

Ref: KIPCO/DGCEO 121/22 dated November 7, 2022

**Boursa Kuwait Company  
State of Kuwait**

السادة / شركة بورصة الكويت  
المحترمين  
دولة الكويت

**Subject: KIPCO's 2021 Sustainability report**

**الموضوع: تقرير الإستدامة لشركة مشاريع الكويت القابضة لسنة  
2021**

With reference to the above subject, and pursuant to the requirements of module 12 ("Listing Rules") of the Bylaws of law No. 7 of 2010, regarding the establishment of the Capital Market Authority and the regulation of securities activity, as amended, regarding sustainability report regulations for listed companies

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام الكتاب الثاني العاشر ("قواعد الإدراج") من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتهما، فيما يتعلق بالقواعد التنظيمية الخاصة بتقرير الاستدامة للشركات المدرجة.

Attached is the Sustainability report.

نرفق لكم تقرير الإستدامة.

Sincerely,

و تفضلوا بقبول فائق التحية و الاحترام ،،،

كيبكو  
KIPCO  
شركة مشاريع الكويت (القابضة)  
Kuwait Projects Company (Holding)

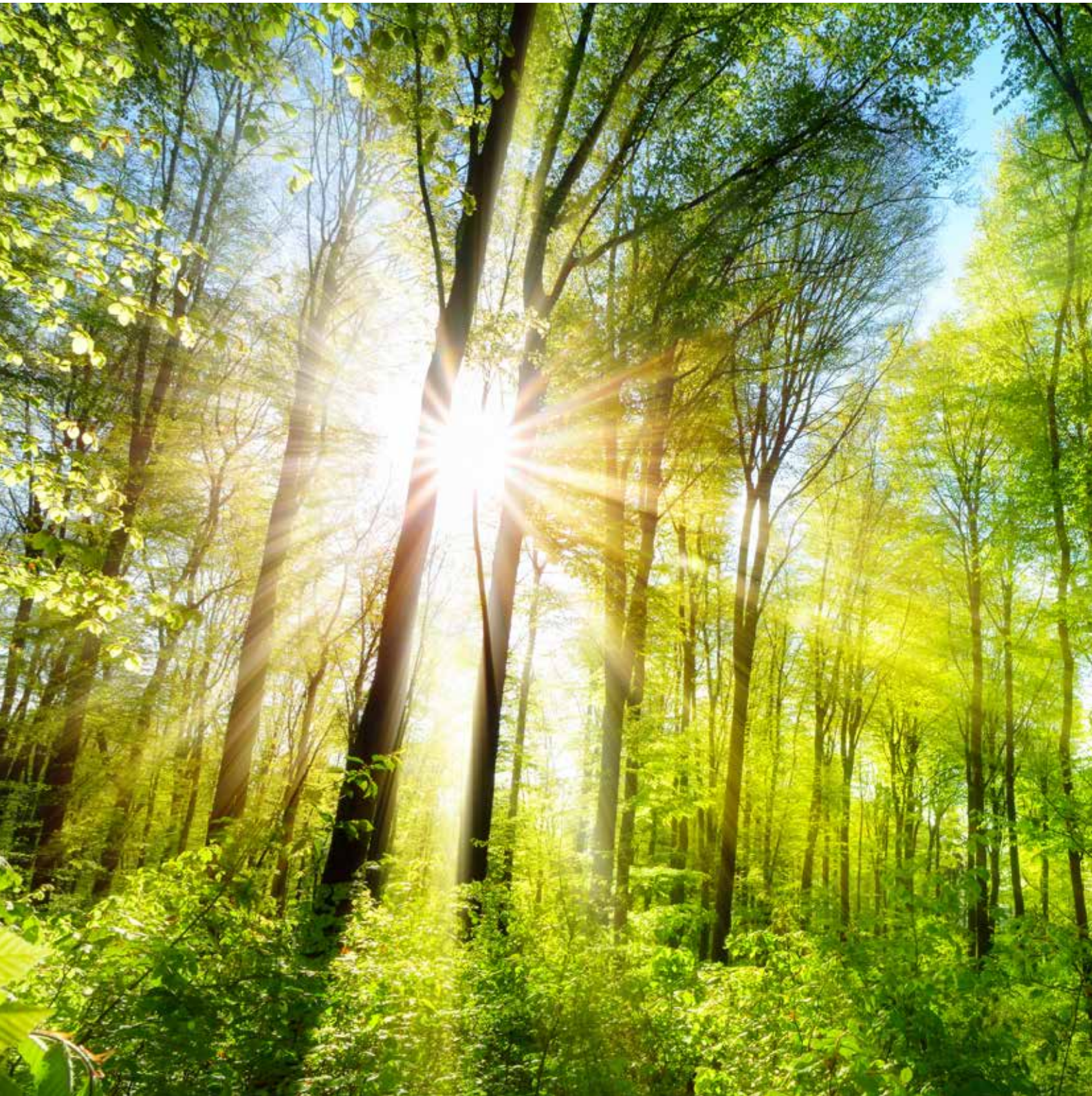
**Samer Khanachet**  
Deputy Group Chief Executive Officer

سامر خنشت  
نائب الرئيس التنفيذي للمجموعة

THE WAY FORWARD  
EMBARKING ON  
A SUSTAINABLE JOURNEY  
SUSTAINABILITY REPORT 2021

كيبكو  
KIPCO  
شركة مشاريع الكويت (القابضة)  
Kuwait Projects Company (Holding)







# ABOUT OUR 2021 SUSTAINABILITY REPORT

# ABOUT OUR 2021 SUSTAINABILITY REPORT



## About the Report

Welcome to KIPCO's first sustainability report, 'The Way Forward: Embarking on a Sustainable Journey'. KIPCO's Sustainability Report 2021 measures, assesses and discloses company data on a range of non-financial performance areas in the realms of sustainability and environmental, social and governance (ESG) performance. The report and its disclosures have been developed in accordance with the Global Reporting Initiative (GRI) core option.

As this is KIPCO's first sustainability report, it forms the baseline for current comparisons and future performance. A common theme throughout the report is governance, both within KIPCO as a holding company and in relation to its portfolio companies, including governance and oversight over certain ESG areas. KIPCO seeks to be more ESG-driven now and in the future, directed mainly by the assessments and value added within this report. We view this purpose as an opportunity for empowering and enhancing ESG primarily at the holding company level, followed by further impact that would likely permeate across the Group.

The report's reporting period spans from January 1, 2021 to December 31, 2021, with some comparisons to previous years where applicable or relevant.

The scope boundary of this report is KIPCO's performance as a holding company (referred to throughout the report as 'KIPCO' or 'the Holding' or 'the Company'), covering its detailed ESG performance.

Meanwhile, any additional and secondary references to KIPCO's

subsidiaries are either referred to by name or referred to collectively in the report as 'subsidiaries', 'KIPCO Group', 'Group companies' or 'portfolio companies'. These are referenced to and highlighted in relation to any exceptional performance relevant to this report, and the information on subsidiaries is presented within the 'Eye on our Subsidiary' sidebars.

To clarify, Figure a below lists the names of the Holding and the directly held entities as per KIPCO's financial statements and indicates how they are reflected in KIPCO's Sustainability Report 2021. Note that any other entities not included in the table are not directly within the scope of the sustainability report. More information about our subsidiaries can be found in our Annual Report 2021, which can be accessed here: : [www.kipco.com](http://www.kipco.com)

**Figure a: Entities Covered in KIPCO Financial Statements vs. KIPCO Sustainability Report 2021**

Entities Covered in KIPCO's Financial Statements	Coverage in KIPCO Sustainability Report 2021
Kuwait Projects Company Holding K.S.C.P. - KIPCO	Covered directly within the report's scope boundary
United Gulf Holding Company B.S.C - UGH	Covered in 'Eye on our Subsidiary' sidebars
Burgan Bank S.A.K. - Burgan	Covered in 'Eye on our Subsidiary' sidebars
United Real Estate Company K.S.C.P. - URC	Covered in 'Eye on our Subsidiary' sidebars
United Industries Company K.S.C. (Closed) - UIC	Covered in 'Eye on our Subsidiary' sidebars
OSN	Mentioned in the Report
Gulf Insurance Group - GIG	Covered in 'Eye on our Subsidiary' sidebars
Kamco Invest*	Covered in 'Eye on our Subsidiary' sidebars
Alternative Energy Projects Co.* - AEPCO	Covered in 'Eye on our Subsidiary' sidebars

\*Note: These entities are not directly held.

### Restatement of Information

There is no restatement of information from prior reporting periods, because this is KIPCO's first sustainability report.

### Contact

We welcome any feedback, queries, or clarifications from our readers. Contact us at following email address:

Email: [esg@kipco.com](mailto:esg@kipco.com)

# 2021 HIGHLIGHTS



Female representation at Board level

**20%**



Increase in female representation in management

**25%**



Employee turnover rate

**7%**



Number of employee complaints

**Zero**



Total training hours recorded

**136**



Increase in total amount spent on employee events

**60%**



Employee absentee rate

**Below 2%**



Occupational injuries

**Zero**



Total papers sheets of paper saved

**38,000**



Total GHG emissions avoided as a result of paper saving

**1.7** mtCO2e



Total Scope 1 emissions

**14.61** mtCO2e



Total Scope 2 emissions

**2,124** mtCO2e



Total Scope 3 emissions

**803.25** mtCO2e



Total GHG emissions

**2,942.26** mtCO2e



Total GHG emissions intensity

**49.87** mtCO2e/Employee



Number of corruption incidents

**Zero**



Number of fraud incidents

**Zero**



Number of money-laundering incidents

**Zero**







## MESSAGE FROM THE GROUP CEO

# MESSAGE FROM THE GROUP CEO



"I would like to begin by extending my appreciation to all of our colleagues who have worked to navigate KIPCO's operations through a year that was challenging on several fronts."

## **Dear Stakeholders,**

I am delighted to bring to you our first sustainability report, 'The Way Forward: Embarking on a Sustainable Journey', which articulates all of our achievements in 2021 in relation to non-financial, sustainability and environmental, social and governance (ESG) aspects. We look forward to exhibiting our continuous strive towards business excellence and transparency, as well as improvements in our Holding's performance in these areas. We aim to continue to report on sustainability on an annual basis.

I would like to begin by thanking all of our employees, who have helped us to effectively navigate KIPCO's operations through a year that was challenging on several fronts. Our invaluable employees exhibited their best performance in a healthy, safe and fair work environment. Ever since our establishment, KIPCO has been committed to safeguarding employee rights and preserving a work environment that allows our employees to achieve their very best potential. We fully comply with the Kuwait Labor Law, provide equal opportunity to all employees and promote women's career advancement. Our commitment to gender equality is manifested in the 25% increase in the number of women in managerial level positions as compared to last year. This commitment is in line with KIPCO's obligation as a signatory of the UN Women's Empowerment Principles (WEPs).

Additionally, our highly diverse workforce composition (especially in terms of gender, age and special needs demographics) enforces our strict non-discrimination and harassment procedures. We have been working on a number of successful initiatives to enhance our Human Resource (HR) and procurement practices across the Holding, which include the aforementioned matters, as well as others.

At KIPCO, we adhere to high human rights standards, as articulated in our HR manual that stipulates that all employees have protected rights and responsibilities in relation to unlawful discrimination, workplace harassment and bullying. Human rights were not compromised during COVID-19. On the contrary, they were reinforced by maintaining flexibility, with employees outside of Kuwait who continued to receive their wages, compensation and benefits in full and without interruption. Furthermore, additional work flexibility and reduction in working hours were provided to all employees, as and when needed. One of the key success factors during COVID-19 was the enablement of work from home.

Employee treatment goes far beyond observing their basic rights. We seek to foster their talents through regular performance reviews and training programs. In fact, we increased our investment in employee e-learning in 2021 and provided a total of 136 training hours to employees.

We know very well the importance of cultivating young talent to build a sustainable society. Hence, our Corporate Communications activities are focused on youth. This includes entrepreneurship, education and knowledge. Our Corporate Social Responsibility (CSR) initiatives are strategized in line with KIPCO's CSR pillars and a number of foundations and frameworks, including overall community needs and the UN Sustainable Development Goals (SDGs). One main CSR initiatives to highlight is the 'Munjiza' women empowerment platform (a platform that highlights the extraordinary women in the civil society), which was created in 2019. Additionally, our innovation was evident during COVID-19 through the launch of Generation Alpha (the young athletes development program) and partnering with ALAAN team to digitize our CSR initiatives. Thanks to

such initiatives, we managed to stay active and continued to reach out to the community during these uncertain times.

In line with this innovation, digitization is one of the areas where many of our KIPCO departments have advanced. These developments include the use of various technologies that allow for convenience, efficiency, effectiveness and overall environmental impact such as paper savings.

Another major area of importance to KIPCO's sustainability is the environment, which we consider in every area of our operations. We are committed to reuse, reduce and recycle as much as possible. This year, we decreased our paper consumption, saving a significant amount of resources in return. We also put major efforts into reducing e-waste by buying quality long-lasting equipment. Accordingly, within this report, we measure and assess our performance through a number of environmental indicators, culminating in overall greenhouse gas (GHG) emissions grouped into different scopes, whether directly or indirectly contributing to these emissions.

In terms of corporate governance, we are firmly committed to maintaining the highest standards of corporate governance in line with best practices, and transparently disclosing as many governance matters as relevant, required and convenient. This includes various disclosures about our Board of Directors (BoD), committees, Executive Management (EM), shareholder matters, policies and procedures, among others. KIPCO believes in maintaining the upmost standards of transparency.

Looking at financial ethics, we deal with strictness regarding any potential corruption matters or controversies, as and if they arise. Moreover, we maintain an open culture with the highest standards of honesty and accountability, where all stakeholders, both internal and external, can report, in good faith, legitimate concerns in confidence. As a result of these efforts, we have fortunately recorded zero incidents of fraud or corruption.

As a final note, I am confident that this report will be a major step on KIPCO's sustainability and ESG path. The information provided here will be of benefit to both our internal and external stakeholders in terms of detailed reporting on KIPCO's sustainability performance. Additionally, tracking our sustainability performance through such reports will push us towards continuous improvement, as we consider this a vital comparable baseline, both with others as well as with ourselves as we seek further improvements in the realm of sustainability and ESG.



**Dana Nasser Sabah Al Ahmad Al Sabah**  
Group Chief Executive Officer\*

\*Note: Group CEO effective January 1, 2022. Had been a Non-Executive Board Member during 2021.



01



# OUR SUSTAINABLE OPERATING MODEL

- 1.1. | About KIPCO
- 1.2. | Stakeholder Engagement and Communication
- 1.3. | Materiality Assessment
- 1.4. | Sustainability and ESG Alignment

# 1. OUR SUSTAINABLE OPERATING MODEL

Aiming to effectively embed sustainability into KIPCO's business functions and fulfill stakeholder expectations, we have identified key material topics to orient our sustainable operations. To start with, this chapter provides an overview about KIPCO, its shareholders, subsidiaries, and locations. We also provide a detailed outlook on our stakeholder engagement and communication approach, as well as materiality assessment procedure, and the alignment of material topics to international and national frameworks.

**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Public  
administration



## 1.1 About KIPCO

### About us

Kuwait Projects Company Holding (KIPCO) is a holding company that focuses on investments in the Middle East and North Africa (MENA) region. Our strategy of acquiring, building, scaling and selling companies in the MENA region has worked successfully for over 30 years. The main focus of the Holding is governance over itself and its subsidiary companies, rather than directly undertaking the direct operations of subsidiary companies within each sector. Through this practice of governance and oversight, KIPCO maintains a balance between its own interests, stakeholders' interests, community needs, shareholder value, and employee outcomes, among others.

Through KIPCO and our subsidiaries' activities, our main business sectors are financial services, media, real estate and industry. KIPCO's interests include holdings in commercial banks, insurance companies, asset management, investment banking, entertainment, energy, and real estate.

### Our major shareholders are:

- Al Futtooh Holding Company
- United American Holding Co. and Group (Al Janah Holding Co.)

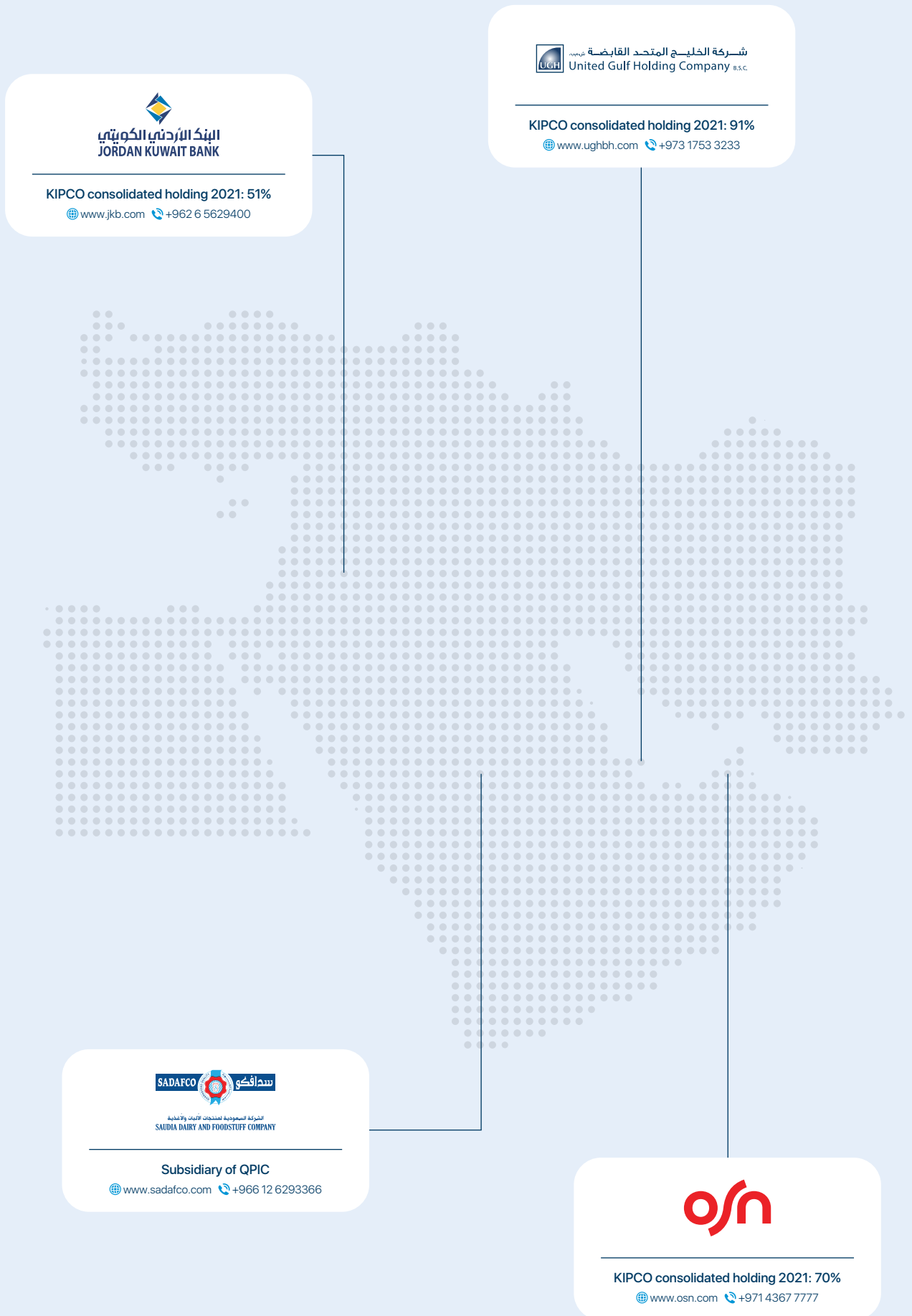
Our subsidiaries operate in various locations, mainly in Kuwait and the MENA region. **Figure 1.1a** shows where a number of those subsidiaries operate in Kuwait, while **Figure 1.1b** pinpoints other subsidiaries' operations around countries in the MENA region.



Figure 1.1a: Selected Subsidiaries' Operations in Kuwait



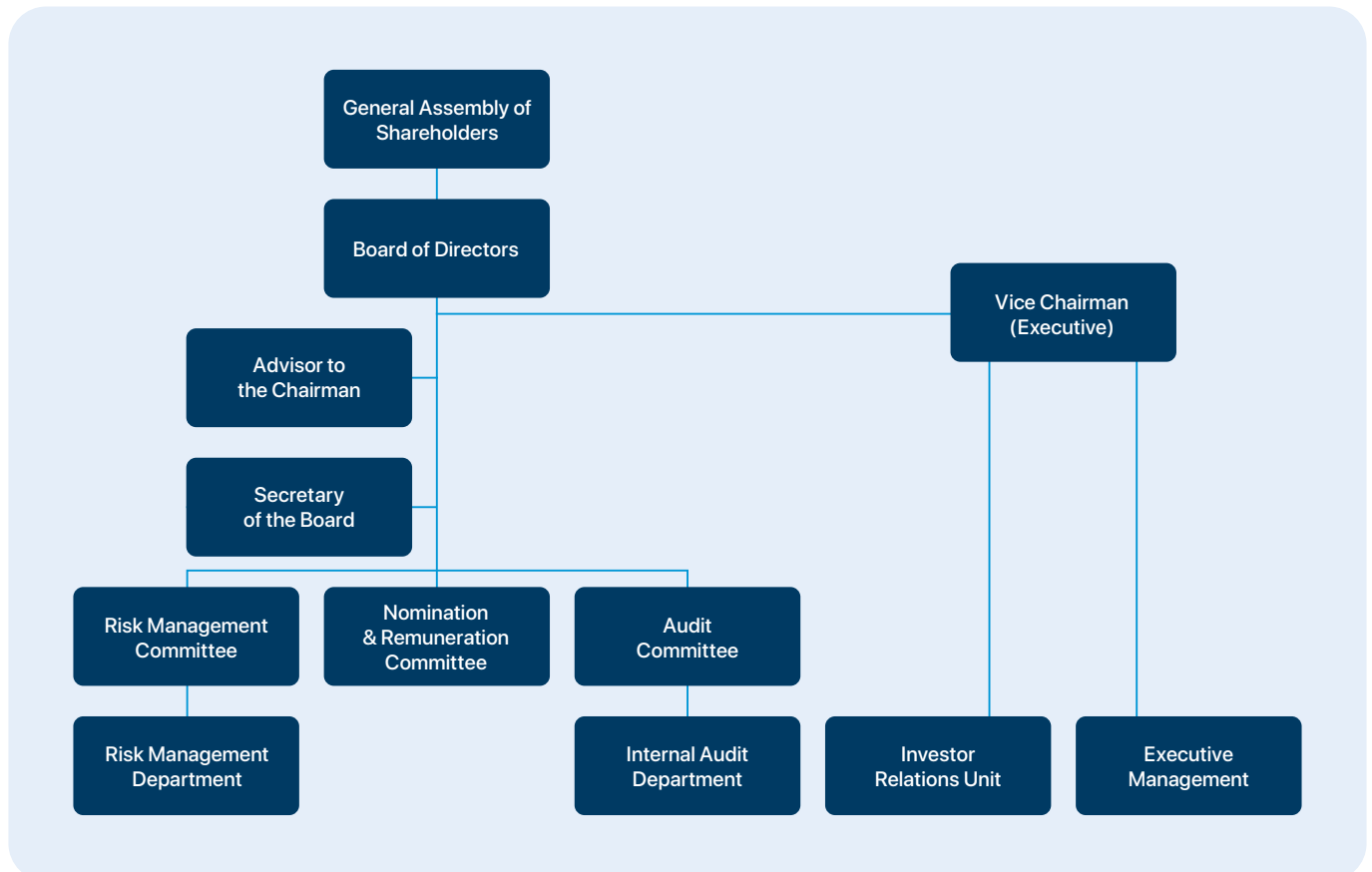
Figure 1.1b: Selected Subsidiaries' Operations in the MENA Region



## Governance Framework

KIPCO operates through a structured governance framework, reflected in **Figure 1.1c** below. This shows the governance levels, from top to bottom. At the very top is the General Assembly of Shareholders, followed by the Board of Directors. This further branches into the Vice Chairman (Executive), Advisor to the Chairman, Secretary, and 3 Board Committees. The next level includes the departments that report directly to these governance positions.

Figure 1.1c: Governance Framework



## Strategy

KIPCO's strategy is focused around 3 core stakeholders: employees, customers, and shareholders. We work to create maximum value for shareholders while being responsible towards all our stakeholders, adhering strictly to our ethical values.

Our strategic directions and cycle for the development of KIPCO's strategy contain several elements and activities. Our main strategic step and priority for this reporting period is a merger, which we are currently in the process of, with another entity. Following this merger, the application of our mission, vision and values will become even more critical to ensure smooth integration of the parties and stakeholders involved.

As another strategical action, KIPCO is currently in the process of developing a long-term incentive plan (LTIP), which is expected to aid in unifying our Key Performance Indicators (KPIs) across KIPCO, and linking them to the overall strategy in a solid and comprehensive manner.

COVID-19 has had an impact on KIPCO strategy, as it was tailored to accommodate the crisis situation. Specifically, KIPCO had pre-COVID-19 implementation strategies that are no longer valid considering our current transition into COVID-19 and post-COVID-19 circumstances. Further changes are expected in 2022, with the development of strategy targets to monitor implementation.

Within KIPCO's strategy, certain elements of environmental, social, and governance (ESG) areas are considered. While ESG integration into strategy has so far been seen informally, we are currently in the process of formalizing this integration for the future. The following presents a brief overview of how we are strategically performing in each area:



### Environment:

KIPCO as a holding company is not considered to be in high environmental risk areas in general as, compared to other more industrial and manufacturing sectors, environmental impact is not considered to be too material to our operations. Despite this, we are committed to measuring, assessing, and transparently reporting our environmental performance across a range of related indicators. More information about our environmental performance is found in **Chapter 4: Responsible Business Practices**.



