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**Boursa Kuwait Company
State of Kuwait**

السادة / شركة بورصة الكويت
المحترمين
دولة الكويت

Subject: KIPCO's 2023 Sustainability report

**الموضوع: تقرير الإستدامة لشركة مشاريع الكويت القابضة لسنة
2023**

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 ،،،،

Samer Khanachet
Deputy Group CEO

كيبكو
KIPCO

سامر خنشت
نائب الرئيس التنفيذي للمجموعة



Sustainable Growth & Impact

SUSTAINABILITY REPORT 2023

کیپکو
KIPCO

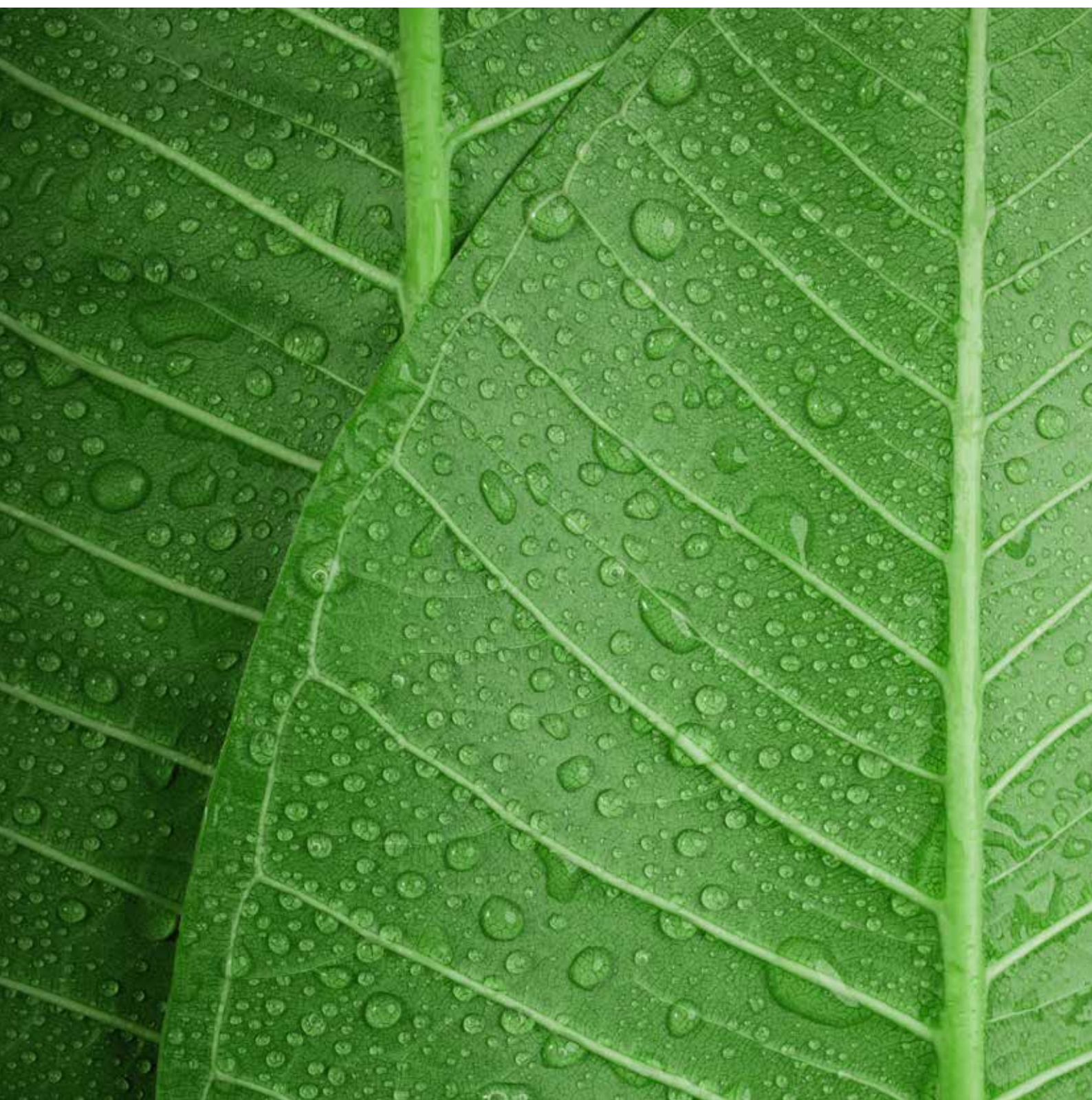


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**H.H. Sheikh Mishal
Al-Ahmad Al-Jaber Al-Sabah**
Amir of the State of Kuwait





ABOUT THE REPORT

ABOUT THE REPORT





As we embark on the journey of sustainability and corporate responsibility, KIPCO is proud to present its Sustainability Report for the year 2023. This report reflects our commitment to environmental stewardship, social impact, and governance excellence for the reporting period January 1, 2023, to December 31, 2023.

