global Health & Safety
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	23, 24				

GRI 401: Employment 2016	401-1 New employee hires and employee turnover	23, 24				Employee Turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	24				Temporary Worker
	401-3: Parental Leave	25				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	24				
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	24, 25, 42, 43				Injury Rate
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	19, 22, 24				Gender Diversity Nationalization Board Diversity
	405-2 Ratio of basic salary and remuneration of women to men	24				Gender Pay Ratio
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	25				Non-Discrimination

Learning and Development

GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	26				
	404-2 Programs for upgrading employee skills and transition assistance programs	27, 28				

Community Engagement

GRI 3: Material Topics 2021	3-3 Management of material topics	36, 37				Human Rights
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	37 - 43				
	413-2 Operations with significant actual and potential negative impacts on local communities	37				

Innovation and Technology

GRI 3: Material Topics 2021	3-3 Management of material topics	33 - 36				Data Privacy
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Sustainable Investment and Stewardship

GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	30 - 32				Climate Risk Mitigation

ESG Risk Management

GRI 3: Material Topics 2021	3-3 Management of material topics	33				Environmental Oversight
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