### Social:

KIPCO is socially responsible through its community activities. Social aspects are further exhibited through our workplace and the sustainable elements within it, including diversity, engagement, performance management, and nationalization, among others. We have a long history of helping our staff if they are in a crisis situation (such as health matters or travel obstacles), going beyond our usual corporate commitments. Regarding workplace diversity, KIPCO's current CEO is female, and we continue to be keen on hiring and having female representation at both managerial and non-managerial levels. Overall, our long and strong employment tenure is a testament to our fair and equitable workforce management practices. More information about our social performance is found in **Chapter 2: Inclusive Workplace** and **Chapter 3: Corporate Citizenship**.



### Governance:


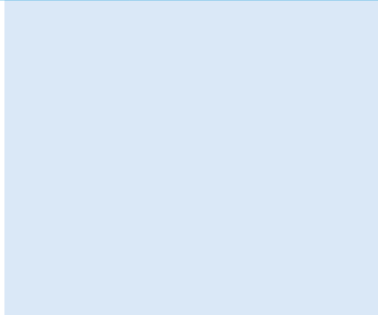

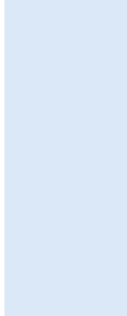

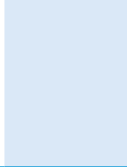

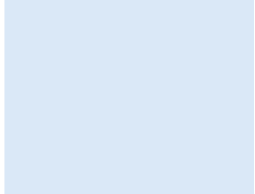
KIPCO has maintained incredibly strong governance within its policies, processes, and procedures. The Board, Executive Management, and other governing roles are strategically driving KIPCO towards proper transparency, compliance, operational management, ethics, financial management, improvements, risk and opportunity management, and digital advancement, among others. More information about our governance and related management and operational performance is found in **Chapter 5: Sustainable Governance** and **Chapter 6: Integrity and Accountability**.

## 1.2 Stakeholder Engagement and Communication

Our stakeholders—whether internal within KIPCO’s direct boundary or external parties outside of our direct boundaries—are vital cornerstones of our business practices generally and our sustainability directions more specifically. Ensuring that our actions are complementary to the interests of our internal and external stakeholders is important to ensure we continue to operate in a sustainable, healthy, and just manner now and into the future.

To present this engagement with our stakeholders, the following **Figure 1.2a** lists our core stakeholders and their classifications, along with our approach of engaging with each one, and the level (or frequency) of engaging with each. Please note that core stakeholders have been identified depending on the level of engagement that we have with them. Regarding the engagement level / frequency, the longer the bars, the more often we are interacting with this associated stakeholder in any given time period relative to the other stakeholders. For example, the shortest bars indicate engagement of only once or few times a year, while the longest bars show engagement that is almost daily. Medium-sized bars reflect engagement frequency that is less often than daily engagement, but more often than a few times per year.

**Figure 1.2a: Stakeholder Engagement**

Classification	Stakeholders	Approach to Stakeholder Engagement	Engagement Level / Frequency
External	Investors 	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Meetings</li> <li>• Official letters</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Reports</li> <li>• Website</li> <li>• Press releases</li> </ul>	
External	Shareholders 	<ul style="list-style-type: none"> <li>• Meetings / Annual General Meetings (AGMs)</li> <li>• Official letters</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Reports</li> <li>• Website</li> <li>• Press releases</li> </ul>	
External	Governmental Entities 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Official letters</li> <li>• Emails</li> <li>• Reports</li> </ul>	
External	Community 	<ul style="list-style-type: none"> <li>• Community events</li> <li>• Website</li> <li>• Press releases</li> <li>• Reports</li> <li>• Volunteer activities</li> </ul>	

External	Non-Governmental Organizations ("NGOs") 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Official Letters</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Volunteer activities</li> <li>• Joint events</li> </ul>	
Internal	Employees 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails</li> <li>• Phone calls</li> <li>• Training</li> <li>• Employee events</li> <li>• Social media platforms</li> <li>• Press releases</li> <li>• Reports</li> <li>• Internal communication</li> <li>• Website</li> <li>• Contracts</li> </ul>	
External	Suppliers and Vendors 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Official letters</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Contracts</li> </ul>	

## 1.3 Materiality Assessment

The practice of conducting materiality assessment is important to identify areas of significant economic, environmental, and social impacts to KIPCO. These identified material topics would have substantive influence on the assessments and decisions of external and internal stakeholders, as well as the overall organizational sustainability performance. In essence, assessment of the significance of the identified topic feeds into the overall development of this sustainability report. This practice ensures that information about material topics is adequately disclosed in this report, especially those topics deemed to be of high material priority. Materiality also forms 1 of the 4 reporting principles according to the GRI, alongside stakeholder inclusiveness, sustainability context and completeness.

To commence the materiality assessment process, consultations, engagements, and business understanding sessions were held across KIPCO departments to identify key material topics. Accordingly, a list of potential material topics was narrowed down to the final 13 material topics identified as the most significant and impactful.

KIPCO has considered a number of factors in defining material topics, including:

- Economic, environmental, and/or social impacts
- The interests and expectations of stakeholders specifically invested in the organization
- Broader economic, social, and environmental interests and topics raised by stakeholders such as employees, suppliers, and local communities
- Material topics considered by KIPCO's peers and industries
- Laws, regulations, international standards
- KIPCO's values, policies, strategies, and goals
- KIPCO's core competencies and the manner in which it can contribute to sustainable development
- Consequences for KIPCO which are related to its impacts on the economy, the environment, and/or society

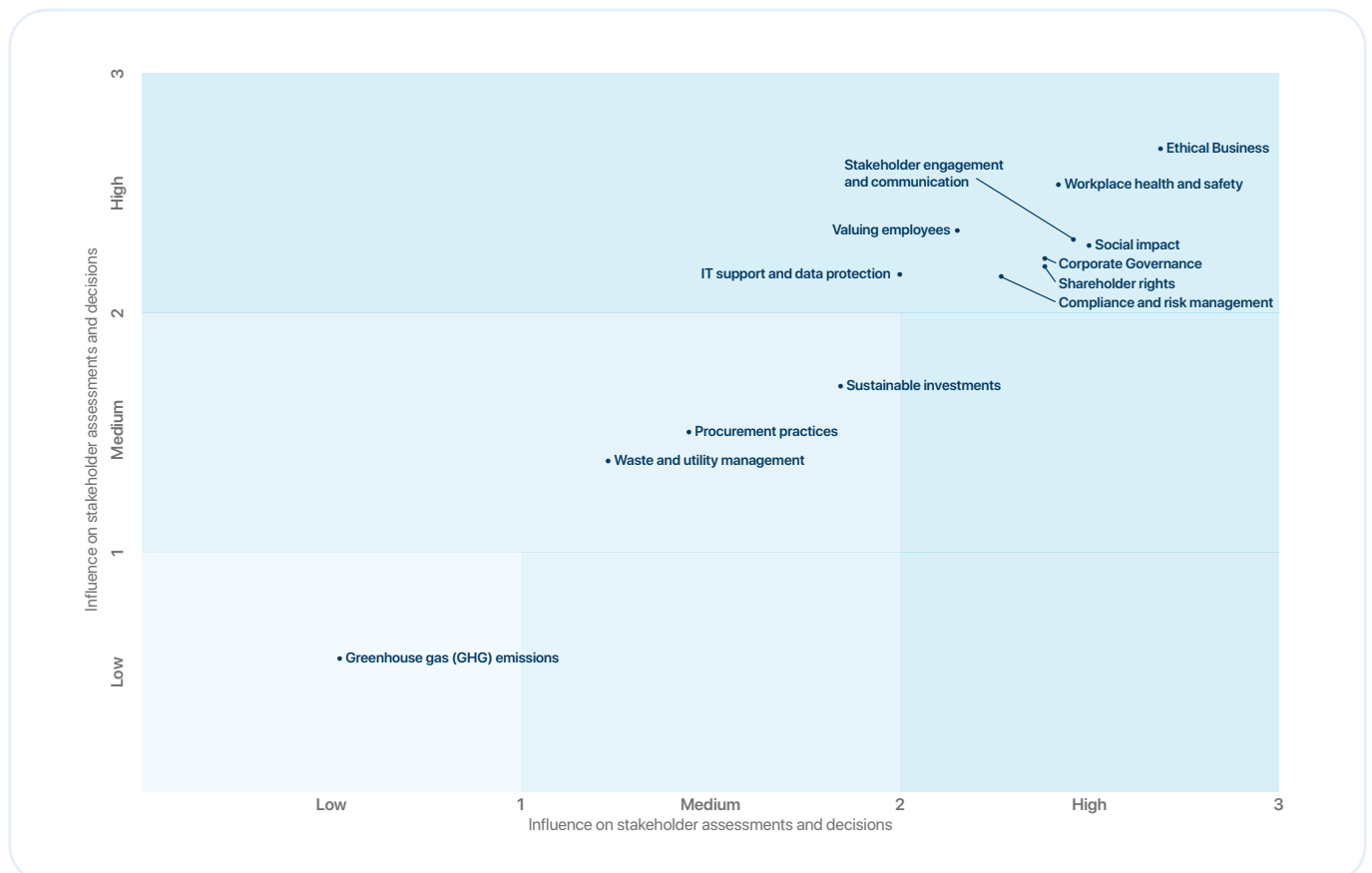
Following this, a total of 26 internal and external stakeholders participated in the materiality assessment by answering survey questions in order to rate and prioritize the topics against certain parameters. Both external and internal stakeholders were addressed in this survey-comprising 14 KIPCO employees (internal stakeholders), focal points from 7 of KIPCO's subsidiaries, and 5 respondents representing third-party entities that KIPCO engages with (external stakeholders).

Through the materiality assessment survey, materiality topics were assessed and mapped according to the significance of the topic on KIPCO's economic, environmental and social impacts (on the x-axis), and the influence of the topic on stakeholder assessments and decisions (on the y-axis), as mapped out in their coordinates in the materiality matrix in **Figure 1.3a**.

As a result of the mapping, each topic was rated on a scale of Low, Medium and High materiality, depending on the quadrant of each topic's coordinates. The materiality level associated with each material topic is provided in **Figure 1.3b**. As the materiality matrix demonstrates, the majority of material topics lie on the upper-right quartile of the matrix-i.e. rated as high materiality level in terms of both their significance to KIPCO's economic, environmental and social impacts as well as their influence on stakeholders' assessments and decisions. These highly rated topic are namely: Corporate governance, Shareholder rights, IT support and data protection, Valuing employees, Stakeholder engagement and communication, Ethical business, Workplace health and safety, and Social impact. Accordingly, it has been ensured that information related to these topics has been extensively assessed in terms of KIPCO's performance, and disclosed in this report. Meanwhile, only 3 topics were considered of medium materiality level. These are: Sustainable investments, Procurement practices, and Waste and utility management. Finally, Greenhouse gas ("GHG") emissions was the only topic considered of low materiality level in terms of both its significance to KIPCO's economic, environmental and social impacts as well as its influence on stakeholder assessments and decisions.

Please note that in terms of changes in reporting (ie. changes in material topics), this is not applicable to KIPCO this year because this is our first sustainability report and accordingly the first set of material topics.

**Figure 1.3a: KIPCO Materiality Matrix**



**Figure 1.3b: Materiality Level per Topic**

Material Topic	Materiality Level
Stakeholder engagement and communication	High
Valuing employees	High
Workplace health and safety	High
Ethical business	High
Compliance and risk management	High
Corporate governance	High
Shareholder rights	High
IT support and data protection	High
Social impact	High
Waste and utility management	Medium
Procurement practices	Medium
Sustainable investments	Medium
Greenhouse gas (GHG) emissions	Low

## 1.4 Sustainability and ESG Alignment






Our alignment to both national and international frameworks, drivers, and standards related to sustainability and Environment, Society, and Governance (ESG) elements is shown in this section. This emphasizes how KIPCO is performing in sustainability in line with these overarching frameworks, both being impacted by and in turn impacting or contributing towards them. This alignment is highlighted for each material topic identified, which reflects on the entire sustainability report considering that KIPCO's sustainability report is built closely around the 13 identified material topics.

Starting with the international related frameworks, 2 of these selected in **Figure 1.4a** include the Global Reporting Initiative (GRI) and UN Sustainable Development Goals (SDGs), and each material topic is mapped to the relevant standard of the former and goal of the latter.



Figure 1.4a: Material Topics Alignment to International Frameworks

#	Materiality Topic	Global Reporting Initiative (GRI)	UN Sustainable Development Goals (SDGs)
			
1	Procurement practices	204: Procurement Practices	 GOAL 12: Responsible Consumption and Production
2	Sustainable investments	103: Management Approach 413: Local Communities 412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	 GOAL 1: No Poverty   GOAL 8: Decent Work and Economic Growth   GOAL 11: Sustainable Cities and Communities   GOAL 12: Responsible Consumption and Production
3	Stakeholder engagement and communication	102-40, 41, 42, 43, 44: Stakeholder engagement	 GOAL 16: Peace, Justice and Strong Institutions
4	Valuing employees	401-2, 404-3: Employment	 GOAL 8: Decent Work and Economic Growth   GOAL 16: Peace, Justice and Strong Institutions
5	Workplace health and safety	403: Occupational Health and Safety	 GOAL 2: Good Health and Well-being
6	Ethical business	102-16, 102-17: Ethics and Integrity	 GOAL 16: Peace, Justice and Strong Institutions
7	Compliance and risk management	102-30: Governance 307: Environmental Compliance 419: Socioeconomic Compliance	 GOAL 16: Peace, Justice and Strong Institutions
8	Corporate governance	102-18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39: Governance	 GOAL 16: Peace, Justice and Strong Institutions
9	Shareholders rights	102-21: Governance 102-40, 42, 43, 44: Stakeholder engagement	 GOAL 16: Peace, Justice and Strong Institutions

10	IT support and data protection	418-1: Customer privacy		GOAL 16: Peace, Justice and Strong Institutions
11	Social impact	102-29: Governance		GOAL 11: Sustainable Cities and Communities
12	Waste and utility management	306: Effluents and Waste		GOAL 6: Clean Water and Sanitation
				Goal 11: Sustainable Cities and Communities
13	Greenhouse gas (GHG) emissions	305: Emissions		GOAL 13: Climate Action

Looking specifically at the Global Reporting Initiative (GRI), these standards embody a number of principles, being a set of 4 reporting principles for defining report content, and a set of 6 reporting principles for defining report quality. These principles were considered, aligned, and ensured—not only in identifying and assessing the material topics, but also in the development of KIPCO’s sustainability report. Accordingly, the following **Figure 1.4b** table displays how each of the GRI reporting principles were applied individually.

**Figure 1.4b: Application of each GRI Reporting Principle**

#### Reporting Principles for Defining Report Content

<b>Stakeholder Inclusiveness</b>	Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by KIPCO’s activities, products, or services; or whose actions can reasonably be expected to affect the ability of KIPCO to implement its strategies or achieve its objectives. Stakeholder input has guided the development of this report through meetings, consultations, surveys etc. A detailed list of all stakeholders and engagement mechanisms is provided in <b>Section 1.2. Stakeholder Engagement and Communication</b> .
<b>Sustainability Context</b>	The report clarifies KIPCO’s performance in a wider sustainability context. KIPCO aims to contribute to and report in line with a number of both national and international sustainability frameworks, including: Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs), New Kuwait Vision 2035, Kuwait Boursa sustainability disclosures, and selected Environmental, Social, and Governance (ESG) criteria. Further details about this alignment are given in <b>Section 1.4. Sustainability and ESG Alignment</b> .
<b>Materiality</b>	KIPCO identifies material topics based on the following 2 issues: <ul style="list-style-type: none"> <li>• The significance of the organization’s economic, environmental, and social impacts</li> <li>• Their substantive influence on the assessments and decisions of stakeholders.</li> </ul> <p>Accordingly, KIPCO prioritizes its material topics appropriately in the report, based on a materiality assessment process and resulting matrix discussed in fine detail within this section.</p>
<b>Completeness</b>	KIPCO took into account the impacts, both inward and outwards, considering elements that it contributes to, or is directly linked to through a business relationship. The report covers and prioritizes a range of material information on the basis of the principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness. The information in the report includes numerous significant impacts during the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and can become unavoidable or irreversible.

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## Reporting Principles for defining report quality

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<b>Accuracy</b>	Data and information disclosure accuracy was ensured throughout the report development by utilizing a data collection tool in line with GRI standards, and other disclosures. Data was gathered, calculated, and presented in a methodological manner. Additionally, data and information were carefully reviewed by selected stakeholders to ensure consistency and accuracy.
<b>Balance</b>	Report development took in consideration KIPCO's sustainability performance in an unbiased way, reflecting both positive and negative aspects. Furthermore, the emphasis on the various topics in the report reflects their relative priority.
<b>Clarity</b>	The report presents information in a way that is understandable, accessible, and usable by KIPCO's stakeholders-while attempting to avoid unnecessary and excessive information. Stakeholders can navigate across the report easily to find information on topics of interest. The report is available in digital format.
<b>Comparability</b>	The information throughout the report is presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations. Since this is KIPCO's first report, it will be used as a reference for consistency in presenting information for future reports (ie. a baseline).
<b>Reliability</b>	Data and information in the report is based on and traceable to original sources of information collected from KIPCO data owners. Data, calculations, and information are supported with reliable evidence.
<b>Timeliness</b>	The report discloses information that is recent and relative to the reporting period: January 1, 2021 to December 31, 2022. KIPCO aims to continue sustainability reporting on an annual basis.

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In parallel with the international alignment exhibited through GRI, SDGs, and ESG, alignment to national frameworks in Kuwait focused on sustainability can be mapped to the material topics to emphasize the report's linkage to movement frameworks as well-in this case the New Kuwait Vision 2035, and the Bursa Kuwait's voluntary sustainability disclosure standards. The alignment to the 2 national frameworks is illustrated in **Figure 1.4c** for each of the associated material topics to which they relate. Similarly, this alignment emphasizes KIPCO's impacts in relation to each framework, shown through the identified material topics and the sustainability report overall.

Figure 1.4c: Material Topics Alignment to National Frameworks

#	Materiality Topic	New Kuwait Vision 2035	Boursa Kuwait standards
1	Procurement practices	6. Economy	G5 Supplier Code of Conduct
2	Sustainable investments	5. Infrastructure 6. Economy	S8 Child & Forced Labor S10 Nationalization
3	Stakeholder engagement and communication	7. Public administration	G8 Sustainability Reporting G9 Disclosure Practices
4	Valuing employees	7. Public administration	S 1,2,3,4,5,6,7,8,9,10
5	Workplace health and safety	3. Healthcare	S7 Global Health and Safety
6	Ethical business	7. Public administration	S5 Non-Discrimination S8 Child and Forced Labor S9 Human Rights G6 Ethics and Anti-corruption
7	Compliance and risk management	7. Public administration	G8: Sustainability Reporting
8	Corporate governance	7. Public administration	G 1,2,3,4,5,6,7,8,9
9	Shareholders rights	7. Public administration	G8 Sustainability Reporting
10	IT support and data protection	7. Public administration	G7 Data Privacy
11	Social impact	1. Global Position	S10 Nationalization
12	Waste and utility management	4. Living Environment	E7 Environmental Operations
13	Greenhouse gas (GHG) emissions	4. Living Environment	E1 GHG Emissions



02



# INCLUSIVE WORKPLACE

- 2.1. | Valuing employees
- 2.2. | Workplace Health and Safety

## 2. INCLUSIVE WORKPLACE

At KIPCO, we realize the importance of an inclusive workplace in deepening employee trust and commitment, to the success and prosperity of our company. KIPCO's highly diverse company culture places further emphasis on providing equal opportunities to all employees regardless of their age, gender, or nationality. In this chapter we highlight this aspect of KIPCO, and how we manage our employee performance, attract talent, and invest in our employees. We also state the facts on our turnover rates, employee-related policies and rights, workplace health and safety, as well as our COVID-19 response in relation to the workplace.



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Human capital



## 2.1 Valuing Employees

We highly value our employees at KIPCO, as we firmly believe that our people are crucial cornerstones of our activities as a whole, and of our sustainability journey more specifically. Accordingly, we have been working on a number of successful initiatives to enhance our Human Resources (HR) and procurement practices in KIPCO.

### Employees' right to fair and equitable workplace

KIPCO ensures fair and equal treatment for all, in a safe and healthy work environment. This is ensured while abiding closely with Kuwait Labor Law. Fair and equal treatment is exhibited by various practices, such as providing fair pay and equal opportunities to all employees regardless of their gender; respecting employees' human rights; promoting men and women's career advancement; promoting education, training, and professional development of both men and women; and guaranteeing the health, safety, and wellbeing of all our employees. These practices are emphasized in our leadership practices as well.

KIPCO has developed and communicated a Human Resources Manual, which outlines in detail all the rights and duties of our employees—along with the rest of our HR-related policies and procedures. These are communicated through a mix of meetings, email, and phone. Our manual clarifies that all employees have rights and responsibilities that are to be protected in relation to unlawful discrimination, and workplace harassment and bullying.

To ensure oversight over employee rights, we keep open communication channels with employees, especially if they have any complaints to the HR function. We do not yet conduct official employee surveys to methodologically collect and assess these inputs—though employee feedback is encouraged and received. Rarely do employees raise any complaints, and no employee complaints were raised in 2021 nor in 2020 regarding any workplace matters, whether legal, ethical, or otherwise.



**Figure 2.1a: Number of Employee Complaints**

**Zero**

### Zero tolerance for discrimination and harassment

We define discrimination as the unjust or prejudicial treatment of different categories of people, especially on the grounds of nationality, age, sex, or special needs. We define harassment as unwelcome advances, requests for favors, and other verbal or physical conduct that result in an individual feeling threatened or compromised in some way. This would be displayed through, but not limited to, insulting, intimidating, or discourteous conduct, as well as derogatory jokes or comments. Bullying is characterized as offensive, intimidating, malicious or insulting behavior, including abuse or misuse of power through means intended to undermine, humiliate, denigrate, or injure the recipient.

Any form of harassment or bullying is unacceptable, and KIPCO does not tolerate or condone such behavior. All employees are expected to treat each other fairly, with respect and dignity, and to ensure a supportive working environment.

KIPCO has zero tolerance towards any form of discrimination and harassment in the workplace, including hiring, employee management, benefits, compensation, and demographic aspects, among others. KIPCO's HR function communicates this with all employees and management, raising their awareness of their rights and responsibilities in relation to our zero tolerance of discrimination and harassment. These are communicated via guidelines and communication materials, including HR handbooks that include fair business practice, and policies addressing workplace discrimination and harassment.

In case of any harassment or discrimination incident, there is a procedure in place as a mechanism for employees to communicate any related matters to the HR function. The HR function then initiates an investigation, followed by the proper disciplinary action.



**Figure 2.1b: Number of Incidents of Discrimination and Harassment**

**Zero**



Alignment to the Women's Empowerment Principles (WEPs):

**Principle 2: Treat all Women and Men Fairly at Work Without Discrimination**

## Employee rights in light of the COVID-19 crisis

Across industries and nations, employee rights were challenged during the COVID-19 pandemic, seeing waves of layoffs and compensation cuts. Fortunately, this was not applicable to KIPCO, where we made sure to preserve our employees' rights and dignity. During the crisis, efforts led by our top management included:

- Providing all employees with continuous compensation and benefits in full, without any deduction or reduction
- Providing additional work flexibility and reduction in working hours
- Providing great flexibility for employees who were outside Kuwait, continuing their pay without interruption
- Being supportive of any individuals who contracted the COVID-19 virus in terms of providing them with the needed time off and work-from-home arrangements

## Our workforce in numbers

Overall, our workforce consists of 65 employees as of 2021. The breakdown of our workforce per type and per year, along with percent-changes, is given in **Figure 2.1c**. In comparison with the previous year, we see that our overall full time workforce decreased by 3%, while the total workforce, including part-time and interns, increased by 5%.

**Figure 2.1c: Number of Employees per Contract per Year**

Year	2021	2020	%-Change
Full time	59	61	-3%
Part time	1	1	0%
Internship	5	0	N/A
Total	65	62	5%

Our workforce could be further broken down per employee grade, and **Figure 2.1d** presents this split between junior (J) up to manager (M) level on the one hand, and senior manager (SM) and above on the other hand. In general, we see that in both years, the J to M employee grades are always the majority. However, compared to the previous year, we see that there was a 21% increase in SM and above positions in 2021, despite a slight 3% decrease in our overall workforce. This is even more emphasized in terms of allocations, where 29% of our workforce is in SM and above positions, increasing from the previous year's allocation. This reflects positively on our mobility, leadership, stability, and overall contribution to employees through high management positions.

**Figure 2.1d: Number of Employees per Grade per Year**

Year	2021		2020		% -Change
	Number	% of Workforce	Number	% of Workforce	
Junior (J) up to manager (M) level	42	71%	47	77%	-11%
Senior manager (SM) and above	17	29%	14	23%	21%
Total	59	100%	61	100%	-3%

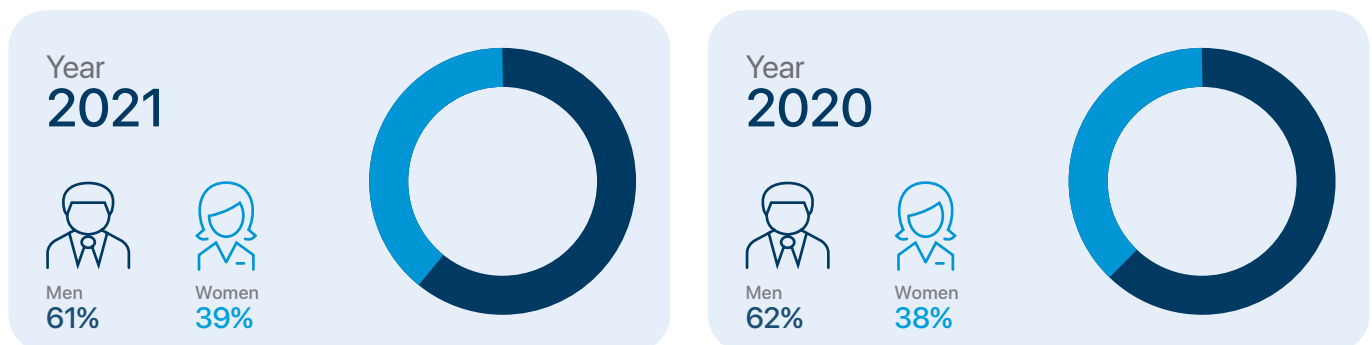
## Gender diversity in numbers

We are committed to providing fair and equal opportunities to both sexes, and we show this diversity in numbers proportional to our workforce. In **Figure 2.1ea** below, we give the breakdown of our workforce among male and female employees, in 2021 and 2020, marking the percent-change between them. As a result, we have seen that despite a 3% decrease in our overall number of employees, the number of female employees remained constant—meaning that the decrease was attributed solely to male employees. Looking at this breakdown in terms of allocations out of the overall workforce, as per **Figure 2.1eb**, we see that in 2021, women made up 39% of our workforce; this is a gradual yet positive increase from our previous year's allocation of 38% women in our workforce.