In line with our dedication to transparency and accountability, this report adheres to the following national and international sustainability frameworks: the Global Reporting Initiative (GRI) framework 2021, United Nations Sustainable Development Goals (SDGs), New Kuwait Vision 2035, the Kuwait Boursa Index, and the GCC Stock Exchange Index. This provides stakeholders with a standardized and comprehensive overview of our sustainability performance. As investors continue to prioritize Environmental, Social, and Governance (ESG) factors in their decision-making processes, our adherence to selected ESG standards showcases our commitment to meeting investor expectations and creating long-term value. See Appendix 5.5 (GRI Standards Index) and 5.6 (ESG Disclosures) for further details.

Throughout the past year, KIPCO has made significant strides in integrating sustainability into various aspects of our operations. From managing our environmental footprint to fostering a culture of inclusivity and ethical governance, we have embraced sustainability as a core pillar of our strategy.

Through this report, we aim to engage with our stakeholders, including investors, employees, suppliers, portfolio companies, and communities, in a transparent dialogue about our sustainability journey. By sharing our success, challenges, and aspirations, we seek to build trust and credibility, and drive positive change both within our organization and in the wider society.

Reporting Boundary

This Sustainability Report has been created for the Kuwait Projects Company (KIPCO) and encompasses our Head Office operations located in Kuwait (referred to throughout the report as “KIPCO”, “Company”, and “Holding”). Any mentions of “the Group” refer to KIPCO and our portfolio companies. There are also references and highlights in the report concerning a few selected KIPCO portfolio companies; in these cases, the portfolio company is mentioned by name.

Contact

If you have any queries or would like to provide feedback about the content of our Sustainability Report, please share your comments or questions with our team through: esg@kipco.com

REPORT HIGHLIGHTS



Females on
the Board of Directors (BOD)
20%



Females in
Executive
Management (EM)
23%

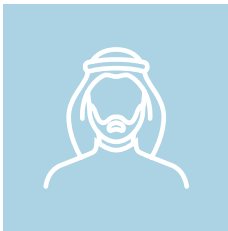


Females in
KIPCO workforce
38%



Kuwaitization
in the workforce
28%

Kuwaitization
in the Executive
Management (EM)
26%



Local
procurement
expenditure
77%
local
procurement
expenditure

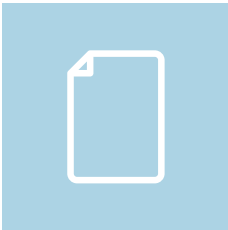


Formation of an ESG Strategy
and ESG Committee

Water consumption
Reduced by
53%

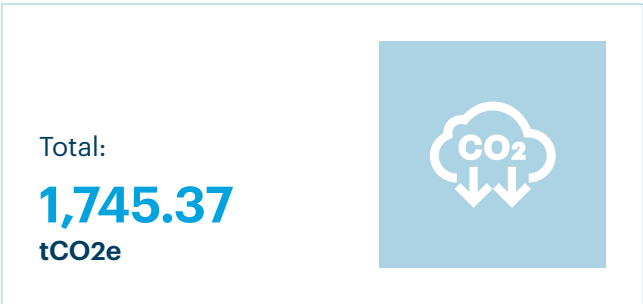


Paper recycled
200,000
sheets



Solar panel initiatives developed
by our portfolio companies,
including AEPCO







MESSAGE FROM OUR GROUP CEO



LETTER FROM THE GROUP CEO



Dear Stakeholders,

KIPCO serves as a unifying force across our diverse portfolio companies. We pledge equal dedication to maintaining the Environmental, Social, and Governance (ESG) pillars, with unwavering progression towards sustainability, and for the purpose of driving our mission to create lasting value for our stakeholders and the communities we serve. Our commitment to sustainability provides safeguards for our operations and surrounding environment. Guided by this conviction, we strive to cultivate a culture of responsibility and resilience across various facets of our organization.