**Figure 2.1ea: Gender Diversity Numbers and Percent-Change per Year**

Year	2021	2020	% -Change
Men	36	38	-5%
Women	23	23	0%
Total	59	61	-3%

**Figure 2.1eb: Gender Diversity Allocations per Year**



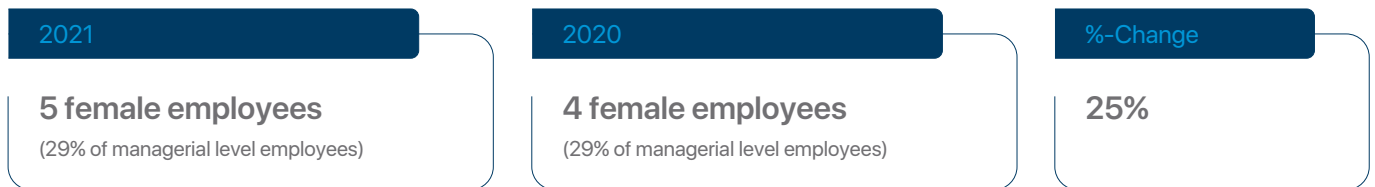


Alignment to the Women's Empowerment Principles (WEPs):

## Principle 7: Measurement and Reporting

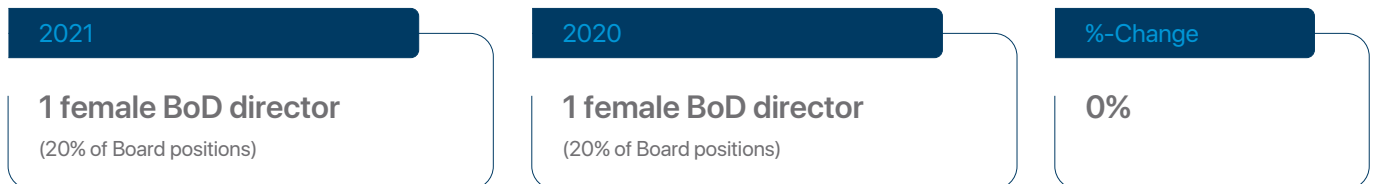
Zooming in on the managerial positions of our workforce (ie. managers and above), the number in 2021 was 5 female managers and above. This was a successful 25% increase from the previous year's 4 female managers and above. Looking at this as a proportion out of total managerial positions, this accounts for 29% females out of all managerial positions in both 2021 and 2020. This is shown in **Figure 2.1f**.

**Figure 2.1f: Gender Diversity in Management Positions and Above**



At the top of the corporate ladder is KIPCO's Board of Directors (BoD) and here we record the presence of 1 female director. Looking at this as a proportion out of the total BoD positions, our 1 female director accounts for 20% of all BoD positions. This is shown in **Figure 2.1g**.

**Figure 2.1g: Gender Diversity in Board Level**



Alignment to the Women's Empowerment Principles (WEPs):

## Principle 1: High-Level Corporate Leadership

Eye on our Subsidiary:

## Kamco Invest's Women Empowerment



Kamco Invest has incorporated the UN Sustainable Development Goals (SDGs) within its business functions, through several goals and its recent initiative is UN SDG 5 which stands for gender equality. Kamco participated in the "Driving Women's Empowerment Forward: Women's Empowerment Principles (WEPs) and the Role of Business to Accelerate Equality in the Workplace" event that was held on December 8, 2021. The event was co-hosted by the

General Secretariat of the Supreme Council for Planning and Development (GSSCPD), the European Union Delegation to the State of Kuwait, the United Nations Development Programme (UNDP), UN Women, Al Hamra Real Estate Co, the Women's Research Studies Center (WRSC) at the College of Social Sciences at Kuwait University (KU), and supported by the Ministry of Foreign Affairs of Kuwait (MOFA).

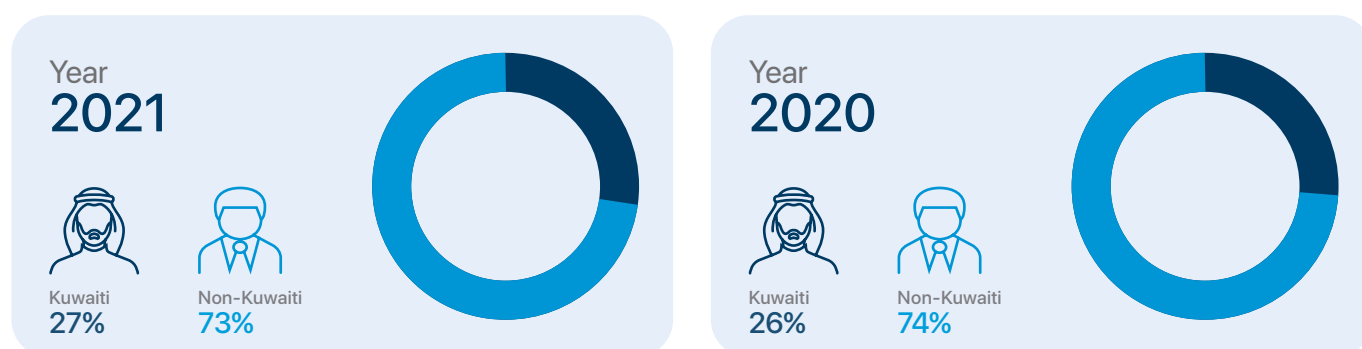
## Nationality diversity in numbers

Besides gender diversity, another demographic indicator considered across KIPCO's workplace is nationality. We have a diverse range of nationalities within our workforce, with our workforce of 59 employees composed of a total of 10 different nationalities. This could be expressed as a ratio of about 6 employees per nationality (6:1).

In efforts to give back to the community in which we operate, we further analyze and report on Kuwaitization within our workforce, aiming to continuously attract, retain, and develop our Kuwaiti employees (ie. through attractive compensation packages)-all while complying with the regulatory Kuwaitization rate requirements in the jurisdiction.

In reflection of this, we break down our workforce into Kuwaiti and non-Kuwaiti nationalities. Expressing this as allocation proportional to the workforce, we see, as shown in **Figure 2.1h**, that our Kuwaitization rate in 2021 was 27% Kuwaitis, which was also a gradual but successful increase from the previous year's Kuwaitization rate of 26%.

**Figure 2.1h: Nationality Allocations per Year**



## Age diversity in numbers

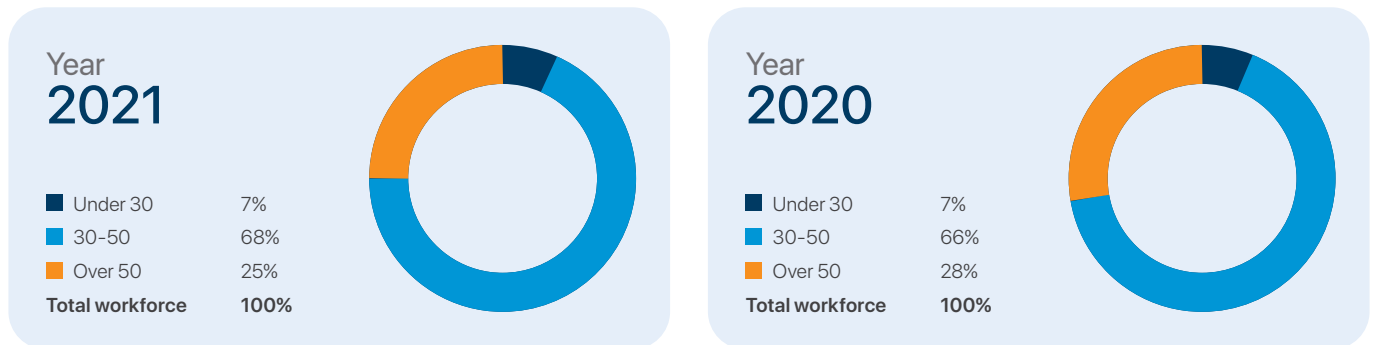
Our employees' age groups are another demographic element we consider in diversification and reporting, apart from gender and nationality indicators. We aim to represent a range of age groups, as we believe that each one offers benefits, skills, and experiences unique to their generation-while simultaneously being able to inclusively impact stakeholders across generations. In light of this, we measure the breakdown of our employees into 3 different age groups: under 30, between 30 to 50, and over 50; these are presented in **Figure 2.1i** with the number of employees in each group per year with the percent changes. As a result, we find that our employees in the Under 30 and the 30-50 age groups remained constant, but our employees in the Over 50 age group decreased by 12%.

Looking at this as proportions of the workforce, broken down in **Figure 2.1j**, we see that in 2021 our biggest age group was the 30-50 age group (attributable to 68% of our employees), and the smallest was the Under 30 age group (attributable to 7% of our workforce). Compared to the previous year, these are almost constant, with the highest jump being in the 30-50 age group.

**Figure 2.1i: Age Diversity Numbers and Percent Change per Year**

Year	2021	2020	%-Change
Under 30	4	4	0%
30-50	40	40	0%
Over 50	15	17	-12%
<b>Total</b>	<b>59</b>	<b>61</b>	<b>-3%</b>

Figure 2.1j: Age Diversity Allocations per Year



## Talent attraction, retention, and turnover

Managing a sustainable workforce means that, among other considerations, we must be aware of our retention and turnover rates, and increasingly implement efforts to hire and retain our talent while managing any turnover matters. This is especially vital for KIPCO, where our workforce is relatively small and close-knit, and every one of our people is considered a vital asset that we have invested in. KIPCO retains talent by fair and equitable hiring practices offering equal opportunity, and maintaining a healthy work environment and culture for each employee once hired. Our talent pipeline practices rely on coaching, training, and development, and, ultimately, certain promotions.

In case of any turnover, we conduct exit interviews with the leaving employees to assess and evaluate their turnover performance, and see and assess employee-related concerns--feeding their feedback into our overall practices. In case of turnover or other major operational changes, we provide a minimum notice period of 2 weeks usually. We report here on these related indicators for KIPCO's full-time employees, considering the reporting period of January 1, 2021 to December 31, 2021.

As illustrated in **Figure 2.1k** below, there were 2 new employees hired, 4 turnover employees who left, and a net decrease of our workforce by 2 employees. This is in line with our total workforce calculations, seeing a slight decrease from 61 employees in 2020 to 59 employees in 2021. When assessing the turnover in terms of a percentage, we have calculated a 6.7% turnover rate for our baseline year of 2021. Please note that no major layoffs have occurred, which we defined as affecting either 10% of staff or over 1,000 of employees.

Figure 2.1k: Retention and Turnover Indicators



## Talent development

A facet of ensuring a sustainable and successful workforce is KIPCO's investment in our valuable assets (our people) in terms of providing ample training and development opportunities to allow for their growth. Various human capital development practices are conducted by KIPCO to varying degrees, including:

- Initiatives for talent recruitment, retention, and development
- Formal mechanisms to promote an open feedback culture
- Regular formal performance reviews for all permanent employees aligned with career development
- Reporting on human capital development metrics
- Quantitative targets related to human capital development
- Assessing and reporting on human capital risk assessment

KIPCO conducts training through a mix of internal resources. The main external training partner is the Kuwait Foundation for the Advancement of Sciences (KFAS).

Additionally, our employees are encouraged to pursue their own certifications. We support such learning by a) reimbursing employees who obtain relevant certifications upon passing their exams, b) paying for employees' training for the certifications, and c) providing up to 5 days of permission for study leave annually, upon approval of the certification program.

In terms of our monetary investment, in 2021, we invested a total of KD 479 in employee training. Compared to the previous year, this was a 30% decrease. **Figure 2.1l** examines the amount spent on training per year, and further breaks it down between virtual and non-virtual training. Evidently, 2021 training was purely virtual, while the previous year saw a mix of both virtual and in-person training opportunities.

**Figure 2.1l: Training Investment and Breakdown per Year**

Year	2021	2020
KD amount spent on employee virtual training (virtual)	479	137
KD amount spent on employee in-person training (non-virtual)	0	550
Total KD amount spent on employee training (non-virtual and virtual)	479	687

In terms of training details, in 2021 we recorded a total of 136 training hours provided to employees across training courses to different departments. Details of the training and breakdown of the hours are given in **Figure 2.1m** below. Compared to the previous year, this is the same number of courses (3 courses). However, in terms of training hours recorded, this decreased by 29%, going from 192 hours in 2020 to 136 hours in 2021.



Figure 2.1m: Employee Training Details

Training Course	Hours per Employee	Number of Employees Trained	Total Training Hours per Course	Department	Employee Level
Audit Conference	40	2	80	Audit	Executive
HR Conference	24	1	24	HR	Executive
Corporate Governance	4	8	32	Executive	Sr. Executive
<b>Total</b>			<b>136</b>	-	-



Alignment to the  
Women's Empowerment  
Principles (WEPs):

**Principle 4: Education and training  
for career advancement**

Eye on our Subsidiary:

## Employee Development at Burgan Bank



Burgan Bank is committed to increasing its employee development through providing several training programs as a way to increase and create a sustainable human capital.

Burgan Bank employees received 32,000 training hours during 2021, which is a 65% increase compared to 2020.

## Talent performance evaluation

Our efforts in attracting, retaining, and developing talent are essential to properly managing our human capital—all of which is supported by the methodological performance evaluation of our talent that we diligently conduct. The performance of all of our professional and administrative staff is evaluated on an annual basis, and this practice even continued throughout the COVID-19 pandemic through reporting on each individual's performance.

The appraisal process involves managers' evaluation of their subordinate employees, where employees are evaluated based on the execution of certain departmental objectives set by the associated department heads. Our evaluation practice includes a balanced scorecard approach, and is linked to corporate values, human rights standards, core competencies, and strategic priorities set by top management yearly. The evaluation process ends with the managers' feedback being provided by email to our HR function for consolidation and integration into the performance appraisal system.

Our senior management are evaluated through a similar process, using assigned key performance indicators (KPIs) for these positions.

## Talent compensation

In efforts to ensure a fair and equitable workplace, KIPCO provides employees with a fair and competitive pay scale. Adherence to employee rights is reflected in compensation; regarding pay scale, wages are in line with the market's top quartile through benchmarking. Every 3 to 5 years, we conduct a study, via our external consultants, to benchmark salaries against the market.

Our intent is to pay at a competitive level that retains the appropriate talent, motivating and attracting both expatriate hires and Kuwaitis. As per our policies, each employee's total compensation is determined according to KIPCO's approved grading and compensation structure. Part-time employees are paid according to the structure, adjusted to the number of hours they work.

The total compensation package for KIPCO employees consists of the following core components: basic salary, allowances, benefits, and performance-based compensation or incentive plans—each of which are properly defined and governed within our policies.

Our remuneration of the Board of Directors (BoD) and Executive Management is governed and dictated by our adherence to the Remuneration Policy and Procedures, issued in June 2016. The remuneration system for Executive Management is linked to the company's performance and the achievement of long-term growth goals. It is in line with the size, nature and level of risk related to each position. The remuneration includes a fixed sum (which itself consists of salaries, bonuses, and other incentives), as well as a variable sum that includes stock options and other variable bonuses. Furthermore, we state that KIPCO is free from any key areas of concern related to executive pay, or any controversies linked to high executive or Board compensation.

Notably, BoD remuneration is decided internally rather than based on benchmarking. BoD remuneration is subject to the approval of the General Assembly in its annual meeting, based on the recommendation of the Nomination and Remuneration Committee. There are, however, rules and ceilings applicable to BoD remuneration (as per the aforementioned Policy), which are as follows:

1. Total remuneration shall not exceed 10% of the net profit after deducting depreciation provisions and distribution of the profit for at least 5% of the capital to shareholders or any greater percentage that is stipulated in the company's contracts.
2. The annual remuneration not exceeding KD 6,000, may be distributed to the Chairman of the Board of Directors and each board member from the date of establishment of the Company until it achieves profits that allow it to distribute remuneration in accordance with ratios mentioned in preceding paragraph.
3. The General Assembly of the Company may decide on excluding the independent member of the Board of Directors and the full Board from the maximum limits of remuneration mentioned above.

In numbers, we have provided a total of KD 3,765,588 in compensation and remuneration to both executive and non-executive employees. The compensation and remuneration awarded to different employee levels is displayed in **Figure 2.1n**. Please note that remuneration provided solely to BoD members amounted to KD 220,000 in 2021. Further details and breakdowns of BoD and Executive Management remuneration, including fixed and variable remuneration, can be found in the KIPCO Annual Report 2021, available here: [www.kipco.com](http://www.kipco.com)

**Figure 2.1n: Compensation and Remuneration to Executive and Non-Executive Employees in 2021**

Indicator	Amount (KD)
Total amount spent for employee compensation (executives level)	1,220,152
Total amount spent for employee remuneration (executives level)	1,435,885
Total amount spent for employee compensation (non-executives level)	295,908
Total amount spent for employee remuneration (non-executives level)	813,643
Total amount spent for employee compensation and remuneration (all employees)	3,765,588

## Talent benefits

Providing our employees with benefits in excess of their usual compensation is critical to ensuring that we have a sustainable workplace. We believe that this practice leads to outcomes that include stronger compliance with labor standards, motivation of our employees, and better talent attraction and retention, among other positives. KIPCO provides benefits based on the individual's employee grade and family status. All of our professional and administrative staff are eligible for these benefits. **Figure 2.1o** lists the 3 main types of benefits provided, as well as a breakdown of their associated payments in 2021. As can be seen, we have invested a total of KD 2,306,643 in employee benefits.

**Figure 2.1o: Talent Benefits per Type and Investment Breakdown per Year**

Indicator	Amount (KD)
Health insurance (to all staff and their family members)	104,072
Flight tickets (to all staff and their family members)	120,196
Employee retirement and indemnity payments (to all turnover employees)	2,082,375
Total investment into employee benefits	2,306,643

## Talent work-life balance

We recognize that all employees have the right to have a healthy work-life balance-respecting our employees' rights to their own leisure time away from work. This starts with setting up manageable working hours for employees, within the boundaries and in compliance with the Kuwaiti Labor Law, including Ramadan working hours. We have policies and procedures in place that govern attendance, overtime, holidays, punctuality, and various other issues. These serve as guidelines for time-keeping, and reporting any cases of absence or tardiness. Currently, as per **Figure 2.1p**, our absentee rate is below 2%, which we believe has been achieved due to our sound workplace work-life balance.



**Figure 2.1p: Absenteeism Rate**

**Below 2%**

## 2.2 Workplace Health

As we offer our employees a fair and equitable work environment, we must ensure that it is also a safe work environment that prioritizes and complies with standards and practices of occupational health and safety. KIPCO recognizes its moral and legal responsibility to provide a safe and healthy working environment for its employees, contractors, part-time employees, clients, and visitors. This is mainly governed by our Occupational Health and Safety (OHS) Policy, which we successfully abide by. We endeavor to ensure that our operations are free from the risk of occupational injury or illness, notably by implementing necessary measures to comply with and enhance OHS. Our employees are required by the policy to assist in implementing health and safety procedures, and to avoid situations that risk or adversely affect the health and safety of themselves or others. Furthermore, the possession, carrying, or use of prohibited weapons-including firearms, illegal knives, etc.-on Company grounds, facilities, or at events is strictly forbidden. Violation of this policy is grounds for immediate termination of employees.

As per the policy, KIPCO is committed to:

- Managing health and safety risks to employees in the work environment, including the review of changes to work methods and practices
- Complying with all relevant legislation and other requirements pertaining to health and safety
- Maintaining work locations in a clean and hygienic condition, providing suitable lighting, and supplying potable water and adequate toilet facilities
- Making available sufficient first aid cabinets supplied with the necessary resources at work locations
- Eliminating smoking from all work areas
- Posting OHS instructions in prominent places in all work locations in Arabic and English
- Making available and maintaining safe systems of work and safe work premises, including: implementing systems to adequately manage emergency response and ensuring an adequate supply of fire extinguishers and fire detectors

In reflection of our OHS practices, as per **Figure 2.2a**, we are glad to report zero incidents of injuries at KIPCO.



**Figure 2.2a: Occupational Injury Incidents**

**Zero**

## Case Study:

# Occupational Health and Safety Procedures during COVID-19



KIPCO has set out enforceable guidelines to promote our employees' health and safety and address employees' eligibility to take temporary COVID-19 sick leave in line with recommendations set forth by the Kuwait Ministry of Health (MoH).

As per our COVID-19 guidelines, any employee who is unable to attend work due to certain conditions listed below will be eligible for paid COVID-19 sick leave. These certain conditions include whether the employee:

- has tested positive for COVID-19,
- is experiencing symptoms of COVID-19 and seeking medical diagnosis,
- has been advised by a health care provider to self-quarantine due to concerns related to COVID-19, or
- has been exposed to someone with COVID-19 but has no symptoms and is required to quarantine as a precautionary measure.

Moreover, the length of the paid COVID-19 sick leave is commensurate with the quarantine period mandated by the

Kuwait MoH, or for cases of COVID-19 suspicion, 3 days to self-monitor and quarantine as a precaution. After this, the employee would get tested and then be allowed to return to the workplace if no COVID-19 virus remains.

Additionally, KIPCO requires sick employees to provide a COVID-19 test result, or report / certification from the Shlonik App, which validates their illness, qualifies them for sick leave, or proves quarantine completion before reporting back to work.

Our employees' time in quarantine, for any of the qualifying aforementioned conditions, is treated as per the regular sick leave management guidelines and related policies and procedures.

If any of our employees are subject to a stay-at-home order or quarantine due to non-mandatory travel, they are required to use their accrued leave for the duration of the mandatory quarantine upon arrival. They should also get tested before returning to the workplace.

Two indicators we report here regarding our COVID-19 related efforts include: expenditure on COVID-19 measures, and the number of COVID-19 deaths within our staff. Fortunately, we have had no cases of employee deaths due to COVID-19, as shown in **Figure 2.2b**, which we believe is a positive reflection on our COVID-19 related guidelines and procedures. Regarding the expenditure, we invested a total of KD 2,000 in 2021 on COVID-19 related measures, including sanitization, gloves, and masks. Compared to the previous year, this was a 50% decrease in such expenditure in 2021, with the breakdown provided in **Figure 2.2c**.




### Figure 2.2b: Number of Staff Deceased due to COVID-19

Zero

Figure 2.2c: Investment in COVID-19 Measures





Alignment to the Women's Empowerment Principles (WEPs):

Principle 3: Employee Health, Well-Being and Safety

Eye on our Subsidiary:

## Gulf Insurance Group (GIG) PCR Examinations



During February 14, 2021, the Gulf Insurance Group (GIG) announced that it would conduct a complimentary Polymerase Chain Reaction (PCR) examination for over

400 employees. This initiative shows GIG's interest in maintaining the safety of its employees and creating a safe working environment.

03





# CORPORATE CITIZENSHIP

3.1. | Social Impact



## 3. CORPORATE CITIZENSHIP

For any entity that seeks to be impactful and involved in the society and culture within whose boundaries it operates, it is crucial to understand community needs and respond to them through relevant, timely, and fruitful community initiatives. Realizing the benefits such community engagement and interaction will have to our company, we have developed a clear Corporate Social Responsibility (CSR) strategy to guide all our CSR work. Additionally, KIPCO maintains active programs of community support, which include the funding and implementation of educational and special needs campaigns for young people and children, women empowerment initiatives, digital initiatives, and young athlete initiatives, among others. This chapter will provide further detail on all our CSR events, as well as our adaptation to COVID-19 changes through digitization, social media presence, and the global institutional recognition of our efforts, among other issues.





**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Living Environment



Global Positioning

## 3.1 Social Impact

### Overview of KIPCO's community engagement

Proper and transparent communication and engagement with stakeholders are key, whether stakeholders are internal or external to our direct operational boundaries. At KIPCO, the crucial responsibility of maintaining this communication and engagement is spearheaded by our Corporate Communications Department (CorpComms) and Corporate Social Responsibility (CSR) Department.

With our community activities, we look to engage in events that have a high visibility, impact and value to as many stakeholders as possible, as well as to KIPCO itself and its Group companies. Creating grassroots initiatives has always been central to our approach to CSR, which has focused on creating partnerships with various third-party entities. This distinguishes us from the typical CSR model of providing sponsorships, which is found in other companies. We have conducted several community initiatives, which will be discussed in detail within this chapter.

### CSR Strategy

Our community engagement activities and practices are governed by the KIPCO CSR Strategy. Throughout this strategy, we exhibit our commitment to ensuring proper and harmonious social contribution in the countries where we operate.

As per our CSR Strategy, all of our CSR initiatives are strategically formulated around our defined pillars, overarching goals, and objectives to ensure coherency and consistency within our practices. This set of 7 strategic pillars, 3 overarching goals, and 6 objectives are displayed in **Figure 3.1a**, **3.1b**, and **3.1c** respectively. These cascade in the following way: the strategic pillars illustrate the general CSR-related topics to address, the overarching goals convey the general high-level elements to achieve in relation to the pillars, while the strategic objectives provide further insight into a more detailed tier of actions to achieve in order to meet the associated overarching goals and strategic pillars.

Figure 3.1a: CSR Strategic Pillars

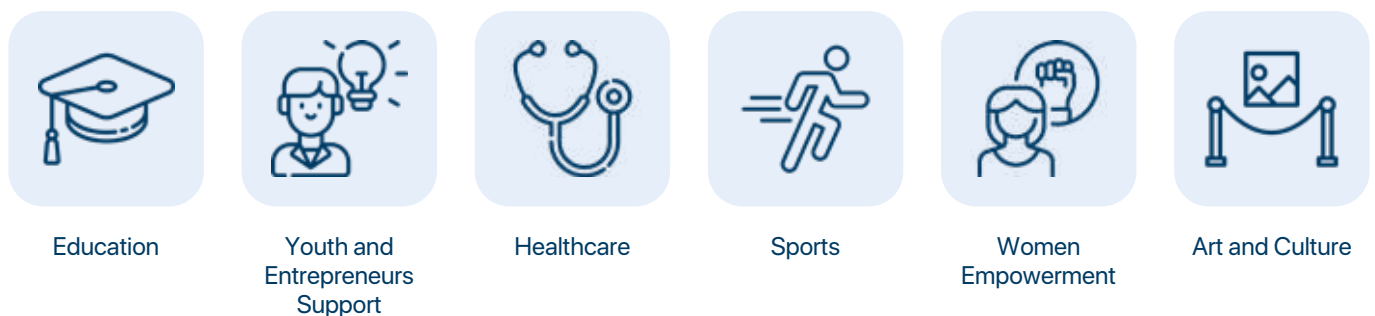


Figure 3.1b: Overarching Goals

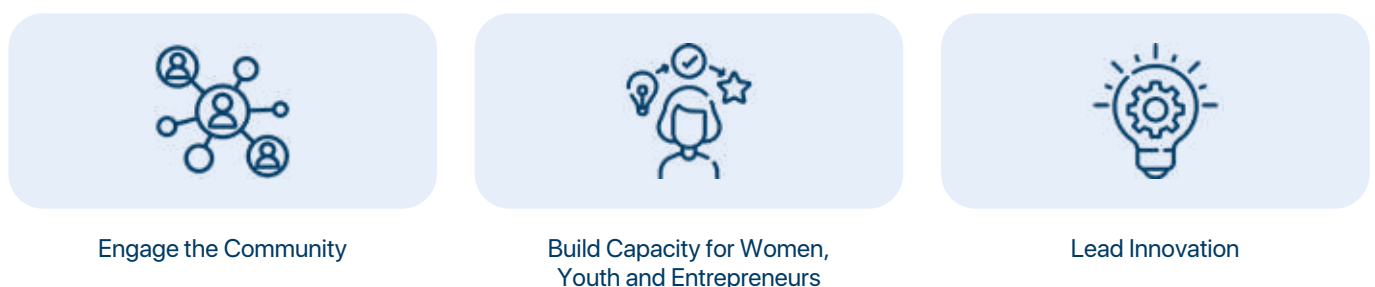


Figure 3.1c: Strategic Objectives



## Third-party entities

Overall, KIPCO has a substantial network of third-party entities, partners, and non-governmental organizations (NGOs) who we work with. We hold regular meetings with these parties and, based on the feedback and topics discussed, we strategize and eventually create and implement our community initiatives. Throughout this process, we ensure that all of our CSR initiatives are aligned with the UN Sustainable Development Goals (SDGs) and targets, and that our initiatives are closely aligned with our CSR pillars. In carrying our initiatives, we leverage our social media platforms as another level of partnership.

## KIPCO's community efforts in light of COVID-19

The world is changing rapidly, and technology is evolving at a breakneck pace. Thus, while digital transformation was inevitable, the advent of COVID-19 has catalyzed the pace at which it became a necessity for businesses. Today, the workforce is actively utilizing social media, mobile applications and virtual conferencing software to adapt to the new normal. With these changes, there has truly been a monumental shift in the way that we conduct our day-to-day activities.

Ultimately, our primary aim across these platforms is to attract high engagement levels, secure maximum exposure and build rapport with the community by positioning KIPCO as a leading player that embodies these aforementioned qualities.

As the world was taken off-guard by COVID 19, key events, workshops as well as key initiatives were halted. However, our responsible corporate citizenship continued on even amidst the COVID-19 crisis. Notably, we shifted our focus and created Generation Alpha, which is a young athletes development program. Additionally, we partnered with ALAAN team to digitize our CSR initiatives. We managed to stay active and continued to reach the community despite the COVID-19 challenges.

We saw the potential of taking part in the ALAAN mobile application to take all our initiatives and work online, building capacity for our platform members and providing support for women of Kuwait during these uncertain times. ALAAN is a modern Kuwaiti electronic platform designed for the community during a time when it was necessary to communicate through the Internet and social media. Due to our commitment to our social responsibility, we created this mobile application during the exceptional circumstances of COVID-19, at a time which generally lacked social activities and events, in order to stay in contact with our community members.

## CSR through digitization

In the last 5 years, KIPCO's CSR and CorpComms functions have advanced their footprints in the digital era by taking progressive efforts to digitize 90% of their strategic initiatives, campaigns, and day-to-day operational activities. Our main tool for digitizing our CSR efforts and navigating through COVID-19 has been our ALAAN mobile application.

## Case Study:

# ALAAN Mobile Application



### Overview

ALAAN mobile application is a digital hub where users can interact with one another, stay informed on current key topics and issues, and view original content in one seamless application. ALAAN is a modern Kuwaiti electronic platform designed for the community during a time when it was necessary to digitize communications through the Internet and social media. Due to KIPCO's commitment to our social responsibility, we created this mobile application during the challenging circumstances of the COVID-19 pandemic, which lacked social activities and events, in order to stay in contact with our community members.

The development and launch of ALAAN was achieved in less than 3 months. Our online campaign reached more than 2 million users on YouTube, Instagram, and Snapchat.

ALAAN is a platform that is 100% conceptualized and executed by Kuwaiti talent, including the idea of the application, curating content, and executing the media plan. Local talent with international capabilities were involved in the application's development and launch, and a team of 2 talented Kuwaiti architects have worked on the official launch video of ALAAN. We further ensured that women were represented at all stages of the application's creation, from conceptualization to launch.

Launching the ALAAN app initially required a large amount of research to find those talented Kuwaitis and have them participate in showcasing their skills and talents in their own unique ways. As a result, more than 150 original videos had been posted on the application.

### Sections within the application

The application has 4 sections that may be viewed by the audience:

1. Interviews: This tab features prominent Kuwaiti figures and emerging new talents, as well as established inspirational youth. These icons talk about numerous topics that interest or engage people across several fields. Topics can range from dieting and mental health to the latest updates and trends in Kuwait society.
2. Entertainment: This section has content related to competitions, e-magazines and original shows that KIPCO will be powering. We call it "valuable" fun as it encourages the discovery, exchange and discussion of exciting skills, hobbies and interests.
3. Awareness: This is a page for KIPCO and Group companies to showcase their work in CSR.



4. What is Happening: This section is dedicated to news and trending topics. We made sure to be inclusive across our topics.

### Topics presented

Topics presented in the application included:

- The evolving situation of COVID-19
- Health and nutrition
- Economy
- Mental health
- Sports
- Art
- Women empowerment
- Digital marketing
- KIPCO and Group companies' news and CSR initiatives

### Objectives

The objectives of the ALAAN application are as follows:

1. To establish an online social hub that gathers Kuwaitis and residents together under one umbrella
2. To build capacity for Kuwaiti youth and inspire them to pursue their dreams
3. To provide a platform for Kuwaiti youth to innovate, create and share their experiences
4. To promote Kuwaiti cultural and behavioral values through the application content
5. Strengthen the bond between all segments of Kuwaiti society by showcasing different people from different fields and aspects of life
6. Integrate the UN's SDGs into KIPCO's CSR programs
7. Raise awareness of KIPCO initiatives and CSR efforts
8. Establish strategic sponsorships and relationships to build and differentiate our CSR programs
9. Digitalize our events and workshops
10. Start dialogues with the community about the happenings and trending topics















## Our communication channels

KIPCO continues to use social media as one of its primary means of humanizing the Holding and demonstrating the quality of its CSR initiatives. Our social media campaigns have reached a wide audience in the past years, and our audience continues to grow day by day. By staying active on social media and participating in various conversations, we believe that we have become closer to the Kuwaiti community.

Much of our advertising budget is spent on digital media, as we see that it provides us with instant feedback from and exposure to our stakeholders, which, in turn, provides us with the opportunity to optimize our presence. As a holding company, we do not engage in direct marketing of products, so advertising is mainly to fulfill communication, engagement and compliance purposes.

KIPCO's social media posts are aligned with the UN International calendar, and we create original social media content that includes artwork, photos, videos, polls, interviews, and tips that raise awareness of current issues. We have seen some growth in the number of followers on certain social media platforms, including an increase of 2,681 followers on the KIPCO Instagram account (@KIPCOCSR), and an increase of 831 followers on the Munjiza Instagram account (@Munjiza.kw).

We use different media platforms and tools for engaging with the community. Through these, KIPCO aims to be visible in recognized activities and initiatives that address what is considered key issues for society (eg. economic and business environment, youth development, women empowerment, etc.). A selection of these media outlets are listed as follows.

 Website <a href="http://www.kipco.com">www.kipco.com</a>	 CSR blog <a href="http://www.csr.kipco.com">www.csr.kipco.com</a>	 Twitter for CSR <a href="https://twitter.com/kipcocsr">@kipcocsr</a>
 Instagram for KIPCO CSR <a href="https://www.instagram.com/KIPCOCSR">@KIPCOCSR</a>	 Instagram for Munjiza <a href="https://www.instagram.com/Munjiza.kw">@Munjiza.kw</a>	 LinkedIn Kuwait Projects Company (Holding) – KIPCO
 YouTube KIPCO Communications Department	 Application ALAAN mobile app	 Various digital campaigns
 Partners and KIPCO Group companies' channels	 Radio	 Events
 Speaking panels	 Press releases	

## Women empowerment initiatives

KIPCO has taken on the mantle of prioritizing and empowering women in society, who had often been marginalized. The Munjiza Women Empowerment platform was launched in 2019, and it is a platform that highlights a selection of extraordinary women in our society. Since 2018, KIPCO has been a UN Women's Empowerment Principles (WEPs) Signatory.

## Case Study:

## KIPCO as a UN Women's Empowerment Principles (WEPs) Signatory



### About the WEPs

KIPCO, along with its Group companies, supports the Women's Empowerment Principles (WEPs), launched in 2010 by UN Women and the UN Global Compact (UNGC). The WEPs offer a platform to mobilize the private sector to promote, support and accelerate gender equality and women's economic empowerment. The WEPs fall in line with the United Nations Development Programme's (UNDP) 2030 Agenda for Sustainable Development—or the UN Sustainable Development Goals (SDGs)—particularly Goal 5 on Gender Equality.

### KIPCO as a signatory

KIPCO signed the commitment in 2018, becoming a WEPs signatory, which was an important achievement for us. KIPCO Holding's participation comes in line with its contribution to the New Kuwait 2035 vision of the late Amir, His Highness, Sheikh Sabah Al Ahmad Al Jaber Al Sabah. Commenting on this occasion, Faisal Al Ayyar, KIPCO's Vice Chairman (Executive), stated: "The participation of women in our companies, at all levels, makes sound business sense and serves to broaden the pool of talent we employ. At KIPCO, we believe that equal opportunities for women and men in the workplace is important for ensuring the sustainability of our operations, and it is the right thing to do."

In line with this commitment, representatives from KIPCO, Burgan Bank and Gulf Insurance Group (GIG) took part in a training workshop titled "Private Sector and Women's Empowerment Principles." The workshop was organized by the WRSC in cooperation with the UNDP and UN Women. The 3-day program focused on the implementation of international best practices that impact women in the workplace. We are currently working with the UN Women on the WEPs Gender Gap Analysis Tool to deploy new policies that support gender equality.

### The WEPs in Kuwait

Kuwait is the first Gulf Cooperation Council (GCC) country to join this global initiative, thanks to the efforts of the Supreme Council for Planning and Development (SCPD) and the Women Research and Studies Center (WRSC) at Kuwait University.

The WEPs Statement of Support was signed by the former Chairman of Burgan Bank, Majed Al Ajeel, and GIG Chairman, Farqad Al Sanea, alongside CEOs of leading Kuwaiti companies. The signing ceremony took place at the Kuwait Chamber of Commerce and Industry under the auspices of the then Minister of Social Affairs and Labor and State Minister for Economic Affairs, Her Excellency Hind Al Subeih.

Alignment to the  
Women's Empowerment  
Principles (WEPs):

**Principle 6: Community initiatives  
and advocacy**

## Case Study:

## Recognition of KIPCO's ALAAN Application by UN Women



### About the report

A report named "Bridging the Gap: Emerging Private Sector Response and Recovery Measures for Gender Equality amid COVID-19," was published, primarily involving UN Women, as well as the International Finance Corporation (IFC), and the European Union (EU). The report highlights how companies are responding to the pandemic with practices that support gender equality.

### KIPCO's recognition

KIPCO's efforts to empower women through the ALAAN app were recognized in this report as one of the featured

companies; notably, ALAAN app was featured as part of the "enable equal access and use of digital technologies and platforms" pillar.

Specifically, the app was featured as empowering women by making sure that they are represented in content creation. To ensure this, KIPCO has invited women to film a series of episodes that discussed mental health and the evolving situation of COVID-19. Producing these materials is the start of using the platform to amplify women's voices on key issues.



## Case Study:

## Munjiza - Women Empowerment Platform



## Overview of the platform

While women empowerment is a priority in civic, private, and public sectors, we believe that there has been insufficient coordination between the stakeholders involved and the issues and narratives that are being highlighted, as they do not always represent the real aspirations of the diversity of women in Kuwait. Accordingly, KIPCO decided to create Munjiza in association with Burgan Bank.

Munjiza was launched in 2019. It is a platform that highlights a number of extraordinary women and their work, building a community where women can strengthen each other and create partnerships for future collaborations. Munjiza serves as a platform that highlights, celebrates enables, and empowers Kuwaiti women. The platform focuses on female leaders in Kuwait and the specific non-governmental organizations (NGOs) that concentrate on different issues that relate to women in the community seeking to foster positive social change in Kuwait. Munjiza facilitates the introduction of NGOs to each other and their collaboration in order to create a community that can empower each other and learn and grow together. Munjiza is committed to support women by providing them with a platform to succeed.

## Key highlights

The following are key summary highlights regarding the Munjiza platform:

- It brings together 19 highly influential women under Munjiza
- It reaches out and helps shed the light on high-achieving Kuwaiti women
- It provides development opportunities for 4 of our members through Edrak
- It provides a platform for women to voice their opinions on relevant topics
- Our work supporting women empowerment was recognized and featured by UN Women
- Since the platform's establishment, we have interviewed more than 40 women, discussing various topics related to women and society

## Members

The Munjiza platform has gathered some of the most influential women in Kuwait and continues to add members every year. Currently, we have a total of 19 members under the Munjiza umbrella, as follows:



**Dr. Al Anoud Al Sharekh**  
Chairperson,  
Abolish 153  
and Ibtikar  
Consult



**Sheikha Bibi Nasser Al Sabah**  
Chairperson,  
Social Work  
Society



**Dr. Lubna Al Kazi**  
Director,  
The Women's  
Research and  
Studies Center  
(WRSC)



**Sheikha Azza Jaber Al Ali Al Sabah**  
Al-Sidra  
Association  
CEO



**Fareah Al Saqqaf**  
Chairperson,  
LOYAC



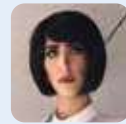
**Laila Al Ghanim**  
President,  
Ruqayah  
Abdulwahab  
Alqatami  
Breast Cancer  
Foundation



**Amal Al Sayer**  
Chairperson,  
Kuwait  
Association  
for Learning  
Difficulties



**Laila Al Mutairi**  
CEO,  
INJAZ



**Balsam Al Ayoub**  
Co Founder,  
Balsam  
International Co.



**Maha Al Baghli**  
Founder and  
Managing  
Director, Safira  
CSR



**Bedour Al Sumait**  
President,  
Business and  
Professional  
Women Network



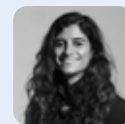
**Mae Al Hajaj**  
Vice President,  
Soroptimist  
Kuwait



**Dr. Zainab Al Meraj**  
Founder and  
Vice President,  
Arab WIC Kuwait



**Rawya Al Hajri**  
Director,  
Eightypercent



**Rabaa Al Hajri**  
General  
Manager,  
Eightypercent



**Nour Zaza**  
Assistant  
Director, Breast  
Feeding Support  
Program, Birth  
Kuwait



**Kefayah Al Alban**  
Founder  
& General  
Manager  
Training Gate  
International



**Sheikha Majda Al Sabah**  
Founder  
of ASAP  
Initiative for  
Mental Health  
Awareness



**Sheikha Intisar Salem Al Ali Al Sabah**  
Founder and  
Chairwoman  
Intisar  
Foundation

## Case Study (continued):

# Munjiza - Women Empowerment Platform



### The Munjiza platform through the ALAAN mobile application

One of ALAAN's main goals is to empower women by making sure that they are represented adequately, especially in content creation. In light of this, we have invited our Munjiza members to contribute and filmed a series of episodes that discussed mental health and positive psychology, presented under the Interviews section of the application. Sheikha Majda Al Sabah filmed 4 episodes that were published on the application and promoted on all social media platforms. Another Munjiza member, Sheikha Intisar Al Sabah talked about positive psychology in a series of episodes. Producing this material is only the start, as our platform is shaping up to further amplify women's voices on key issues.

Another part is designating a section in the application for women empowerment, where we showcase and support the achievements of our Munjiza platform members and women in Kuwait. We have interviewed women from different fields, and they discussed various topics, including women's roles during the pandemic.

Original shows created for the application from idea to execution have been developed by women. KIPCO focuses on providing opportunities to Munjiza members, and tailors those opportunities to their fields.

## Sidebar:

# Edrak Initiative



KIPCO has launched Edrak, which is an intensive customized training program benefiting selected members of our Munjiza platform. These members include a diverse range of women in Kuwait leading change within their communities. Edrak training provides them with skills and support to effectively present themselves and their work. For its first year, 4 Munjiza members were chosen to participate.

## Youth initiatives

At present, KIPCO's activities are highly focused on the youth, with initiatives focusing on areas such as entrepreneurship, education, and knowledge. This includes student events, such as the National Union of Kuwait Students Association – USA branch (NUKSA-USA), the American University of Kuwait (AUK), the KIPCO Tmkeen Award for Young Entrepreneurs, and INJAZ. As a result, KIPCO has been recognized as a vital partner to a number of those parties and youth beneficiaries.

Throughout initiatives like these, KIPCO has been able to make the Company more visible to the younger public, with the purpose of cementing a positive image of the company, which would benefit KIPCO overall and our subsidiaries. Through these initiatives, the aim is to support youth and encourage them to work in the private sector or set up their own businesses. We consider these initiatives to be an important part of our contribution to supporting the local Kuwait economy.

### Case Study:

## The Future Creatives Mentorship Program



# FUTURE CREATIVES

### Overview

In collaboration with KIPCO, the Future Creatives Mentorship Program pairs and connects creative professionals from different industries within art fields with soon-to-be-graduating high school students with an interest in studying in these respective fields. This unique program aims to empower and inspire young students while nurturing the local creative community. The goal of the program is to develop Kuwait's youth by creating positive mentoring relationships that are crucial to the growth of both current and future creatives within the community. Following the success of its pilot run, the Future Creatives Mentorship Program would like to continue its mission to support students and provide them with the guidance they need for their creative and professional development.

### Program Objectives

The program aims to achieve a number of objectives:

- To support the development of both current and future creatives in Kuwait
- To foster and develop career pathways in the arts for students preparing to attend college
- To support community development, sustainability, and collaboration
- To create a program where young and established creatives can expand their knowledge and skills, network, exchange ideas, motivate, and inspire

### Program statistics

So far, the program involved one round in 2020/2021, and another for 2021/2022; some statistics regarding the number of students, mentors, and schools are provided as follows.

### Website

More information can be found in our website here:

[www.futurecreatives.art](http://www.futurecreatives.art)

#### 20/21 Program Statistics



**10**  
Students



**8**  
Mentors



**2**  
Schools

#### 21/22 Program Statistics



**10**  
Students



**10**  
Mentors



**4**  
Schools

## Case Study:

# Generation Alpha



### Background

The Generation Alpha idea was formulated in 2020, being the term used to describe the age group born from 2010 to 2024. Due to a number of circumstances, including the COVID-19 pandemic, this generation is now considered to be technologically advanced, intelligent, and empathetic—while also being hooked on social media and online games. In light of this, KIPCO wanted to shed the light on child athletes who maintained their physical prowess even amidst the pandemic—ultimately aiming to become new role models for this generation.

### About the initiative

Generation Alpha is one of KIPCO's latest CSR initiatives under the newly established Sports pillar, as part of the CSR Strategy. Generation Alpha is a tailored development program for young athletes aged 7 to 13 years, through which each chosen child gets recognition from KIPCO as a role model athlete.

The initiative embodies 3 key milestones:

- Shedding light on the chosen athletes by giving them the opportunity to talk about their achievements through Generation Alpha episodes
- Honoring the athletes in a special ceremony by KIPCO
- Creating a development-tailored program for each athlete, which focuses on building their personality

### Generation Alpha on the ALAAN Application

Generation Alpha also provides a visual channel within the ALAAN App for all featured athletes to share their passion and stories to inspire our young viewers to pursue their passions, and to empower a new generation of real, relatable role models. The initiative was launched on the ALAAN application in close collaboration between KIPCO and Eightypercent, a socially-driven sports management company, founded by Munjiza members Rabaa and Rawya Al Hajeri. Special episodes of Generation Alpha launched on the ALAAN application to introduce each athlete and his or her associated sport. Each child has his or her own page on ALAAN to share their passion and stories to inspire our young viewers.

### The exposure

The young athletes have received high levels of exposure and recognition, which served the main purposes of Generation Alpha. As phase 2 of the initiative, KIPCO has put together a customized development program for each athlete featured in Generation Alpha, which focuses on building the characters of the chosen children, and providing them with the opportunity to learn from local and international coaches.

### Generation Alpha G1

In October 2020, KIPCO launched its CSR initiative "Generation Alpha," which aims to provide development opportunities for young athletes aged 7 to 12 years. The initiative allows them to share their passion and stories to inspire our young viewers to pursue their passions, as well as empower a new generation with real, relatable role models. Overall, we received promising and encouraging feedback for G1.

A total of 15 highly talented, carefully selected young Kuwaitis were interviewed in 2 settings: one special episode that aired exclusively on the ALAAN Application, and another special production version of the interviews aired exclusively on AIRai TV. The following is a selection of 12 champions highlighted as part of G1, according to each athlete's sport.



### Generation Alpha (G2)

Following the success of the first Generation Alpha (G1), we continued with this initiative for its second year as G2. For this year, sports fields included: swimming, fencing, table tennis, tennis, baseball, sailing, equestrian, karate, gymnastics, and rhythmic gymnastics. Generation Alpha 2 aired on Alrai TV and OSN in 2021.

In G2, we featured a total of 17 athletes, shown below with their associated sport.

### Meet the champs of Generation Alpha G2



Next, Generation Alpha 3 is expected to launch in October 2022.

## Philanthropy

KIPCO gives back to the community in the form of philanthropic donations, and the main mechanism for achieving this is KIPCO's charity foundation, Masharee Al Khair.

### Sidebar:

## Masharee Al Khair Charity Organization



KIPCO and its Group companies make a 1% donation of profits annually to the Masharee Al Khair Charity Organization, which is KIPCO's charity foundation. The charity then uses this money to assist those in need. The nature of spending is primarily for health assistance and tuition fees.

As one of the achievements of the charity, in June 2019, KIPCO inaugurated the Late Salwa Sabah Al Ahmad Al Sabah Stem Cell and Umbilical Cord Center, which was built through a

donation of KD 7 million made by Masharee Al Khair on behalf of KIPCO Group to the Kuwait Ministry of Health (MoH). The Ministry allocated the land-plot next to the new Maternity Hospital in Sabah Health Zone. Upon inauguration, the building was formally handed over to the Ministry for operation. The Center is unique in that it is the first in the region to offer an independent umbilical cord bank. It also includes storage facilities, research labs and seminar halls. During COVID-19, the Center was used for blood donation.

## KIPCO's community initiatives

At KIPCO, we view any effort, time, and expenditures incurred towards our CSR as investment back into the communities in which we operate. In this regard, we have reported below in **Figure 3.1e** on a list of community initiatives developed during 2021, along with the monetary investment incurred for most of them. Looking at the total monetary sum of the initiatives with disclosed amounts in 2021, KIPCO has invested KD 101,596 towards the disclosed community initiatives, as per **Figure 3.1d**.



**Figure 3.1d: Investment into Selected Community Initiatives**

**KD 101,596**

Figure 3.1e: List of KIPCO Community Initiatives

Name of Initiative	Brief Description of Initiative	Investment (KD)
<b>Injaz</b>	<p>Injaz is one of KIPCO's core community programs, being the main opportunity for us to carry out employee volunteering. The Injaz community includes 6,000+ volunteers and targets 200+ public and private schools, as well as Kuwait University (KU) and private universities.</p> <p><b>Injaz application:</b> Part of this initiative is the Injaz application, which is the go-to platform for signing up to programs and training courses offered by Injaz. It is a digital platform that caters to the in-person programs. It is also where all the volunteers sign up, and it matches volunteers with programs that they can deliver. The application is currently under development, planned to launch in 2022. KIPCO is planned to be the sole sponsor for the first 2 years after its launch.</p> <p><b>Injaz Company Program Competition:</b> The Injaz Company Program Competition is an annual competition run by Injaz, where groups from schools come up with the idea for a product, which they then produce and sell. The competition includes setting up a company, allocating roles, raising capital, producing and selling the product, and finally liquidating the company. The program is offered to high schools and universities. KIPCO is represented on the judging panel, extending for a week.</p> <p>This competition involves 1 KIPCO employee volunteer, who hosts 300+ community attendees.</p>	4,000
<b>Masharea Al Khair Charity Organization</b>	Every year, KIPCO and its Group companies make a 1% donation of profits, which go for mainly healthcare-related causes.	N/A
<b>Munjiza Women Empowerment Platform</b>	<p>The Munjiza women empowerment platform was developed by KIPCO to bring together a number of influential women in Kuwait society, providing exposure and networking opportunities. There are currently a total of 19 members of this platform.</p> <p>The Munjiza platform brought together a number of partner entities, which include: Social Work Society, Abolish 153, The Women's Research and Studies Center (WRSC), Al-Sidra Association, LOYAC, Alqatami Breast Cancer Foundation, Kuwait Association for Learning Difficulties, Injaz, Balsam International Co., Safira CSR, Business and Professional Women Network, Soroptimist Kuwait, ArabWIC Kuwait, Birth Kuwait, Training Gate International, ASAP Initiative for Mental Health Awareness, and the Intisar Foundation.</p>	N/A

### Oral History and Documentation Project (OHDP)

KIPCO co-sponsored the Oral History and Documentation Project (OHDP) at the American University of Kuwait (AUK). 25,500

The OHDP is a comprehensive program to actively conduct oral histories in Kuwait on a wide range of topics and themes, in order to preserve the voices, memories, and experiences of generations of Kuwaitis and non-Kuwaitis. The importance and urgency of this project lies in the dearth of information and resources available on Kuwait's history since the pre-oil era. The aim of the project is to develop an archive of recorded interviews that will serve as a valuable resource to the AUK community, researchers, and the general public. Currently, the OHDP is focused on recording the life histories of those born before the 1960s. These recorded interviews explore the memories of individuals who experienced the drastic shift in Kuwaiti society with the advent of oil, as well as their experiences of major events such as the Iraqi invasion of Kuwait in 1990 and the Gulf War in 1991. More information can be found here: [www.oralhistory.auk.edu.kw/about](http://www.oralhistory.auk.edu.kw/about)

### KIPCO Appreciation Day

This is an annual event that was devised to temporarily replace the "KIPCO Family Day" due to COVID-19 restrictions. The event extends over the course of 1 week, where desserts are distributed to all employees of KIPCO and Group companies in branded packaging. This includes a thank you message that expresses KIPCO's appreciation for all the efforts exerted by the teams. The weekend sees a raffle draw for around 100 prizes worth KD 6,000 (including electronic and smart devices, pre-paid ATM cards, etc). All employees are entered into the draw, which is streamed on our website. 24,841

For this initiative, we partner with suppliers for providing the dessert and the branded boxes. The initiative further involves 5 KIPCO employee volunteers, and involves beneficiaries of 3,900 employees.

As per **Figure 3.1f**, we note that this year, the investment into this employee engagement initiative was KD 24,831, which was a 60% increase from the previous year's investment in this area of KD 15,490.

Figure 3.1f: Spending on Employee Engagement

60%

### AUK internships

KIPCO's Corporate Communications team takes on marketing interns from the American University of Kuwait (AUK). This is a virtual activity and involves regular follow-up meetings with the interns regarding assigned projects of relevance to their major and the department's activities. The internship program was during the Fall and Spring semesters, being recorded at 126 hours per intern. 0

In 2021, this initiative benefitted 5 interns, and further involved 2 KIPCO employee volunteers.

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**Generation Alpha (GA)**

Generation Alpha (GA) is an initiative that recognizes and supports a range of youth athletes. So far, KIPCO has conducted 1 season with G1, and a second season with G2. In numbers, this had benefitted 15 athletes in the former, and 17 athletes in the latter.

N/A

In conducting this initiative, KIPCO has collaborated with a number of partners, including Eightypercent, OSN, Alrai TV, and Marina.

**Exposure through media:**

Our champions had received exposure through a number of channels, including the ALAAN mobile application, Alrai TV, and OSN.

**Generation Alpha Recognition Ceremony:**

KIPCO honored the distinguished achievements of GA athletes through the Generation Alpha Recognition Ceremony. These athletes were awarded with the Plaque of Appreciation, and we are looking forward to celebrating future milestones together. The ceremony awarded both the athletes and their parents, having a total of 30 to 40 individuals recognized and awarded.

Furthermore, KIPCO's Chief Operations Officer honored Rabaa and Rawya Al Hajeri for their efforts in GA, as they head the partner company, Eightypercent.

**Alpha Seminars:**

The Alpha Seminars included workshops for GA athletes and parents. Based on parents' feedback about the challenges they and their children face, we created the Alpha Seminars in partnership with Kuwaiti Psychologist Nawaf Al Shaalan. As a result, we plan to hold 3 workshops, with topics revolving around sports psychology, contribution to an active high quality upbringing, dealing with child athletes, and managing stress and anxiety.

The first workshop is for parents exclusively, while the second is for both children and parents, being an interactive workshop and practical demonstrations. The third is for the child athletes exclusively, which include exercises and activities. Besides the GA athletes, the parents who would benefit from the workshops total 60 persons.

While the Alpha Seminars were planned for 2021, these have been postponed to 2022 due to COVID-19.

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**Droob**

In February 2021, KIPCO launched the Droob initiative, which aims to put a spotlight on Kuwaiti self-made talent from different fields, and demonstrate the depth and substance of homegrown artists and individuals. Our main goal through this initiative is to help develop and build capacity for the Kuwaiti youth. As part of Droob, a show to highlight Kuwait youth talent was held. Droob takes the audience on a journey to unveil 8 undiscovered Kuwaiti gems (our participants). The episodes aired in AlRai TV and ALAAN Application.

NA



<b>Toy and Book Drive</b>	KIPCO was involved in the Toy and Book Drive, where toys and books were donated to children in need. This was conducted in collaboration with a number of parties, including Service Hero, Trashtag Kuwait, Marina Mall, Zahra Complex, URC, Agility, and Kuwait Furniture and Manufacturing Company (KUFUMA).	NA
The initiative lasted across the month of Ramadan, as we asked our audience to drop off any toys or books (in fair or new condition) to different locations in Kuwait.		
<b>Future Creatives Mentorship Program</b>	The Future Creatives Mentorship Program was held in partnership with Visual Therapy, an art consultancy by young Kuwaiti artist Shahed Beshara. This program aimed to support young artists. As a result, the program lasted 1 year, and supported 10 high school students.	NA
<b>ALAAN mobile application</b>	The ALAAN mobile application is a modern Kuwaiti electronic platform created by KIPCO, in partnership with Gazelle, a non-profit company managed by a group of talented young Kuwaitis.	35,255
Alaan was designed for the community during a time when it was necessary to digitize communications through the Internet and social media because of COVID-19 restrictions. Due to our commitment to our social responsibility, we have created this mobile application in order to stay in contact with our community members, despite the lack of in-person activities.		
The ALAAN app aims to share experiences, information, and skills amongst the Kuwait community, while spreading positivity and optimism towards trends, situations, and current events. In addition, the application focuses on other social responsibility activities and events that relate to citizens and residents of Kuwait in general. ALAAN provides great opportunities for all citizens and residents to participate in a wide range of topics that aim towards national unity, while maintaining the Kuwaiti dialect in communication to showcase pride and compliance with the Kuwaiti culture, customs and traditions.		
The application has 4 sections:		
<ol style="list-style-type: none"> <li>1. Interviews</li> <li>2. Entertainment</li> <li>3. Awareness</li> <li>4. What is happening</li> </ol>		
<b>Various social media sponsorships and management</b>	KIPCO further invested in a range of social media activities, management and sponsorships.	12,000
<b>Total</b>		<b>101,596</b>

## Eye on our Subsidiary: CSR Policy at UGH



UGH, under the Corporate Governance Code, has a CSR Policy approved by the Board of Directors and undertakes activities to promote community service, educational assistance and social activities.

## Eye on our Subsidiary: Kamco Invest's HR Strategy and Training



Kamco's sustainable human capital development strategy enhances and supports educating the community about investment and the financial industry. In line with this strategy, Kamco collaborated with highly impactful programs and institutions that allowed them to mentor the next generation with the necessary practical tools needed. Kamco's most recent initiative was hosting webinars for the students of Kuwait University and the American University of Kuwait regarding "Introducing trading, stakeholders, and demo to online trading."

## Eye on our Subsidiary: CSR at URC



URC's initiative towards the community is through the creation of its Corporate Social Responsibility (CSR) program. URC promotes the support to the local community through activities, programs, and sustainability-focused projects. URC is committed to its CSR program to create a lasting impact to the community and align their strategy with the New Kuwait Vision 2035.

## Eye on our Subsidiary: CSR Policy at QPIC



QPIC, one of the major investments of by United Industries Company, has approved its Corporate Social Responsibility Policy to commit to ethical behavior and contribute towards the sustainable development of society in general through the following areas: Community, Employees, Environment, and Local Economy and Industry.

04



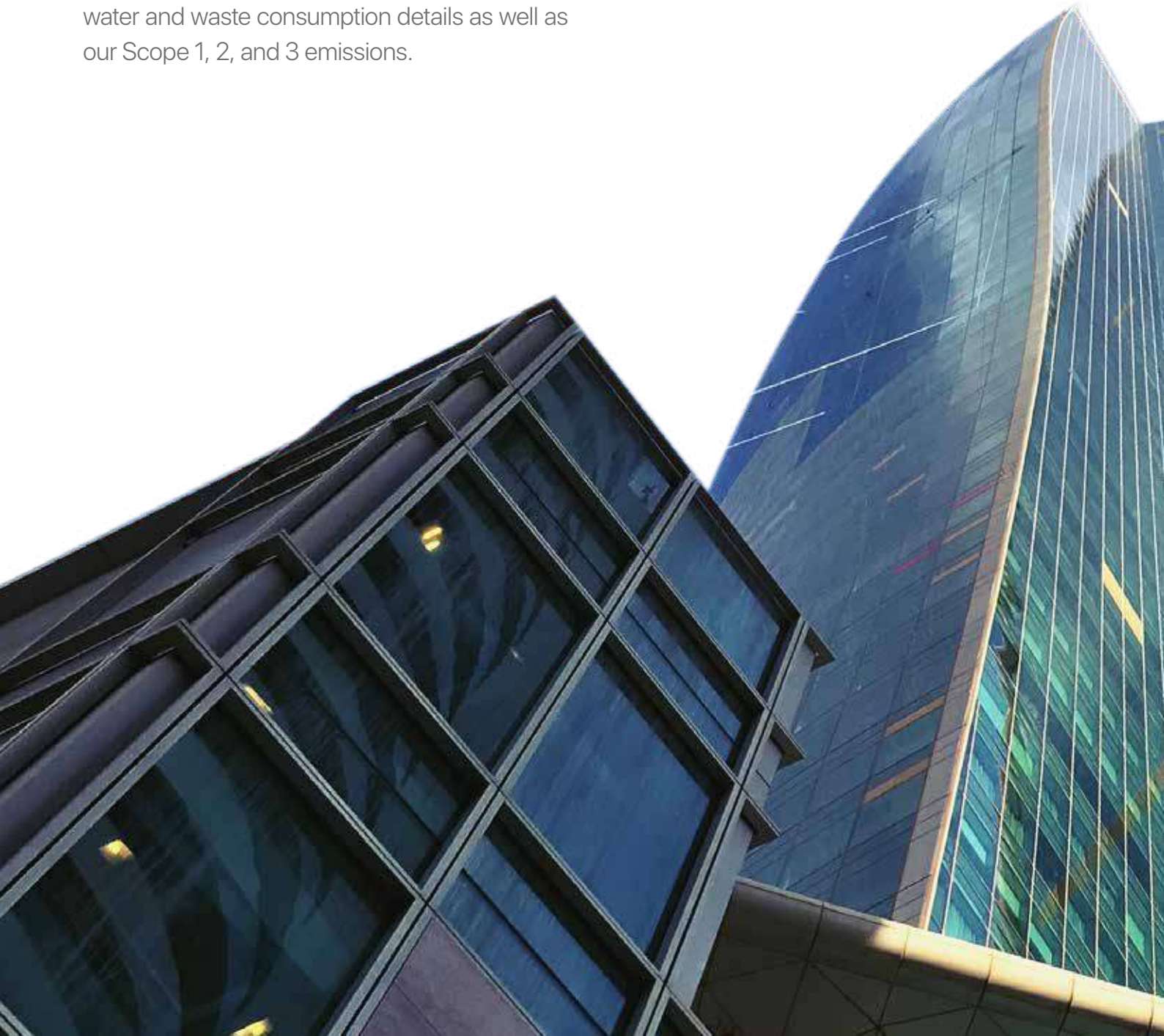


# RESPONSIBLE BUSINESS PRACTICES

- 4.1. Waste and Utility Management
- 4.2. GHG emissions
- 4.3. Sustainable Investments
- 4.4. Procurement Practices

## 4. RESPONSIBLE BUSINESS PRACTICES

We aim to impose minimal negative impact on the environment through our business operations. Thus, we have adopted the concepts of reduce, reuse and recycle in our waste management practices. Furthermore, we have a sustainable investment in Alternative Energy Projects Co. In this chapter we shine the spotlight on our responsible business practices and disclose our water and waste consumption details as well as our Scope 1, 2, and 3 emissions.





**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Living Environment



Global Positioning

## 4.1 Waste and Utility Management

KIPCO takes responsible steps towards measuring, saving, and reporting regarding environmental performance. In previous years, KIPCO was part of a wider Holding initiative to recycle paper and plastic in Shaheed Tower. Currently, in KIPCO Tower (our headquarters), we have installed motion sensors to automatically control lights, and have installed electrical faucets in the bathroom to reduce water wastage.

### Paper waste

Within our line of work in general, paper is the most often seen waste incurred from our operational activities. Hence, KIPCO is in the process of developing technologies that would consequentially reduce our paper consumption—being a new HR system for employees (planned for implementation in Fall 2022), and an electronic system for payments to be used by the Finance Department. Currently, paper waste is reduced at KIPCO through the implementation of our archive system—Document Management System (DMS)—where all documents are being scanned and saved digitally.



In part as a result of digitization efforts, we have seen positive reductions in the paper and ink cartridge consumption in the last few years. Further efforts are planned as personnel workflow is expected to be fully automated in the near future.

Looking at our paper consumption in **Figure 4.1a**, we have recorded 160,000 sheets of paper consumed in 2021, which, compared with the previous year, is a 19% decrease, or paper savings of 3,800 sheets between 2020 to 2021. Moreover, these savings in paper sheets can be translated into measurable estimated environmental saving impacts, presented in **Figure 4.1b**, with savings in energy and carbon dioxide equivalent (CO<sub>2</sub>e).

**Figure 4.1a: Paper Consumption per Year**



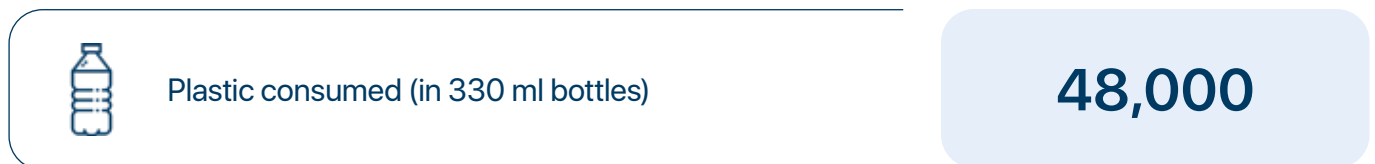
**Figure 4.1b: Environmental Saving Impact from Paper Reduction**

Environmental Saving Indicator	Savings Amount	Units
 Total energy:	1,553.3	KWh
 GHG emissions:	1.7	mt CO <sub>2</sub> e

## Plastic waste

Apart from paper consumption, another resource we consume, from which we produce a waste footprint, is plastic. We transparently measure and report our consumption of this, showing in **Figure 4.1c** a total of 48,000 plastic bottles (330 ml each), translating to about 15,840 liters of water as well. This plastic waste was the same in the previous year. Currently, we are not yet recycling our plastic usage.

**Figure 4.1c: Plastic Consumption per Year**







## Electronic waste (e-waste)

A third waste resource that KIPCO consumes is electronic waste, commonly known as e-waste. Our efforts to reduce e-waste include reusing our electronics as often as possible, aiming to avoid buying new products, as well as buying good quality items that are expected to last a relatively long time. In 2021, one way this was reflected was by upgrading our computers instead of replacing them with new PCs. The upgrade consists of replacing 5 hard disk drives (HDD) with 5 solid state devices (SSD), for better performance—attaining this at a cost of KD 100. Through our procurement of electronics, we consider any environmentally friendly aspects. A slogan that we believe in is: “Reuse or Recycle.”



Throughout 2021, our e-waste consisted of 8 units of electronics at a value of KD 2,500, as displayed in **Figure 4.1d** with a breakdown per electronics item.

Furthermore, we record consuming a total of 32 ink cartridges in 2021, as part of our e-waste, amounting to expenditure of KD 1,909 into them during this period. The units used and their expenditure are displayed in **Figure 4.1e**.

**Figure 4.1d: E-Waste Breakdown in 2021**

Electronic Item	Units in E-Waste	Cost Value of Items (KD)
 Desk computers	2	600
 Laptops	1	350
 Computer monitors	4	300
 Photocopy printer	1	1,250
<b>Total</b>	<b>8</b>	<b>2,500.00</b>

**Figure 4.1e: Ink Cartridges Consumed**



Indicator	Amount
 Units of ink cartridges used	32
 KD amount of ink cartridges used	1,909



## Water consumption

As we conduct our business through an office building, we incur waste in the form of water consumption from the Kuwait Ministry of Electricity and Water (MEW). We transparently measure and record our footprint in this environmental indicator in **Figure 4.1f**, calculating in 2021 a total of 14,555 liters of water utilities consumed, stemming from KD 1,429 in expenditure paid towards KIPCO's water utilities expenditure. Currently, we are implementing efforts to reduce our water consumption, such as the installation of touch-free sensor taps that automatically sense when to halt the water flow. Besides water consumption outcomes expected from this, this installation comes with various occupational health and safety (OHS) outcomes due to avoiding the potential spread of germs through touch water taps.

**Figure 4.1f: Water Consumption Volume and Expenditure Breakdown**




Indicator	Amount
 Volume of water consumed (in Liters)	14,555
 Expenditure towards water consumption (in KD)	1,429

## Electricity consumption

From the Kuwait MEW, we consume purchased grid electricity to power up our work practice within our building—being a second utility resource we measure, monitor, and report with regards to our overall environmental footprint. Our efforts to reduce electricity consumption include using light sensors, and requesting employees to turn off the lights in their offices after they have finished with work.

In 2021, our expenditure to the MEW towards electricity consumption was KD 50,000, which is similar to the previous year, as evident in **Figure 4.1g**. From this expenditure, we have estimated 3.3 million kWh in electricity consumed in 2021 (same as the previous year), though noting that the exact electricity consumption, as per meter readings, cannot be isolated with exact readings for KIPCO itself due to sharing the electricity meter with our whole building. For additional analysis, we have examined that our grid electricity intensity per employee is 54,497 kWh/employee in 2021—meaning that, on average, every employee's footprint on the environment is about 54,497 kWh of electricity. Compared to the previous year, this is about a 3% increase in electricity intensity, due to allocating the same total electricity for a reduced number of employees in 2021.

**Figure 4.1g: Electricity Consumption Volume and Expenditure Breakdown per Year**

	2021	2020	%-Change
 Expenditure in electricity consumption (in KD)	50,000	50,000	0%
 Volume of electricity consumption (kWh)	3,333,333	3,333,333	0%
 Electricity intensity per employee (kWh/person)	56,497	54,645	3%

Eye on our Subsidiary:

## Sustainable Investment through AEPCO



One of our investments demonstrates the steps we have taken towards considering sustainability (notably, environmental sustainability) within our investments—which is the Alternative Energy Projects Co (AEPCO). Since 2016, KIPCO established AEPCO, which is mainly specialized in contracting solar energy projects. Through AEPCO we aim for decarbonization efforts to be achieved by means of generating clean energy through clean power plants, as well as selling alternative energy to clients. AEPCO currently has 4 running projects of solar energy production in Oman and Jordan.

In terms of our ownership, KIPCO owns 100% of AEPCO Jordan, and 99.99% of AEPCO Kuwait. AEPCO is held by KIPCO through the Overland Real Estate Company W.L.L., which itself is owned 88.82% by KIPCO.

From 2016 to date, our investment into AEPCO is circa KD 6 million, which we considered purely sustainable investment. In more recent years, our investment into AEPCO accounts for KD 4 million in 2020, and KD 0.4 million in 2021, as shown in **Figure 4.1h**.



**Figure 4.1h:**  
Sustainable Investment  
through AEPCO in 2021

**KD 0.4 million**

Eye on our Subsidiary:

## Kamco Invest's Recycling



Kamco Invest responsibly measures, assesses, and reports on its environmental impacts through its set initiatives. Through 2021, Kamco was able to recycle 10,250 A4 paper packets used, 125,000,330 ml plastic bottles used, and a volume of 7.55 tonnes of e-waste. Kamco's initiatives are in line with its sustainability practices and commitment to the environment. This is supported by a Kuwaiti-based third-party that recycles waste, as part of signed agreements by Kamco. Regarding e-waste, the agreement entails that Kamco provides the third-party with old or used IT equipment, including printers, cables, monitors, laptops, desktops, and other electronic devices for recycling.

## 4.2. Greenhouse Gas (GHG) Emissions

A main indicator of our environmental performance throughout sustainability reporting is often greenhouse gas (GHG) emission, which translates KIPCO's use of a range of resources and activities into measurable, reportable, and comparable units of metric tonnes of carbon dioxide equivalent (mtCO<sub>2</sub>e). These are often categorized into 3 different categories (or scopes), each of which are examined in further detail within this section. Due to the nature of KIPCO's business and the relatively limited size of our workforce, we do not have significantly high GHG emissions compared to other labor-intensive, industrial, or product-based lines of business; despite this, we are responsibly measuring and transparently reporting what activities we have in terms of their carbon footprint, forming a baseline for any future comparisons on progress.

### Eye on our Subsidiary:

### Burgan Bank's Sustainable Lending



During 2021 Burgan Bank increased its sustainable lending to KD 16 million, which is a 225% increase compared to 2020, to encourage the responsible credit allocation with a regional and global commitment to reduce GHG emissions and promote social development.

## Scope 1 Emissions

Scope 1 GHG emissions refer to the reporting organization's direct emissions that it owns and controls. In KIPCO's case, this is assessed from our use of our directly owned vehicles. In 2021, we owned 3 vehicles, which had consumed about 6,200 liters of petrol. The carbon footprint of this was calculated as 14.61 mtCO<sub>2</sub>e as KIPCO's Scope 1 emissions, displayed in **Figure 4.2a**. Emissions can be further examined in terms of their average allocation per each of KIPCO's employees, resulting in 0.25 mtCO<sub>2</sub>e / employee. Furthermore, in comparison to the previous year, we see an improvement in this area. Our 2020 petrol consumption of owned cars had been calculated at 24,690 liters, and 57.27 mtCO<sub>2</sub>e of Scope 1 emissions in 2020. Therefore, KIPCO saw a 74%-chance decrease in both petrol consumption and Scope 1 emissions from 2020 to 2021, as illustrated in **Figure 4.2b**.

Figure 4.2a: KIPCO's Scope 1 Emissions and Intensity in 2021

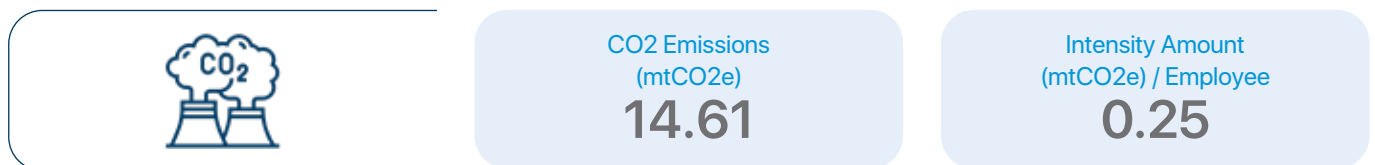
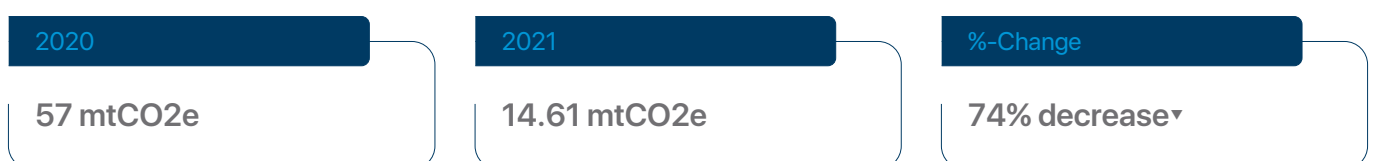


Figure 4.2b: Comparison of Scope 1 Emissions from 2020 to 2021

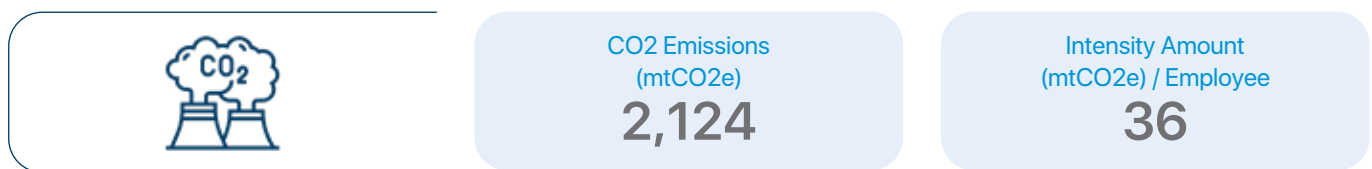


## Scope 2 Emissions

Apart from our direct emissions, KIPCO incurs indirect emissions in the form of Scope 2 and Scope 3 categories. The Scope 2 emissions are defined as indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling—which are accounted for by the reporting organization using that energy even if the energy was generated in a separate facility. In KIPCO's case, our Scope 2 emissions are derived solely from the grid electricity consumption acquired from the Kuwait MEW. As previously discussed, in 2021, we consumed about 3,333,333 kWh of grid electricity (estimated from our expenditure of KD 50,000 on electricity utility bills). Translating this into a carbon footprint, this is assessed as 2,124 mtCO<sub>2</sub>e in Scope 2 emissions, as per **Figure 4.2c**. In intensity, this is calculated as an average of 36 mtCO<sub>2</sub>e that is incurred by each of KIPCO's employees.

In comparison to the previous year, we see that Scope 2 emissions had been the same in 2020. However, the Scope 2 emissions intensity per employee had increased slightly by a 3% increase, from 35 to 36 mtCO<sub>2</sub>e—attributable to a reduced number of employees in the workforce across which more of the Scope 2 emissions would be allocated per person.

**Figure 4.2c: KIPCO's Scope 2 Emissions and Intensity in 2021**



## Scope 3 Emissions

The final category of GHG emissions is Scope 3, which is defined as emissions resulting from activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain. Note that the last distinction is vital, because activities neither owned, nor controlled, nor part of our value chain would be out of our scope for GHG-related reporting.

In other words, Scope 3 emissions are indirect emissions that we incur across our value chain or supply chain in close coordination with the third parties involved. For KIPCO, Scope 3 emissions assessed and reported are from activities that include:

- Rented vehicles (where the third party is the car rental company). Emissions are derived from our use of 6 rented vehicles, which consumed about 239,400 liters of fuel.
- Business air travels (where the third party is the airline company). Emissions are derived from our 78 air flights to 5 different destinations in business class.
- Courier services (where the third party is the courier company). Emissions are derived from our incurrence of 366 courier trips, consuming about 11,310 US gallons of petrol.

The above activities are part of our value chain as, in these cases, we engage with the car rental, airline, and courier companies. The GHG emissions of each of these activities have been assessed and reported in **Figure 4.2d**, leading to total Scope 3 emissions of 803.25 mtCO<sub>2</sub>e. When allocated across the workforce in intensity amounts, this is an average of 13.61 mtCO<sub>2</sub>e of Scope 3 emissions attributable to each employee.

We have taken further steps to compare our 2021 Scope 3 emissions to the previous year, which show the same emissions for rented cars, increased emissions from air travel, increased emissions from courier services, and an overall resulting increase in Scope 3 emissions. The increase was from 610.24 to 803.25 mtCO<sub>2</sub>e, which was a 32% increase in Scope 3 emissions. In addition, the Scope 2 emissions intensity had increased from 10 mtCO<sub>2</sub>e/employee in 2020 to 13.61 mtCO<sub>2</sub>e in 2021, which is a 36% increase—attributable to both a reduction in the overall workforce and the increase in total Scope 3 emissions.

**Figure 4.2d: KIPCO's Scope 3 Emissions and Intensity in 2021 and 2020**

Year	Rented Cars CO2 Emissions (mt CO2e)	Travels CO2 Emissions (mt CO2e)	Courier CO2 Emissions (mt CO2e)	Total CO2 Emissions (mt CO2e)	Intensity Amount (mtCO2e) /Employee
2021	555.27	148.68	99.30	803.25	13.61
2020	555.27	16.62	38.35	610.24	10.00

## Total Emissions

Having examined our carbon footprint across different activities and scopes of GHG emissions, a final important indicator to aggregate is the total GHG emissions across Scopes 1, 2, and 3. KIPCO's total amount in 2021 is recorded at 2,942.26 mtCO2e across all the scopes, with further breakdowns and comparisons displayed in **Figure 4.2e** as follows. We see that the highest allocation of these emissions derive from Scope 2 (accounting for 72% of our emissions), which is typical for our industry and line of work. We have presented the percent changes of each scope and total in comparison to the previous year, seeing a decrease in Scope 1, maintained Scope 2, increase in Scope 3, and an overall increase of total GHG emissions by 5%.

When looking at our total GHG emissions intensity per employee, this is recorded at 49.87 mtCO2e/employee, which was a 9% increase. This increase is due to both the overall increase in our GHG emissions and the reduction in our workforce, so more emissions are allocated per employee.

**Figure 4.2e: KIPCO's Aggregate GHG Emissions and Breakdown per Scope and Year**

GHG Emissions Scope	2021/CO2 Emissions (MT CO2e)	2020/CO2 Emissions (MT CO2e)	%Change
Scope 1	14.61	57.27	-74%
Scope 2	2,124.39	2,124.39	0%
Scope 3	803.25	610.24	32%
Total emissions	2,942.26	2,791.90	5%
Intensity per employee (mtCO2e/employee)	49.87	45.77	9%

## 4.3. Sustainable Investments

As we are a holding company, our main activity is investment, conducted with respect to a range of financial and non-financial considerations. In this respect, our subsidiaries and investments themselves may reflect certain sustainability aspects-be it environmental performance, workplace outcomes, governance excellence, or community impact, among others. In **Figure 4.3a**, we highlight certain sustainability impacts and features exhibited through a selection of 8 of our subsidiaries-though arguably almost all of our investments potentially reflect positive sustainability elements. Each of these subsidiaries is further aligned in **Figure 4.3a** with the associated goal from the UN Sustainable Development Goals (SDGs), emphasizing the sustainability impact of the performance mentioned.

Figure 4.3a: Certain Sustainability Features of Selected Subsidiaries



## 4.4. Procurement Practices

KIPCO's unique nature of business as a holding company differentiates it from the activities and even topics that would otherwise be significant and material in several other industries. Procurement is one of these matters, as it is conducted in KIPCO at a relatively smaller scale compared to other companies that manufacture, sell goods, or even provide services directly to customers.

In line with this, KIPCO deals with a number of suppliers as part of its usual business activity. These include: service providers, consultants / advisors, lenders, rating agencies, lawyers, telecom companies, courier services, stationery suppliers, travel agency services, airlines, car rental, furniture suppliers, and other suppliers for day-to-day purchases.

At KIPCO, we put effort into conducting our procurement in a sustainable and ethical manner. As mentioned previously, we have started to track and report the resource consumption and GHG emissions incurred through our suppliers via Scope 3 GHG emissions analyses-this relates to airlines, car rentals, and courier services. Apart from environmental aspects, we ensure social sustainability through our adherence to human rights standards when engaging with suppliers. To clarify, we ensure that human rights are protected throughout our supply chain by following a transparent process, whereby we request that all suppliers submit their proposals according to specific requirements against a conducted evaluation. The evaluation criteria itself integrates human rights aspects and each supplier's reputation, which accounts for their fair business practices among other important standards.

05





# SUSTAINABLE GOVERNANCE

- 5.1. | Driving Excellence through Corporate Governance
- 5.2. | Disclosure of Shareholder rights



## 5. SUSTAINABLE GOVERNANCE

Our success throughout the past 30 years is largely attributed to our strong corporate governance, guided by our Board of Directors (BoD) and management, and supported by solid policies and procedures. In this chapter, we disclose our corporate governance details, including the roles and responsibilities of our CEO and Chairman, our committees, and details about our BoD and management, compensation and remuneration matters, our policies, shareholders rights, and other matters.



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Public  
administration

## 5.1. Driving Excellence through Corporate Governance

Managing our business, activities, and stakeholders involves solid and sound governance practices, supported by having the appropriate policies, procedures, and governance positions in place to drive KIPCO towards successful outcomes. Our highest governance bodies consist of our Board of Directors (BoD) and the KIPCO Executive Team—commonly referred to by us as the KET.

### Board of Directors (BoD)

Our highest governance body is our BoD, led by our Chairman and major shareholder Sheikh Hamad Sabah Al Ahmad Al Sabah. In total, we have 5 directors on our Board. They are listed, together with associated information about them in KIPCO's Annual Report, found here: [https://kipco.com/wp-content/uploads/2021/12/KIPCO-AR21-EN-V20\\_compressed.pdf](https://kipco.com/wp-content/uploads/2021/12/KIPCO-AR21-EN-V20_compressed.pdf).

### Chairman's roles and responsibilities

The Chairman of the Board is the highest position in KIPCO; in brief, this position is responsible for leading the BoD, facilitating the operations and deliberations of the Board, and ensuring the effective execution of the Board's functions and responsibilities. A more detailed list of the Chairman's vital roles and responsibilities are as follows:

1. Ensure that the Board discusses all the agenda items in an effective and efficient manner
2. In line with the articles of association, represent the Company on all platforms (customers, suppliers, government, shareholders, financial institutions, employees, media, community, and the public)
3. Encourage all Board members to participate, contribute, and effectively work towards the interests of the Company
4. Ensure effective communication with all shareholders and the Board
5. Encourage constructive relations and effective communication among the Board (including executive, non-executive, and independent members); and between the Board and Executive Management
6. Create a culture that encourages positive criticism relating to contentious issues and divergent views among the Board

While the above delineate the Chairman's main and vital roles and responsibilities, KIPCO has outlined a list of additional roles and responsibilities applicable for this position. These are as follows:

1. Ensure all the Board members are invited to all Board meetings along with an agenda sent out 3 days prior to the meeting
2. Convene any emergency meeting based on a written request by the Chairman
3. Supervise the Board secretary to ensure proper distribution of information and coordination between members of the Board and other stakeholders
4. Not be a member of the Audit Committee and Risk Management Committee
5. Inform the General Assembly about the transactions and contracts in which Board members have personal interest (the same should be attached with the special report from the external auditor),
6. Ensure effective implementation of training programs for Board and Executive Management members
7. Ensuring the performance evaluation of the Board collectively, its Committees, and individual Directors, which is to be conducted at least once a year
8. Act on the results of such evaluation by recognizing the strengths and addressing the weaknesses of the Board
9. Where appropriate, through the Nomination Committee, propose that new members be appointed to the Board or recommend to the General Assembly removal of any member through an absolute majority of the Board
10. Act on any other special mandate provided by the shareholders

### Other Board Disclosures

Mainly for the sake of transparency of our sound governance within the BoD, we present in **Figure 5.1a** a number of disclosures about our Board, covering a range of sustainability topics, including tenure, meetings, evaluation, nomination and selection, independence, and diversity, among others.

Figure 5.1a: BoD Disclosures

Topic	BoD Governance Indicator	BoD Governance Disclosure
Board tenure	The maximum number of years for a BoD member to be on the Board	There is no maximum number of years in place.
	Policies that address or monitor BoD tenure	Related policies are not currently in place.
	Number and percentage of directors who exceed 15 years tenure	All of our directors' tenures exceed 15 years, except 1 director, who is Sheikha Dana Nasser Al Sabah. Therefore, 4 out of 5 directors exceed 15 years tenure (being 80% of the BoD)
	Concerns regarding entrenched Board	We do not have concerns about having an entrenched Board
Board meetings	Required minimum number of BoD meetings year	The BoD is required to meet at least 6 times per year.
	Actual number of BoD meetings held in 2021	In 2021, the BoD conducted 11 meetings.
Board independence	Current independence rate of KIPCO's BoD	Currently, 1 out of our 5 directors is independent, calculated as a BoD independence rate of 20%.
	Planned and targeted independence rate of KIPCO's BoD	By January 2024, our target is to have 2 out of our 5 directors to be independent, reaching a BoD independence rate of 40%.
	Definition of independent BoD member	KIPCO relies on Kuwait's regulations in defining what an independent BoD member is.
Nomination, selection, and evaluation	Criteria used for nominating or selecting BoD directors	The main criteria for BoD directors is shareholding ownership. Our BoD directors represent majority owners who, jointly, control 68% of KIPCO shares.
	BoD elections	BoD elections occur every 3 years.
	BoD performance evaluation process	KIPCO's BoD and Chairman's performance evaluation is conducted in an ongoing process. This includes both self-evaluation and peer-evaluation for BoD members.
	Frequency of evaluating Board members	Our BoD are evaluated on an annual basis.
Board diversity	Board diversity targets	There are currently no targets in place to improve KIPCO's BoD members' gender ratio.
	Board diversity rate	KIPCO currently has 1 female BoD member, consisting of 20% of the BoD (as 1 female director out of 5 directors).
Others	Communication with the Board	The BoD members are informed on relevant matters and new regulations, mainly on an as-needed basis. Besides this, there is much informal communication with the BoD.
	The size of the BoD	The majority of KIPCO's owners decided the BoD size would be 5 directors.

## Board Committees

The BoD is further broken down into 3 different Board committees overseeing 3 different areas within KIPCO. These committees are: the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee. Each of these 3 committees are explained in further detail in **Figure 5.1b** along with the descriptions, members, meeting times, and attendance rate for each.

**Figure 5.1b: KIPCO Board Committees**

Committee Name	Description of Committee's Main Responsibilities	Committee Representatives	Number of Times Each Committee Met in the Year	Attendance Rate per Committee
Audit Committee	<ul style="list-style-type: none"> <li>The committee responsible for auditing matters. Note that the Committee members have sufficient industry expertise.</li> <li>Responsibilities of the committee include:               <ul style="list-style-type: none"> <li>To review financial statements to ensure their soundness and integrity</li> <li>To make recommendations to the Board on the appointment of an external auditor and monitor their performance</li> <li>To study accounting policies and provide recommendations thereon to the Board</li> <li>To evaluate the internal control system and prepare a report on it</li> <li>To supervise the Internal Audit Department and recommend the recruitment and termination of contract of the Chief Internal Auditor</li> <li>To ensure compliance with regulatory rules, policies and related instructions, and review the reports of the regulatory authorities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the committee: Mr. Abdullah Yacoub Bishara</li> <li>Member of the committee: Mr. Faisal Hamad Al Ayyar</li> <li>Member of the committee: Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah</li> </ul>	7 times	100%
Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>This is the committee overseeing various nomination and remuneration matters. Please note that this is a relatively independent pay committee headed by an independent Board member.</li> <li>The committee's responsibilities include:               <ul style="list-style-type: none"> <li>Recommending nominations and re-nominations for the membership of the Board and Executive Management</li> <li>Establishing clear policy for the remuneration of Board members and the Executive Management</li> <li>Preparing job descriptions for the executive, non-executive and independent Board members</li> <li>Ensuring the independence of the independent Board member</li> <li>Preparing annual reports that contain details of the overall remunerations that are granted to the Board members and the Executive Management</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the committee: Mr. Abdullah Yacoub Bishara</li> <li>Member of the committee: Sheikhha Dana Nasser Sabah Al Ahmad Al Sabah</li> <li>Member of the committee: Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah</li> </ul>	2 times	100%

Risk Management Committee	<ul style="list-style-type: none"> <li>The Risk Management Committee is constituted by the BoD. Note that this committee is composed of experienced professionals with vast experience in different sectors, and the Secretary of the Committee, specifically, is a financial expert.</li> <li>The committee has been delegated responsibilities, authorities and duties that include: Assisting and recommending to the Board regarding establishment of risk management strategies and objectives appropriate to the nature and size of company's activities Reviewing the organization structure of the Risk Management Department Recommending its policies and procedures Managing any related party transaction matters that are presented to the Risk Committee and approved by the Board</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of the committee: Mr. Abdullah Yacoub Bishara</li> <li>Member of the committee: Sheikha Dana Nasser Sabah Al Ahmad Al Sabah</li> <li>Member of the committee: Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah</li> </ul>	5 times	100%
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## Executive Management

The next highest governance position at our organization is our Executive Management, named the KIPCO Executive Team (KET). This group of executives handle more operational matters within our entity compared to the more strategic oversight of our BoD. The KET meets on a weekly basis, and each member has teams beneath them that they also address. Succession planning is ensured for these critical positions, with deputies working with each member. Information about our KET members can be found in KIPCO's Annual Report, found here: [https://kipco.com/wp-content/uploads/2021/12/KIPCO-AR21-EN-V20\\_compressed.pdf](https://kipco.com/wp-content/uploads/2021/12/KIPCO-AR21-EN-V20_compressed.pdf). The KET is responsible for the Company's performance and reports directly to the BoD. The KET also draws the strategy and vision together with the management for BoD approval, and is responsible for its ultimate implementation.

## Eye on our Subsidiary: URC Board of Directors (BoD)



URC's Board of Directors consists of 7 members: 1 female member and 6 male members. United Real Estate Co's Chairperson is Sheikha Bibi Nasser Sabah Al Ahmad Al Sabah. The Board shows 14.29% occupied by female members.

The sustainable development goals achieved so far by such positions held by females are, SDG 5- Gender Equality, and SDG 10- Reduced Inequalities

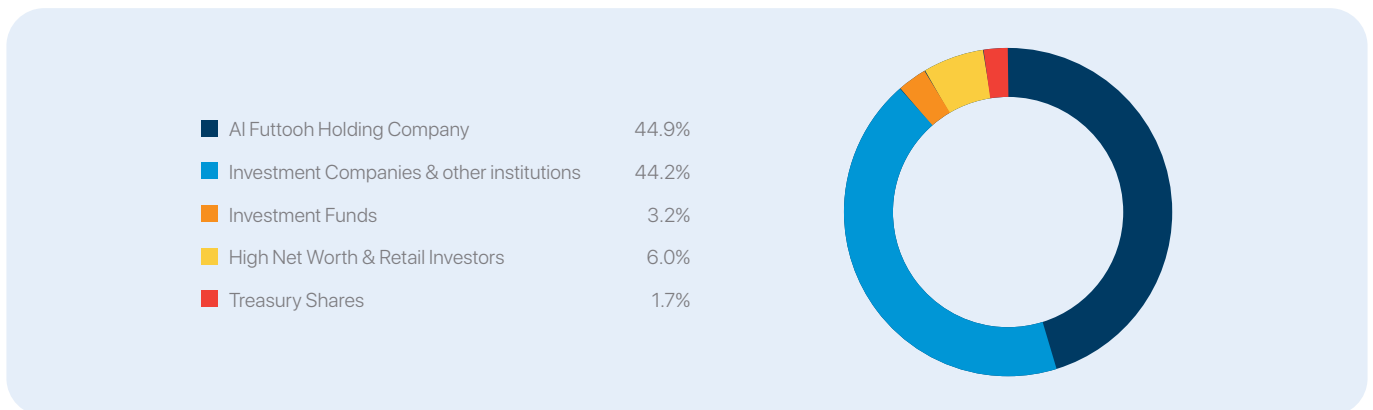
## 5.2. Disclosure of Shareholder Rights

As a company listed on the Kuwait Stock Exchange (KSE), KIPCO is very keen on engaging with shareholders and investors, including ensuring their rights, providing ample and transparent disclosure and reporting, responding to any queries and clarifications requested, conducting any meetings and communications, etc. At KIPCO, most of these matters are handled and managed by our Investor Relations function.

Through our commitment to transparent disclosure of our sustainability performance (ie. our sustainability reporting), we hope to be in a better position to answer our investors' related concerns with improved performance in this domain, in a manner that exhibits clear alignment with national and global standards and directions. Through our practice of sustainability reporting, we aim to be as transparent as possible, communicate as much as we can, and aim for improvements from year to year.

Our investors are categorized into individual and institutional ones. Individual shareholders are mostly interested in stability, and invest in our shares (including capital increase) based on loyalty and trust. Institutional investors are long-term investors, who have consistently contributed to our capital increases (notably in 2019 and 2021). These relationships are mostly managed by Kamco Invest. Our ownership structure is displayed in **Figure 5.2a** with the percentage ownership for each shareholder. Al Futtooh Holding Company is a major shareholding owner with 44.9% ownership. We further disclose that there are no governmental (public sector) owners within our ownership structure. More information about our ownership structure is provided here: [www.kipco.com](http://www.kipco.com)

**Figure 5.2a: KIPCO Ownership Structure**





Communication with investors takes place mostly on a quarterly basis, unless there is an update on a transaction (eg. a merger), or if there are any questions or requests for information from investors. The following are a selection of engagement methods we use to communicate with our investors:

- Holding one-to-one meeting if investors are in Kuwait
- Holding online meetings, whether in Kuwait or not; these meetings can be either conducted directly or through a financial partner
- Disclosing information and presentations on the website
- Corresponding by email with investors, our investor list, analysts, and any others met at investor roadshows. We email them especially when we put out material information, including financials, quarterly results, and invitations to quarterly investor calls
- Holding quarterly investor calls, as we are listed on the premier market of the KSE
- Going to investor roadshows, such as those organized by Bursa Kuwait, as well as those organized by our behalf by financial partners when we issue bonds
- Holding events, including the Shafaiyah Transparency Investors Forum, which we have been holding on an annual basis for the past 19 years

A series of other disclosures about our shareholders and investors is provided as per **Figure 5.2b**.

**Figure 5.2b: Disclosures Related to our Shareholders and Investors**

Shareholder and Investor Indicators	Shareholder and Investor Disclosures
Shares with voting cap (ceiling) clauses, or ownership ceilings	KIPCO does not have shares with voting cap (ceilings) clauses, or ownership ceilings.
Default percentage votes required by shareholders to amend a provision	The default percentage votes required by shareholders to amend a provision in KIPCO documents (ie. charter or bylaws) is 75%, as per Article#216 of the "Companies Law."
Say-on-pay policy	KIPCO does not have a say-on-pay policy.
Concerns over say-on-pay policy	KIPCO does not concerns over say-on-pay policy.
One-share one-vote	One-share one-vote is provided for all of KIPCO's meeting resolutions. This is in compliance with Article#208 of the "Companies Law," which states that a vote is allowed for each share.
Shareholding voting on director appointments and dismissals	There is shareholder voting in the Annual General Meeting (AGM) on director appointments and dismissals.
Concerns over shareholder rights	KIPCO does not have any concerns in this area.
Concerns over shareholder rights to convene meetings	KIPCO does not have any concerns in this area.
Fair price provision	KIPCO shareholders are not subject to fair price provisions, whether under applicable law or in KIPCO's documents, charters, or bylaws.
Shareholder dividends	In 2021, KIPCO has provided shareholders with dividends of KD 9,770,014.

## Case Study:

## KIPCO's Shafafiyah "Transparency" Investors' Forum

**Overview**

Every year, KIPCO holds the Shafafiyah "Transparency" Investors' Forum event with the aim of enhancing engagement with our investors and shareholders. Through this forum and presentation, investors and analysts have an open platform to ask questions, raise concerns or make suggestions. The forward-looking presentation also helps in keeping the BoD and management accountable for what they promise the shareholders is to be achieved. As part of the meeting, stakeholders, financial analysts, and media representatives pose their questions about KIPCO's past and future performance. This regular 2-way dialogue between KIPCO and our stakeholders is an integral part of our responsible corporate governance practice. KIPCO takes pride in being the first in Kuwait and the Middle East and North Africa (MENA) region to champion transparency in this manner. We have been live-streaming the event for at least 12 years, expanding our audience. The annual event has become a focal point of the Company's reporting year.

This annual event takes place directly following KIPCO's Annual General Meeting (AGM), and has been taking place for 19 years without exception. The first forum was held in 2005, and within this reporting period we conducted a Forum in April 2021.

Before regulatory circumstances made it difficult to arrange AGM dates into a schedule, the AGMs of the Group companies were held consecutively in a single week, and a Group-wide Shafafiyah Forum was held on the last day of the week. This then evolved to having each of the companies within the Group hold its Shafafiyah presentation following its AGM.

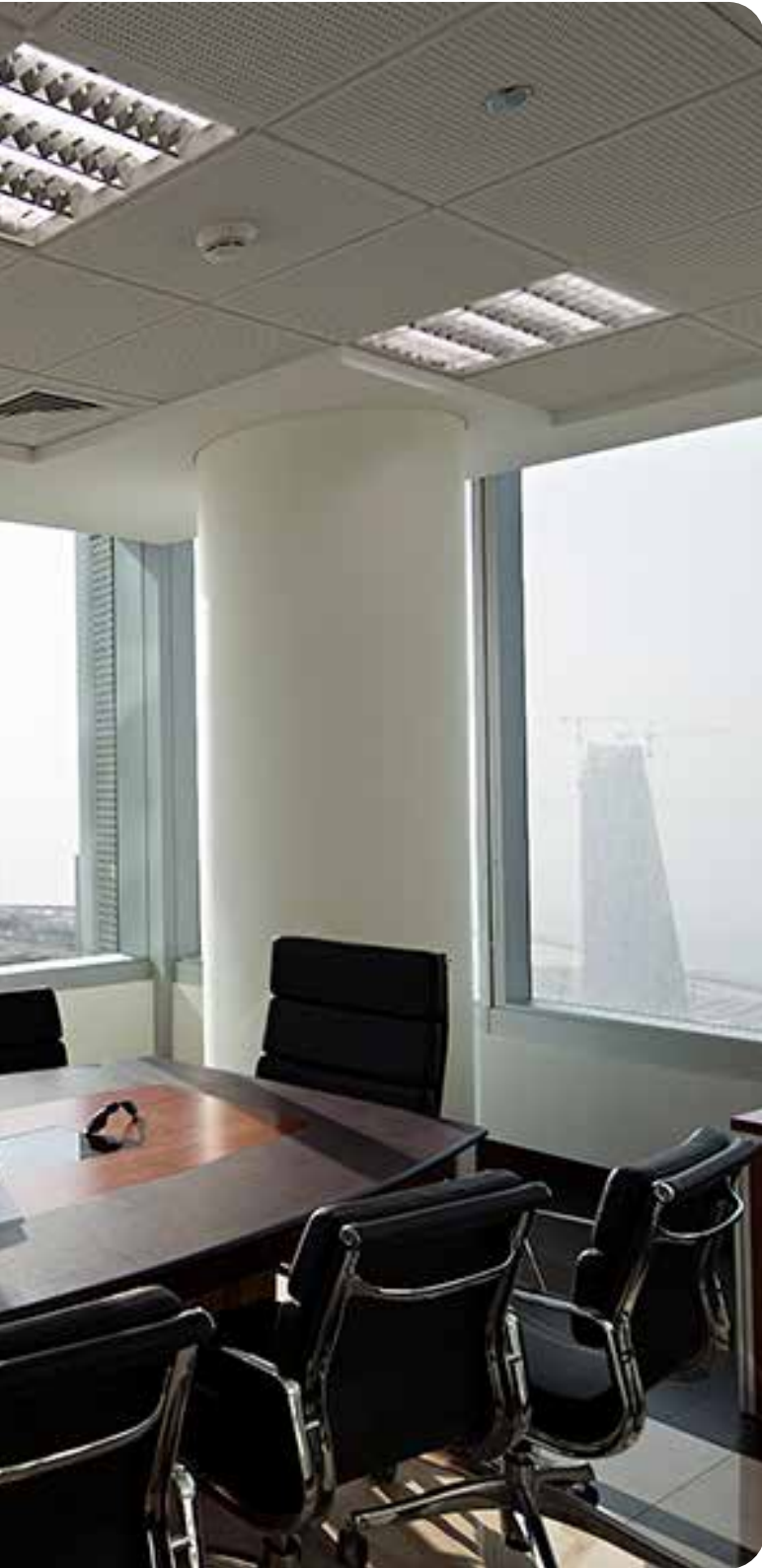
We believe that maintaining this best-practice in transparent corporate governance is important for the following reasons:

1. These practices allow the Company to access international capital markets as a "tried and trusted" investment partner.
2. Good standards of corporate governance have allowed KIPCO to distinguish itself from most other listed companies within the region.
3. As one of Kuwait's leading companies, KIPCO is committed to the development of Kuwait as a regional investment hub. The establishment of international corporate governance standards within the country is an essential part of this objective.

Further information is available here:

<https://kipco.com/investor-relations/shafafiyah-investors-forum/>





# INTEGRITY AND ACCOUNTABILITY

- 6.1. Ethical Business
- 6.2. Compliance and Risk Management
- 6.3. Technology and Data Protection

## 6. INTEGRITY AND ACCOUNTABILITY

KIPCO operates while maintaining openness and transparency throughout its business operations. Generally, KIPCO ensures a culture of empowering and collaborative leadership through regular executive meetings and open-door policies between managers and staff. Underpinning our values of openness and transparency are our code of ethics, Code of Conduct (COC), grievance mechanisms, and whistleblowing mechanisms, on which we will elaborate more in this chapter. Additionally, we will disclose on compliance and risk management detailing all the risks we face and the policies, strategies and procedures we follow to manage these risks. We also highlight our IT Department's role in COVID-19 resilience. In terms of data security, we will explain our data protection, and information security policies that ensure zero data leakage and maintain confidential data security.



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



Public  
administration



## 6.1. Ethical Business

Values of ethics, integrity, and honest are deeply embedded within KIPCO's culture and overall work practices—further reflected visibly in the caliber of our people. We expect all our employees to behave professionally and in accordance with the rules and regulations of the Company. These values are codified into our Code of Conduct (COC); our ethical standards are embedded into our COC. All our standards, whether ethical or regulatory, are in line with Kuwait laws and regulations. We oversee ethical matters on a Board level, through our Board Audit Committee. Furthermore, our COC is reviewed every 3 years, as well as periodically as and when needed, with the latest review occurring in 2019.

Our COC outlines a list of professional standards that our employees are obligated to adhere to. These are high standards of professional skills and competence to be maintained by all employees to ensure that KIPCO retains and enhances the respect and confidence of its various stakeholders. As per the professional standards, KIPCO employees are expected to, at all times, conduct themselves with integrity, and at no time should damage the image or reputation of the Company.

Moreover, the COC outlines standards of openness and fairness to which to adhere—in line with KIPCO's goal to foster openness and transparency. When appropriate, information regarding an employee's concerns shall be kept confidential. In some cases, the GCOO may need to be informed. If an employee has a work-related concern, the employee should discuss it with their Department Head. If the matter is not resolved to the employee's satisfaction, or if the employee is uncomfortable discussing the particular issue, the employee is encouraged to take the matter to the next level of management in their structure.

While each of KIPCO's functions adhere to the COC, departments may have additional ethical standards depending on their line of work. For example, KIPCO's IT function embeds ethical standards via the KIPCO IT Services Catalogue.

### Grievance mechanisms

If resolution is not achieved through means described in the COC, the employee may opt to submit an official grievance to HR who will ensure that the issue is resolved in line with the Grievance Policy and the grievance mechanisms set within it. Any employee can submit any complaint relating to the work environment, performance review or fellow employees within KIPCO directly to HR. Our HR function would review the complaints submitted, and refer them to the appropriate party for investigation as deemed necessary. Under the provisions of this policy, no employee shall suffer any detriment as a result of presenting a grievance or complaint—ie. retaliation. This aspect respects our independent protected resolution system for allegations of retaliation.

An employee who has a complaint or grievance should inform their Department Head. If the employee's complaint is not resolved to the satisfaction of the employee, they may refer it to HR. All grievances are treated as highly confidential and shall not be discussed with parties other than those involved in the grievance procedure. If a grievance is not resolved, then the dispute may be taken up to an ad-hoc Grievance Committee, comprising the Group Chief HR and Admin Officer, Legal or Internal Audit, and the concerned Department Head.

### Non-compliance with the Code of Conduct

KIPCO has a zero-tolerance policy towards non-compliance with the COC. We take strict disciplinary actions against any individual who fails to adhere to the Code. Any violation of our COC is met with the proper investigative and disciplinary measures, stated as follows:

- KIPCO will ensure that any disciplinary matter is dealt with fairly, that decisions are taken on a factual basis, and that employees have an opportunity to be heard before formal action is decided.
- KIPCO's goal is to deal with disciplinary matters sensitively and with respect to the privacy of the individuals involved. All employees must therefore treat information related to disciplinary actions with discretion and respect.
- All employees have a duty to report suspected disciplinary violations to their Direct Managers or directly to HR. Any employee of KIPCO who fails to disclose violations of KIPCO policies and procedures by their subordinates or fellow employees may be subject to disciplinary action.

- Employees at all levels are expected to bring to the attention of HR any situation which suggests the possibility of the following:
  - Violations of any law or regulation applicable to the Company's operations
  - Falsification of records or reports
  - Violations of the Company's policies
  - Any other irregularities, including fraud, theft, and matters relating to conflicts of interest
- HR, at its discretion and in consultation with the Group Chief Operating Officer (GCOO), shall conduct inquiries as deemed necessary before applying any disciplinary action.
- Any penalty imposed under this policy is without prejudice to any civil or criminal liability that may arise. Depending upon the nature of the offence, KIPCO may inform the appropriate authorities.
- A copy of records relating to disciplinary matters will be kept in the employee's personnel file.

## Our Whistleblowing Policy and related mechanisms

KIPCO is committed to maintaining an open culture with the highest standards of honesty and accountability, where all stakeholders, both internal and external, can report, in good faith, legitimate concerns in confidence.

As part of its sound corporate governance, KIPCO has established the Whistleblower Policy, and developed procedures and mechanisms for receiving and addressing concerns regarding questionable accounting, internal accounting controls, auditing and operational matters, or any unethical conduct of business involving KIPCO. As per the policy, such reported concerns would be raised with the Audit Committee to look into and decide on further action. The policy is set to preserve the anonymity of whistleblowers and protect them from any retaliation.

As a mechanism for communicating whistleblowing matters, as well as seeking advice and reporting concerns about unethical or unlawful behavior and organizational integrity, there is an anonymous form available on KIPCO's website, available to both our internal and external stakeholders, found here: [Whistleblowing Policy | KIPCO](#). In addition to this, the Group CEO and Deputy CEO have open door policies, being available to discuss such matters anonymously. Another mechanism related to these matters includes the availability of official reporting channels offered by regulators.

Please note an important distinction, which is that our Whistleblowing Policy is not a platform for private grievance. The Company has other relevant policies and procedures for individual employees to express concern or report their grievances about an issue that directly affects them—including standards of behavior at work, discipline, grievance, harassment, recruitment, and selection. Hence, these are not in the scope of this Whistleblowing Policy, and would not be reported through the whistleblowing mechanism. Instead, much of the aforementioned elements are in the scope of our Grievance Policy.



## 6.2. Compliance and Risk Management

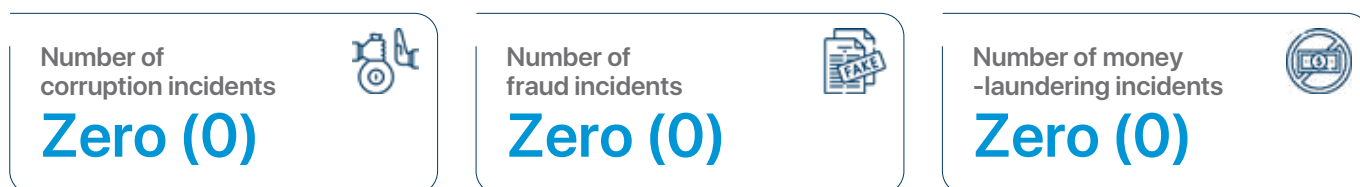
Our robust governance is ensured by our compliance with various internal policies and procedures that dictate and manage different parts of our company activities, whether workplace matters, compensation, compliance, ethics, procurement, finance, administration, or shareholder matters, among others. KIPCO has a complete set of written policies and procedures for all departments, all of which are reviewed periodically, as and when needed. KIPCO's own compliance is ensured throughout our various functions, while simultaneously aiding our portfolio companies with compliance matters through certain advice and guidelines provided to them. Apart from our internal rules, we are compliant with the laws and regulations of Kuwait and the jurisdictions in which we operate—engaging with our regulatory bodies in a periodic manner.

In parallel to our compliance practices, KIPCO manages various risk elements categorized into different areas, several of which are discussed in further detail within this section. Our risk management practices are governed by KIPCO's Risk Management Policy, procedures, and documents, much disclosure of which (including risk objectives and policies) is reported each year in our annual reports.

### Financial crime matters

We put effort into guarding against various financial crime matters, including bribery, fraud, corruption, anti-money laundering (AML), and combatting the financing of terrorism (CFT). These matters are mainly governed by our whistleblowing mechanism, which requires employees to blow the whistle on any evident or suspected matters in this regard, in order for KIPCO to implement the proper actions. KIPCO believes in maintaining upmost standards of transparency; we intend to deal strictly with any corruption and financial crime charges or controversies, as and when they arrive. We are glad to report that no incidents of these kind have occurred.

Figure 6.2a: Financial Crime Incidents in 2021



### Conflict of interest matters

Part of our compliance practices include our continuous monitoring and ultimate avoidance of any situations or transactions deemed to be conflicts of interest, notably when value is gained by the company. Accordingly, KIPCO makes sure that all legal requirements regarding this matter are met, whether at parent company level or subsidiaries level.

### Due diligence matters

Our compliance and financial crime matters extend to our procurement practices, governed by our due diligence of business partners addressing corruption and other financial crime matters. This is conducted diligently by KIPCO's personnel, all the while being careful about who to partner with, and considering who the owners are.

Our due diligence process further extends to any new investment undertaken by KIPCO. A rigorous due diligence process is undergone, involving financial, operational, commercial, legal and technological aspects.

Human rights due diligence is part of this overall due diligence process undertaken, whether for investments or our procurement practices.

## Audit matters

In ensuring proper regulatory compliance, as well as reflecting transparency and accountability in our financial statements, we engage with external auditors on a regular basis. KIPCO commits to the regular rotation of auditors, in compliance with Kuwait Capital Market Authority (CMA) guidelines. On average, the tenure of each auditor is 3 years.

## Risk management

Risk is inherent in any business practice, even in KIPCO and the Group's activities. Therefore, risk is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to KIPCO's profitability and continuity in general. Each subsidiary of the Group is responsible for managing its own risks and has its own Board and management committees to oversee such matters, including the audit committees, risk management committees, executive committees, credit / investment committees, and, in the case of major subsidiaries, Asset Liability Committee (ALCO), or equivalent.

KIPCO's own Risk Management Committee meets at least 4 times a year, though it met 5 times in 2021 to ensure business continuity and risk oversight. The committee presents its recommendations to the Board of Directors regarding any activity that needs their attention. Any significant concern is discussed in detail and addressed proactively in the Board meetings, under the guidance of KIPCO's Chairman. KIPCO's CEO, being a part of the Board meetings, is actively involved in proactively addressing any relevant risk as well. KIPCO's Executive Management ensures all recommendations of the Risk Management Committee are communicated regularly to all stakeholders through memos, filings, and other means, continuously providing awareness to everyone involved in the process. For further details about our risk management oversight from the Board and executives, please refer to Note 30 of KIPCO's Annual Report 2021, found here: <https://kipco.com/investor-relations/annual-reports-financial-statements/>

While these efforts constitute the highest governance bodies for reviewing the effectiveness of risk within KIPCO, the highest regulatory body in our jurisdiction for directly reviewing these matters includes the Kuwait CMA.

The independent risk control process overseen by the committees does not necessarily include business risks, such as changes in the environment, technology and industry. These risks are instead monitored through KIPCO's and each Group company's strategic planning process. The BoD of KIPCO and each company are ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. Monitoring and controlling risks are primarily performed based on limits established by the Holding. These limits reflect the business strategy and market environment of the Holding, as well as the level of risk that the Holding is willing to accept, with additional emphasis on selected geographic and industrial sectors. In addition, the Holding monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The effectiveness of risk management systems and practices at KIPCO is reviewed on an ongoing basis (at least annually) to facilitate timely revisions to the risk management framework in line with the changing environment. Meanwhile, we undertake risk evaluation on a quarterly basis. Any reported errors or loss events are adequately investigated. Such cases are assessed for significance—and significant issues are reviewed, and possible recommendations are explored with appropriate user acceptance prior to implementation. The Risk Management Committee in turn highlights relevant risks to KIPCO's Executive Management to ensure the risks are addressed in an appropriate and timely way.

The operations of certain Group subsidiaries are also subject to regulatory requirements within the jurisdictions where they operate. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (eg. capital adequacy, and general provision on loans and advances). These are made mainly to minimize the risk of default and insolvency on the part of the banking companies to meet unforeseen liabilities as these arise. Adequate adjustments to provisions for credit losses have been made at the Holding level to comply with the International Financial Reporting Standards (IFRS), having a net positive effect of KD 83,271,000 on equity attributable to equity holders of the parent company.

As part of its overall risk management, the Holding uses derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currency transactions. The risk profile is assessed before entering into hedge transactions, which are authorized by the appropriate level of seniority within the Holding.

The Holding classifies the risks faced as part of its monitoring and controlling activities into certain categories of risks and accordingly specific responsibilities have been given to various officers for the identification, measurement, control and reporting of these identified categories of risks.

There are different timelines for different types of risks that each risk manager at KIPCO is responsible for. For example, daily transaction reports or margin loan monitoring reports are reviewed on daily basis. The cash flow position is reviewed on weekly basis, and monthly portfolio concentration analysis reports are reviewed monthly. However, overall comprehensive risk monitoring is undertaken on a quarterly basis. Moreover, any event-based or regulatory changes may invoke any ad-hoc risk monitoring process as well.

The categories of risks and their components are listed as follows, with further detail about them given within this section:

#### A. Risks arising from financial instruments:



**A1.**  
Credit risk



**A2.**  
Liquidity risk



**A3.**  
Market risk



**A4.**  
Prepayment risk

#### B. Other risks



**B1.**  
Operational risk



**B2.**  
COVID-19 related risks



**B3.**  
Others

## A1. Managing credit risk

KIPCO takes on exposure to credit risk, which is the risk that a counterparty would be unable to pay amounts in full when due. The Holding structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industrial segments. Such risks are monitored on a regular basis and are subject to regular review. Limits on the level of credit risk by product, industry sector and by country are approved by the Board. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees. Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated statement of financial position. In the case of credit derivatives, the Holding is also exposed to or protected from the risk of default of the underlying entity referenced by the derivative.

KIPCO is further exposed to credit-related commitments risk, which is mitigated by the same control processes and policies.

The Holding continuously monitors all assets subject to expected credit losses (ECLs). In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life-time ECL, the Holding assesses whether there has been a significant increase in credit risk since initial recognition. The quantitative criteria used to determine a significant increase in credit risk is a series of relative and absolute thresholds. All financial assets that are 30 days past due are deemed to have a significant increase in credit risk since initial recognition and migration to stage 2, even if other criteria do not indicate a significant increase in credit risk.

## A2. Managing liquidity risk

Liquidity risk is the risk that the Holding will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.

## A3. Managing market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables, such as interest rates, foreign exchange (FOREX) rates, and equity prices. This risk may arise whether those changes are caused by factors specific to the individual investment or its issuer, or factors affecting all financial assets traded in the market. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industrial concentration, a continuous appraisal of market conditions and trends and management's estimate of long-term and short-term changes in fair value.

## A4. Managing prepayment risk

Prepayment risk is the risk that the Holding would incur a financial loss because its customers and counterparties repay or request repayment earlier than expected, such as fixed rate mortgages when interest rate fall. The fixed rate assets of the Holding are not significant compared to the total assets. Moreover, other market conditions causing prepayment is not significant in the markets in which the Holding operates. Therefore, the Holding considers the effect of prepayment on net interest income is not material after taking into account the effect of any prepayment penalties.

## B1. Managing our operational risks

Operational risk is the risk of loss arising from failures in the operational process, people and system that support operational processes. The Holding has a set of policies and procedures, which are approved by the Board of Directors and are applied to identify, assess, and supervise operational risk, in addition to other types of risks relating to the banking and financial activities of the Holding. Operational risk is managed by our Risk Management Department. This function ensures compliance with related policies and procedures to identify, assess, supervise and monitor operational risk as part of overall risk management.

## B2. Managing our COVID-19 related risks

The recent spread of COVID-19 across various geographies globally, which was declared a pandemic by the World Health Organization (WHO), has caused disruption to business and economic activities. The fiscal and monetary authorities around the world, including Kuwait, have announced various support measures across the globe to counter the possible adverse implications of COVID-19. This describes the continuous impact of the outbreak on the Holding's operations and the significant estimates and judgements applied by management in assessing the values of assets and liabilities as at 31 December 2021.

Throughout this time, KIPCO managed COVID-19 associated risks with prompt and regular risk management practices. KIPCO has established and maintained strong contingency and business continuity plans, which ensured that the Holding continued to operate effectively even during the pandemic. We focused on 3 broad categories as part of our response to COVID-19, which are:

1. The welfare of our employees
2. The convenience of our customers
3. Our responsibility towards society

KIPCO undertook regular analyses of its investments with updates from respective companies. Additionally, KIPCO has Board representation on its portfolio companies, which enabled us to track the actions taken by those companies as well to counter the risk of COVID-19. Further information about our COVID-19 efforts can be found in Note 30.7 of KIPCO's consolidated financial statements as on 31 December 2021, found here: [www.kipco.com](http://www.kipco.com)

### (E) Managing our environment-related risks

Due to the nature of our business, the majority of climate-related risks are not directly relevant or applicable to KIPCO. Despite this, all of our key portfolio companies have their own respective climate-related policies and procedures. For example, in the case of one of our Group companies, Burgan Bank, minimizing environmental impact is one of the key pillars of its ESG policy. Moreover, as mentioned previously, KIPCO has established the Alternative Energy Projects Company, which contributes to our efforts in managing climate-related risk matters.

### (S) Managing our society-related risks

Again due to the nature of our business, as well as the size of our workforce, social factors such as labor rights and human rights are applicable, but not to the extent of other lines of business and larger workforces. Our key portfolio companies have their own policies related to such social-related factors. Moreover, our HR-related risks are appropriately addressed through the HR policies and procedures covering all critical HR matters, including manpower and succession planning, recruitment, compensation and benefits, training, performance evaluation, ethical code of conduct, disciplinary procedures, etc. and adopting the Kuwait Labor Law as a minimum standard in addition to KIPCO's HR policies.

### (G) Managing our governance-related risks

Our range of policies, procedures, mechanisms, and compliance practices practiced by our staff, as well as the leadership of our directors and executives—all contribute to the collaborative commitment to address and mitigate any governance-related risks. As part of quarterly evaluations, we rate KIPCO's position on corporate governance, corporate behavior, and similar parameters. This score is then analyzed with industry performance to understand the aspects where we can improve as an organization.

## Managing risk within new activities

New activities proposed for KIPCO are reviewed and approved by the concerned business division head before review by the Risk Management Department. The department identifies and evaluates the critical sources of risk that need to be addressed before the new activities is approved.

## Applying our risk management standards

The main risk management standards framework applied in KIPCO is the Committee of Sponsoring Organizations (COSO) Enterprise Risk Management (ERM). It is applied at a high level through the integration of risk management throughout the organization by establishing a strong governance environment, defining risk appetite within strategic actions, assessing risk, and reviewing risk. This framework involves the implementation of a strong information system that helps faster assessment and detection, as well as sharing information.

## Applying a strategic approach to risk management

As per our strategic approach to risk management, the primary objective of establishing a risk management approach is to help our management to achieve the entity's performance and profitability targets by maximizing opportunity, as well as minimizing the possibility of adverse effects and loss of resources. Our strategic risk management approach thus ensures:

- Appropriate and optimal deployment of capital
- Compliance with laws and regulations
- Avoidance of damage to reputation and associated consequences
- Effective flow of information and reliable reporting system
- Safeguarding of the assets
- Prevention and detection of fraud and irregularities
- Preparedness to manage eventualities of negative impact
- Sound governance practices

Our risk management strategy highlights the objectives of our risk management function, the KIPCO's risk appetite and tolerance limit, and the strategy for managing the risk. The various risk controls followed are summarized as follows:

- Developing tools for measuring or evaluating the risk
- Developing risk management models to monitor various risks
- Monitoring and controlling key risks prevalent, by establishing limits and conducting audits or review as necessary
- Suggesting various strategies to the senior management to avoid, mitigate or transfer the potential risks

The risk identified is analyzed in terms of its likelihood and impact, and accordingly prioritized according to a risk matrix.

## Operating with our risk appetite

Risk appetite, at the organizational level, is the amount of risk exposure, or potential adverse impact from an event, that the organization is willing to accept or retain, while undertaking various activities for achieving its objectives.

KIPCO's risk appetite takes into account the interests of primary stakeholders, viz. shareholders, financial institutions (ie. financiers and lenders), customers, public sector (ie. government, ministries, and regulators). The impact of risks undertaken from the perspective of these stakeholders has been considered in determining KIPCO's risk appetite. The risk appetite is expressed in terms of tolerance level for risk impact.

## Our business continuity, stress testing, and planning

Our business continuity is ensured and governed via our Business Continuity Planning (BCP) Policy. As per the policy, we have an off-site location for business continuity. This is critical in the case of any uninterrupted business operations during emergency situations and any other situations where the Company would not be able to function from the primary location. Through our business continuity, we are able to access key business applications from the off-site location, such as Oracle Financials, MS Dynamics AX, and user business documents. We make sure normal business operations are possible from this off-site location.

As part of overall budgeting and the Long Range Plan (LRP) of KIPCO and its portfolio companies, periodic evaluation of business performance is undertaken, supported by scenario analysis and stress testing across key parameters, such as portfolio value, liquidity, funding, cashflows, etc. In addition, scenario analysis and stress testing as required due to any regulatory changes or significant events is undertaken. For evaluating market risk, a variance model is built, and a regular program of stress testing is conducted as a supplement to the risk analysis based on the output from the model. The results are reviewed with the policies and limits set by the senior management.

KIPCO undertakes scenario planning on a periodic basis depending on the risk classification. Additionally, any regulatory changes or significant event may trigger scenario planning and stress testing.

## Risk management approach in procurement

Our risk management practices are applied in our procurement practices. Existing suppliers are evaluated on regular basis with regards to any potential breach of contract. In case of a new counterparty with whom to establish a new relationship, proposals are received, which are subject to review by our Risk Management Department. In reviewing such proposals, this department is guided by the following:

- The purpose of the credit and source of repayment
- The integrity and reputation of the borrower or counterparty
- The current risk profile (including the nature and aggregate amounts of risks) of the borrower or counterparty and its sensitivity to economic and market developments
- The borrower's repayment history and current capacity to repay, based on historical information
- Financial trends and cash flow projections
- A forward-looking analysis of the capacity to repay based on various scenarios
- The legal capacity of the borrower or counterparty to assume the liability for commercial credits, the borrower's business expertise, and the status of the borrower's economic sector and its position within that sector
- The proposed terms and conditions of the credit, including covenants designed to limit changes in the future risk profile of the borrower, and, where applicable, the adequacy and enforceability of collateral or guarantees (under various scenarios).

Eye on our Subsidiary:

## Burgan Bank's Compliance with Regulations



Burgan Bank as part of its compliance with the regulations set by Central Bank of Kuwait, publicly discloses on the Customer Protection Guide to the banking sector. The aim of such disclosure is to create a balanced environment that provides a convenient safeguard to customer rights while protecting the banking sector. The Customer Protection Guide includes the importance of customer protection, the goals of issuing the guide, the range of implementation, and general practices taken towards customer protection.

Eye on our Subsidiary:

## UGH Corporate Governance



UGH publicly discloses its Corporate Governance Guidelines, which includes the roles and responsibilities of each member, the decision-making process, and avoidance of conflict of interest, among several others.

Eye on our Subsidiary:

## UGH Whistleblowing Policy



The Whistleblowing Policy published by United Gulf Holding Co. aims to encourage timely reporting of alleged malpractices/misconduct, provides means for a discreet and confidential channel for escalation of concerns without fear of reprisal, and protects the rights of the Company and that of its shareholders.

Eye on our Associate:

## Governance at Advanced Technology Company (ATC)



Advanced Technology Company (ATC), one of the major investments contributed by United Industries Company (UIC), operates through a governance framework that is managed by the Board of Directors and Committees. The BoD oversees the legal and regulatory frameworks, along with an internal control and a risk management policy.



## 6.3. Technology and Data Protection

We view technology as a useful tool for enabling our sustainability performance through modernization, convenience, efficiency, and effectiveness—all the while putting in place the appropriate mechanisms to protect our data and our stakeholders' information. The IT Department's support extends to KIPCO and Kamco activities and employees. Other Group companies have their own IT support staff and systems. The IT hardware and software systems for KIPCO and Kamco are supported by our IT staff. The IT systems are well maintained by having updated versions and security patches installed, as well as making sure that all the systems are readily available for business users to contribute to KIPCO business goals. Moreover, we have trained our IT staff and business users, which is expected to increase employee productivity.

We use a range of technologies, channels, applications, and programs, a selection of which is displayed in **Figure 6.3a** with their descriptions and some of their associated savings.

**Figure 6.3a: Selected List of Technologies**

Name	Description	Savings
<b>Oracle Financial Enterprise Resources Planning (ERP) system</b>	Accounting Software for the Finance Department. It was implemented in 2005 and still currently in use.	<ul style="list-style-type: none"> <li>• 6 ledger books</li> <li>• 30 minutes per transaction due to shift from manual to software entry</li> <li>• Enhanced satisfaction due to the elimination of manual accounting and bookkeeping</li> <li>• KD 60 saved per transaction</li> </ul>
<b>Microsoft Dynamic AX (HRMS)</b>	Human Resource Management System (HRMS), which was implemented in 2009 and still currently in use.	<ul style="list-style-type: none"> <li>• 10 reams of white paper per transaction.</li> <li>• Saving of 1 fulltime employee (FTE)</li> <li>• 2 to 3 days reduced (per transaction) from the shift to manual payroll processing to automated payroll process</li> <li>• Increased convenience by process automation</li> <li>• KD 20 saved per transaction</li> </ul>
<b>OpenText Document Management System (DMS)</b>	Archiving software, which was implemented in 2014 and currently in use.	<ul style="list-style-type: none"> <li>• 60 reams of white paper per transaction.</li> <li>• Increased savings by being a paperless process</li> <li>• Turnaround saving per transaction of 10 minutes due to avoiding manual search for a document</li> <li>• KD 120 saved per transaction</li> </ul>
<b>Cognos Business Intelligence Reporting System</b>	Business intelligence reporting system for Oracle Financial & Management Information System (MIS) reporting, which was implemented in 2006 and currently in use.	<ul style="list-style-type: none"> <li>• 25 reams of white paper per transaction</li> <li>• 1 full-time employee (FTE) saved</li> <li>• 1 to 2 hours of time reduced in preparing manual MIS reports per transaction</li> <li>• Increased convenience by electronic MIS reporting</li> <li>• KD 50 saved per transaction</li> </ul>
<b>Auto Audit</b>	Streamlined internal audit reporting system, which was implemented in 2009 and currently in use.	<ul style="list-style-type: none"> <li>• 20 reams of white paper per transaction</li> <li>• 1 to 2 days of audit reporting time reduced by Auto Audit per transaction</li> <li>• Increased convenience by streamlining audit procedures</li> <li>• KD 40 saved per transaction</li> </ul>

<b>SharePoint Portal</b>	Departmental folders and workflow automation system, which was implemented in 2012 and currently in use.	<ul style="list-style-type: none"> <li>• 15 reams of white paper per transaction</li> <li>• Increased convenience by automated processes</li> <li>• 2 hours of time (per transaction) reduced in preparing manual MIS reports</li> <li>• KD 30 saved per transaction</li> </ul>
<b>Microsoft Office Applications</b>	Applications that include Word, Excel, Teams, PowerPoint, and Outlook, which was implemented in 1998 and currently in use.	<ul style="list-style-type: none"> <li>• 35 reams of white paper per transaction</li> <li>• Increased convenience by document processes</li> <li>• 30 minutes reduced from manual to software data entry (per transaction)</li> <li>• KD 70 saved per transaction.</li> </ul>
<b>Nitro PDF writer</b>	Electronic document review system, which was implemented in 2010 and currently in use.	<ul style="list-style-type: none"> <li>• 150 reams of white paper per transaction</li> <li>• Increased convenience due to electronic document processes</li> <li>• 30 minutes reduced from manual to software data entry (per transaction)</li> <li>• KD 300 saved (per transaction)</li> </ul>
<b>Skype</b>	Online meetings platform, which was implemented in 2012 and currently in use.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>WebEx</b>	Online meetings platform, which was implemented in 2015 and currently in use.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Zoom</b>	Online meetings platform, which was implemented in 2020 and currently in use.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Website</b>	This is our official KIPCO website, accessible here: <a href="https://kipco.com/">https://kipco.com/</a>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>KIPCO Privilege Card Application</b>	This is the official application for our KIPCO Privilege Card	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

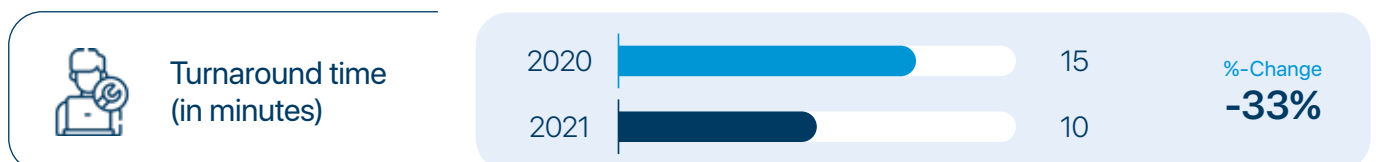
In efforts to ensure that our technologies are operating smoothly, we monitor, assess, and report a number of their related indicators. One of these indicators is the IT complaints received, which we naturally continuously aim to decrease. The number of complaints fortunately decreased from 310 in 2020 to 290 in 2021—a 6% reduction as per **Figure 6.3b**.

**Figure 6.3b: IT Complaints per Year**



Another indicator we assess and report in relation to our IT performance is the average turnaround time for resolving any IT complaints received. Similarly, we are putting efforts to decrease this amount as well, and we have seen similar successes in this year in 2021. This year, we have decreased the turnaround time per IT complaint from 15 minutes in 2020 to 10 minutes in 2021—a 33% reduction as per **Figure 6.3c**.

**Figure 6.3c: Average Turnaround Time for Resolving IT Complaints per Year**



## Data privacy

KIPCO puts stringent efforts to protect the privacy and security of its own business activities, as well as that of its stakeholders. The responsibility of privacy and data security falls under the Chief of Group HR and Admin and the Board Secretary.

KIPCO has a Data Protection Policy and an Information Security Policy. The Data Protection Policy governs all relevant business lines. External independent audits of information security policies and systems are conducted at least once every 2 years by the Internal Audit Department. We conduct annual audit reviews on our information security policies and system, and the latest review was conducted in 2019.

Currently, KIPCO employees are trained on data security and privacy-related procedures / risks. However, there is no official training of employees and other stakeholders by the IT Department, though this is planned for 2022.

At KIPCO, we follow a specific approach to identifying and addressing data security risks, including controls, actions, and measures. In terms of identification of such matters, we regularly review applications, systems, databases, and networks. In case of addressing matters, we ensure that the related policies and procedures are followed, enhance security controls, and use checklists and notifications. In fact, KIPCO adheres to the Seven Dimensions of Security Culture, embedded within our data security practices, listed and described in **Figure 6.3d**.

**Figure 6.3d: The Seven Dimensions of Security Culture**

<b>Attitudes</b>	The feelings and beliefs that employees have toward the security protocols and issues
<b>Behavior</b>	The actions and activities of employees that have direct or indirect impact on the security of the organization
<b>Cognition</b>	The employees' understanding, knowledge and awareness of security issues and activities
<b>Communication</b>	The quality of communication channels to discuss security-related events, promote sense of belonging, and provide support or security issues and incidents reporting
<b>Compliance</b>	The knowledge of written security policies and the extent that employees follow them
<b>Norms</b>	The knowledge of and adherence to unwritten rules of conduct in the organization, i.e. how security related behaviors are perceived by employees as normal and accepted or unusual and unaccepted
<b>Responsibility</b>	How employees perceive their roles a critical factor in sustaining or endangering the security of the organization

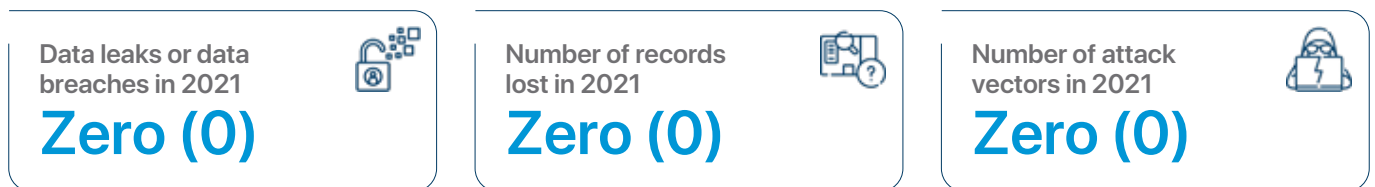
KIPCO has an effective cybersecurity program that covers the following:

- Regular internal security audits or vulnerability assessments or penetration testing of the Company's systems, products and practices affecting user data
- Governance structures in place for cybersecurity management
- Regular external security audits or vulnerability assessments of the Company's systems, products and practices affecting user data
- Regular employee training on cybersecurity issues
- Operational measures to monitor and respond to data breaches and cyberattacks

However, note that KIPCO does not yet conduct third-party vulnerability analysis or simulated hacker attacks.

In reflection of this commitment, we gladly report, as per **Figure 6.3e**, no incidents of data leaks or breaches, no incidents of lost records, and no attack vectors.

**Figure 6.3e: Indicators of data privacy and security**



## COVID-19 resilience through technology

Our technologies have been crucial tools for us in navigating the COVID-19 pandemic, allowing remote working and communication in adaptation of the new social distancing norms and other related changes to the work environment. During this period, our IT function has enabled us to work from home by ensuring that we are adequately equipped, including laptops and access to a Virtual Private Network (VPN) connection to the office.

## Data security

KIPCO maintains all the necessary IT standards to ensure data security. Request for access to all information system resources are routed through a formal access request to the IT Head. Authority for approving request for various levels of access to IT system and application are clearly defined. All requests for access are reviewed by the Risk Management Department.

The relevant business heads are responsible for ensuring compliance with applicable regulatory requirements. All the Company's policies and procedures clearly address the requirements of various regulations to be complied with.

Other controls applied are: automation of transaction processing, delegation of authority matrix, reconciliation procedure, and segregation of duties.

### Eye on our Subsidiary: GIG's Digitization



Gulf Insurance Group - Kuwait has launched their smartphone application "GIG Kuwait" as part of their digital transformation. The mobile application provides several distinguished and advanced insurance services to its clients.

GIG allows its clients to purchase or renew an insurance policy through its application or website as part of increasing customer satisfaction and reducing the commutes to its branches.





## APPENDIX

- 7.1. | GRI Content Index
- 7.2. | Kuwait Bursa Index
- 7.3. | Other Disclosures

## 7.1. GRI Content Index

GRI Standard Disclosure Number	Individual Disclosure Items	Disclosure/Page Number
<b>General Disclosures:</b>		
102-1	Name of the organization	3
102-2	Activities, brands, products, and services	13-14
102-3	Location of headquarters	KIPCO Headquarters location is in Kuwait City (Al Shuhada St Abd Khalid Bin Waleed St, At The Heart Sharq - Kuwait City, Kuwait City), Kuwait
102-4	Location of operation	13
102-5	Ownership and legal form	85
102-6	Markets served	13
102-7	Scale of the organization: a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	3, 31 Other information in KIPCO Annual Report 2021
102-8 *	Information on employees and other workers	28-42
102-9	Supply chain	75
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary principles or approach	94-100
102-12	External initiatives	59-63
102-13	Membership of associations	52
<b>Strategy</b>		
102-14	Statement from senior decision-maker	8-9
102-15	Key impacts, risks and opportunities	20-24 94-100

## Ethics and Integrity

102-16	Values, principles, standards, and norms of behavior	90-100
102-17	Mechanisms for advice and concerns about ethics	90-100

## Governance

102-18	Governance structure	16
102-19	Delegating authority	95, 110
102-20	Executive-level responsibility for economic, environmental, and social topics	18,19, 80-83, 95, 110
102-21	Consulting stakeholders on economic, environmental, and social topics	18, 19, 85, 86, 103
102-22	Composition of the highest governance body and its committees	82, 83
102-23	Chair of the highest governance body	80
102-24	Nominating and selecting the highest governance body	80, 81
102-25	Conflicts of interest	94
102-26	Role of highest governance body in setting purpose, values, and strategy	83
102-27	Collective knowledge of highest governance body	80, 95, 110
102-28	Evaluating the highest governance body's performance	81
102-29	Identifying and managing economic, environmental, and social impacts	19-21
102-30	Effectiveness of risk management processes	95-96
102-31	Review of economic, environmental, and social topics	20-23 28-40 68-74
102-32	Highest governance body's role in sustainability reporting	95, 110
102-33	Communicating critical concerns	98
102-34	Nature and total number of critical concerns	Not disclosed
102-35	Remuneration policies	39
102-36	Process for determining remuneration	39



102-37	Stakeholders involvement in remuneration	39-40
102-38	Annual total compensation ratio	40
102-39	Percentage increase in annual total compensation ratio	Not disclosed
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	18-19
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	18-19
102-43	Approach to stakeholder engagement	18-19
102-44	Key topics and concerns raised	21
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	75
102-46	Defining report content and topic boundaries	2
102-47	List of material topics	21
102-48	Restatements of information	3
102-49	Changes in reporting	20
102-50	Reporting period	2
102-51	Date of most recent report	2
102-52	Reporting cycle	2
102-53	Contact point for questions regarding the report	3
102-54	Claims of reporting in accordance with the GRI Standards	2
102-55	GRI content index	108
102-56	External assurance	No

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**Management Approach – Material Topics**


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103-1	Explaining of the material topic and its Boundary	19 - 25 Additional information across the report addressing each material topic
103-2	The management approach and its components	19 - 25 Additional information across the report addressing each material topic
103-3	Evaluation of the management approach	19 - 25 Additional information across the report addressing each material topic

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**Topic Specific Standards**


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**GRI 200: Economic**


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**201: Economic Performance**


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201-1	Direct economic value generated and distributed	40 Additional information found in KIPCO's Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	98
201-3	Defined benefit plan obligations and other retirement plans	40
201-4	Financial assistance received from Government	N/A

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**202: Market Presence**


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202-1	Ratios of standard entry level wage by gender compared to local minimum wage	39
202-2	Proportion of senior management hired from the local community	Not disclosed

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**203: Indirect Economic Impacts**


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203-1	Infrastructure investments and services supported	Not disclosed
203-2	Significant indirect economic impacts	Not disclosed

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**204: Procurement Practices**


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204-1	Proportion of spending on local suppliers	Not disclosed
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**205: Anti-corruption**

205-1	Operations assessed for risks related to corruption	94
205-2	Communication and training about anti- corruption policies and procedures	110-111
205-3	Confirmed incidents of corruption and actions taken	94

**206: Anti-competitive Behavior**

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
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**207: Tax**

207-2	Tax governance, control, and risk management	95 (Though only covering risk management)
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**GRI 300-Environmental****301: Material**

301-1	Materials used by weight or volume	68-69
301-2	Recycled input materials used	68-69
301-3	Reclaimed products and their packaging materials	N/A

**302: Energy**

302-1	Energy consumption within the organization	70
302-2	Energy consumption outside of the organization	Not disclosed
302-3	Energy intensity	70
302-4	Reduction of energy consumption	70 (0% change)
302-5	Reduction in energy requirements of products and services	N/A

**303: Water and Effluents**

303-1	Interactions with water as a shared resource	N/A
303-2	Management of water discharge-related impacts	N/A
303-3	Water withdrawal	N/A
303-4	Water discharge	N/A
303-5	Water consumption	70

**304: Biodiversity**

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	N/A
304-3	Habitats protected or restored	N/A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A

**305: Emissions**

305-1	Direct (Scope 1) GHG emissions	72
305-2	Energy indirect (Scope 2) GHG emissions	73
305-3	Other indirect (Scope 3) GHG emissions	73
305-4	GHG emissions intensity	74
305-5	Reduction of GHG emissions	74
305-6	Emissions of ozone-depleting substances (ODS)	N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	N/A

**306: Effluents and Waste**

306-1	Waste discharge by quality and destination	N/A
306-2	Waste by type and disposal method	68-69
306-3	Significant spills	N/A
306-4	Transport of hazardous waste	N/A
306-5	Water bodies affected by water discharges and/or runoff	N/A

**307: Environmental Compliance**

307-1	Non-compliance with environmental laws and regulations	Not disclosed
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**308: Supplier Environmental Assessment**

308-1	New suppliers that were screened using environmental criteria	N/A
308-2	Negative environmental impacts in the supply chain and actions taken	None

**GRI 400: Social****401: Employment**

401-1	New employee hires and employee turnover	36
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	40
401-3	Parental leave	Not disclosed

**402: Labor/Management Relation**

402-1	Minimum notice periods regarding operational changes	Not disclosed
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**403: Occupational Health and Safety**

403-1	Occupational health and safety management system	41
403-2	Hazard identification, risk assessment, and incident investigation	84
403-3	Occupational health services	40
403-4	Worker participation, consultation, and communication on Occupational health and safety	Not disclosed
403-5	Worker training on occupational health and safety	Not disclosed
403-6	Promotion of worker health	30
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	98
403-8	Workers covered by an occupational health and safety management system	N/A
403-9	Work-related injuries	41
403-10	Work-related ill health	N/A

**404: Training and Education**

404-1	Average hours of training per year per employee	38
404-2	Programs for upgrading employee skills and transition assistance programs	38
404-3	Percentage of employees receiving regular performance and career development reviews	39

**405: Diversity and Equal Opportunity**

405-1	Diversity of governance bodies and employees	33
405-2	Ratio of basic salary and remuneration of women to men	Not disclosed

**406: Non-discrimination**

406-1	Incidents of discrimination and corrective actions taken	31
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**407: Freedom of Association and Collective Bargaining**

407-1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	None
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**408 Child Labor**

408-1	Operations and suppliers at significant risk for incidents of child labor	None
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**409: Forced or Compulsory Labor**

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
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**410: Security Practices**

410-1	Security personnel trained in human rights policies or procedures	N/A
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**411: Rights of Indigenous People**

411-1	Incidents of violations involving rights of indigenous peoples	None
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**412: Human Rights Assessment**

412-1	Operations that have been subject to human rights reviews or impact assessments	N/A
412-2	Employee training on human rights policies or procedures	Not disclosed
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not disclosed

**413: Local Communities**

413-1	Operations with local community engagement, impact assessments, and development programs	48-49
413-2	Operations with significant actual and potential negative impacts on local communities	None

**414: Supplier Social Assessment**

414-1	New suppliers that were screened using social criteria	N/A
414-2	Negative social impacts in the supply chain and actions taken	None

**415: Public Policy**

415-1	Political contributions	N/A
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**416 Customer Health and Safety**

416-1	Assessment of the health and safety impacts of product and service categories	N/A
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None

**417: Marketing and Labeling**

4/17/2001	Requirements for product and service information and labeling	N/A
417-2	Incidents of non-compliance concerning product and service information and labeling	None
417-3	Incidents of non-compliance concerning marketing communications	None

**418: Customer Privacy**

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	103
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**419: Socioeconomic Compliance**

419-1	Non-compliance with laws and regulations in the social and economic area	None
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## 7.2. Kuwait Boursa Sustainability Disclosures Index

Metric	Calculation	Disclosure / Page Number
<b>Environmental</b>		
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	14.61 Metric Tons CO2e
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	2,124 Metric Tons CO2e
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	803.25 Metric Tons CO2e
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	49.87 MT CO2e per employee
	E2.2) Total non-GHG emissions per output scaling factor	2,942.6 Metric Tons CO2e
Energy Usage	E3.1) Total amount of energy directly consumed	50,000 kWh
	E3.2) Total amount of energy indirectly consumed	N/A
Energy Intensity	Total direct energy usage per output scaling factor	56,497 kWh / employee
Energy Mix	Percentage: Energy usage by generation type	N/A
Water Usage	E6.1) Total amount of water consumed	14,555 liters
	E6.2) Total amount of water reclaimed	N/A
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	No
	E7.3) Does your company use a recognized energy management system? Yes/No	No
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	No / 110
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Not officially and directly
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	N/A
<b>Social</b>		
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	Median gender pay ratio is not disclosed, though other gender pay matters are reported / 32



<b>Employee Turnover</b>	S3.1) Percentage: Year-over-year change for full-time employees	-3% / 31
	S3.2) Percentage: Year-over-year change for part-time employees	0%
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	N/A
<b>Gender Diversity</b>	S4.1) Percentage: Total enterprise headcount held by men and women	36 Total Men 23 Total Women / 32
	S4.2) Percentage: Entry- and mid-level positions held by men and women	71% / 32
	S4.3) Percentage: Senior- and executive-level positions held by men and women	29% / 32
<b>Temporary Worker Ratio</b>	S5.1) Percentage: Total enterprise headcount held by part-time employees	1
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	N/A
<b>Non-Discrimination</b>	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes / 31
<b>Injury Rate</b>	Percentage: Frequency of injury events relative to total workforce time	Zero
<b>Global Health and Safety</b>	Does your company follow an occupational health and/or global health and safety policy? Yes/No	Yes/ 41
<b>Child and Forced Labor</b>	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Not officially, though human rights are considered in procurement, HR, and investments / 9, 30, 39, 94, 75
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Not officially, though human rights are considered in procurement, HR, and investments / 9, 30, 39, 94, 75
<b>Human Rights</b>	S10.1) Does your company follow a human rights policy? Yes/No	Not officially, though human rights are considered in procurement, HR, and investments / 9, 30, 39, 94, 75
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Not officially, though human rights are considered in procurement / 75
<b>Nationalization</b>	S11.1) Percentage of national employees	27% Kuwaitization rate / 35
	S11.2) Direct and indirect local job creation	2 employees newly hired / 36

## Governance

<b>Board Diversity</b>	G1.1) Percentage: Total board seats occupied by men and women	20% Occupied by women/ 33
	G1.2) Percentage: Committee chairs occupied by men and women	20% Occupied by women 80% Occupied by men / 33
<b>Board Independence</b>	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	Not disclosed
	G2.2) Percentage: Total board seats occupied by independents	20% / 81
<b>Incentivized Pay</b>	Are executives formally incentivized to perform on sustainability? Yes/No	Not officially
<b>Collective Bargaining</b>	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
<b>Supplier Code of Conduct</b>	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	Yes / 92
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	Not disclosed
<b>Ethics and Anti-Corruption</b>	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes / 94
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	Not disclosed
<b>Data Privacy</b>	G7.1) Does your company follow a Data Privacy policy? Yes/No	Yes / 104
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	Not disclosed
<b>Sustainability Reporting</b>	G8.1) Does your company publish a sustainability report? Yes/No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	Not disclosed
<b>Disclosure Practices</b>	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes / 21 - 23
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes / 21 - 23
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	No
<b>External Assurance (Recommended)</b>	Are your sustainability disclosures assured or validated by a third party? Yes/No	No

## 7.3. Other Disclosures

Disclosure	Information
Social media monitoring and auditing	We conduct social media monitoring and auditing on all our CSR initiatives.
Brand assessment, market studies, and benchmarking	KIPCO does not yet conduct any brand assessment and market studies or benchmarking. This is due to the nature of the Company as a holding company.
Standalone fair advertising policy	KIPCO does not yet have a standalone fair advertising policy in place. This is due to the nature of the Company as a holding company.
Surveys for community events	KIPCO does not yet officially conduct surveys for community events, whether pre or post events.
Special needs employees	KIPCO does not currently have any special needs employees, and does not currently have tailored efforts to hire and retain special needs employees.
Special needs features and accommodations	There are currently no reported features or accommodations within our premises specifically tailored towards special needs employees.
Training on anti-money laundering (AML), anti-bribery, anti-fraud, and combatting the financing of terrorism (CFT)	KIPCO does not provide training to employees regarding AML, anti-bribery, anti-fraud, or CFT.
Risk management criteria in HR performance management	Risk management criteria is not included in the HR review process for employee evaluations.
CSR policy	While our directions are led by a robust CSR strategy, our community activities are not yet codified into a formal CSR policy.
Board oversight over environmental issues	We state that there is currently no official oversight from our Board of Directors (BoD) over environmental issues.
Board oversight over health and safety	We do not report on the existence of any official board oversight of discussions related to health and safety issues; however, this matter is planned to be revisited in the near future.
Details about KIPCO's suppliers	Details about KIPCO's suppliers, including the number of suppliers in total and division between local and foreign suppliers, as well as the procurement expenditure involved, is not disclosed by KIPCO.
ESG experience and credentials on the BoD	We do not have specifically material or reportable ESG experience and credentials on our BoD.
ESG experience and credentials in the Executive Management	We do not have specifically material or reportable ESG experience and credentials in our Executive Management.
CEO Equity Policy	KIPCO does not currently have a CEO equity policy.
Board oversight over current and new activities' reviews through a Board committee	Currently, there is no Board level committee with oversight of current and new activities' reviews.

<b>Linkage between ESG and pay</b>	There is no official linkage between ESG indicators or areas with pay for any personnel or management.
<b>CEO compensation through ESOP</b>	The CEO's compensation currently includes employee stock options (ESOP). However, there are plans to replace this by a long-term incentive plan (LTIP).
<b>Debt collection policy</b>	KIPCO does not currently have a specific debt collection policy.
<b>Fair advertising policies and procedures</b>	KIPCO does not report on this as this is not deemed relevant or applicable to our nature of business.
<b>Community lending, financing, and investments which are not considered donations</b>	This practice is not conducted by or applicable to KIPCO.
<b>Spending on occupational health and safety</b>	This amount is not officially tracked or reported.
<b>Succession planning</b>	Succession planning is not conducted in an official and systematic manner at KIPCO.
<b>Claw-back or malus provisions applicable for remuneration</b>	KIPCO does not have any claw-back or malus provisions for remuneration (whether CEO, senior executives, or any other highly-paid staff)
<b>Anti-fraud policy</b>	KIPCO does not currently have this policy.
<b>Anti-bribery policy</b>	KIPCO does not currently have this policy.
<b>Anti-corruption policy</b>	KIPCO does not currently have this policy.
<b>Compliance system certified, audited, or verified by a third party</b>	KIPCO does not have a compliance system that is certified, audited, or verified by a third party.
<b>Effective compliance program</b>	Details about this are not disclosed by KIPCO.
<b>Employee training on risk management</b>	KIPCO does not directly train employees on risk management, as much of our risk management functions are currently outsourced to a third-party consultant-which itself is staffed by seasoned experienced professionals in the field who are assumed to take the relevant training every year.
<b>IT-related ISO certifications</b>	KIPCO does not yet have any IT related International Standards Organizations (ISO) certifications.

كيبكو  
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