In this report, we are proud to share the milestones of our sustainability journey, reflecting our ongoing commitment to responsible business practices and meaningful impact.

Embracing ESG Strategy

One of our significant achievements has been the development of our comprehensive ESG Strategy and Framework that has provided a roadmap for integrating sustainability into our core business operations. By setting clear objectives and implementing robust monitoring mechanisms, we strive to create long-term value for our stakeholders while maximizing ESG outcomes.

Governing ESG

We have established our ESG Committee, which underscores our dedication to ESG. This committee plays a pivotal role in guiding our sustainability initiatives, whether the ESG Strategy or otherwise, and ensures alignment with global best practices.

Supporting Local Suppliers

With a remarkable emphasis on local procurement (around three times more than foreign procurement expenditure—accounting for 77% of our procurement expenditure), we are proud to contribute to the growth and sustainability of our local economy. By prioritizing partnerships with local businesses, we not only aim to foster economic development but also aim to strengthen community relationships.

Managing Resources

Through concerted efforts, we have achieved significant reductions in certain resources, including water consumption, with a notable 53% decrease. Additionally, our commitment to responsible waste management is evident in the recycling of 200,000 sheets of paper, contributing to a sustainable future. Overall, we assessed and reported around 1,745.37 tCO₂e of greenhouse gas (GHG) emissions, stemming from Scope 1, 2, and 3 categorizations.

Investing in Employee Development

The workplace is an important dimension in sustainability. We are delighted to report a remarkable 53.6% increase in the number of employees' training hours, demonstrating our unwavering commitment to fostering a culture of continuous learning and professional growth. With a total expenditure of KD 20,000 invested in employee training, we are equipping our workforce with the skills and knowledge necessary to thrive in a rapidly evolving business landscape.

In addition, we strive to maintain healthy demographic reflections in our workforce; looking at Kuwaitization, we have recorded rates of 26% Kuwaitis in the Executive Management (EM) and 28% Kuwaitis across the workplace. Looking at gender diversity, we report this at Board of Directors (BOD), EM, and workforce levels, accounting for allocations of 20% of BOD, 23% of EM, and 38% of the entire workforce.

Maintaining Data Security

I am pleased to announce that KIPCO has maintained a strong record of data security, with zero incidents of data loss, leaks, or breaches. Our robust IT infrastructure, coupled with prudent investments totaling KD 129,295, showcases our commitment to safeguarding sensitive information and ensuring the trust of our stakeholders.

Driving Impactful Initiatives

In line with our mission to make a positive difference in the communities we serve, we have reported on a selection of 17 initiatives, representing a total investment of KD 754,645 derived from both community and employee related initiatives. These initiatives encompass various topics, including education, healthcare, and community development, reflecting our dedication to creating lasting social impact. We have further seen various ESG related initiatives by our portfolio companies, ranging from community initiatives to solar panel initiatives with positive green impacts.

As we look ahead, we remain resolute in our commitment to ESG, and stakeholder engagement. With a clear focus on driving positive change and delivering value to our numerous stakeholders, we are prepared to overcome challenges and seize opportunities in the pursuit of our vision for a better tomorrow. Even amidst stormy weather, KIPCO will uphold its ESG umbrella, leading the way towards a brighter future for its longevity and its stakeholders. Moving forward, we are excited to implement our developed ESG Strategy at the Holding level and explore ways to encourage the values of this Strategy across our portfolio companies to achieve greater Group-level impacts.



Dana Naser Sabah Al Ahmad Al Sabah
Group Chief Executive Officer





01 KIPCO ESG UMBRELLA

1.1 Briefing on KIPCO

Established in 1975, KIPCO has evolved into a leading investment holding company in the Middle East and North Africa (MENA) region. We have a diverse portfolio of over 60 companies operating across various sectors, employing over 16,000 individuals across 24 countries with projects in Kuwait, Egypt, Morocco, Oman, Jordan, and Lebanon.

Investing in a Diverse Future

Our portfolio reflects a strategic approach to diversification and regional development. This is evident in our key holdings, which include, among others:

Financial sector	Energy	Media	Management & Advisory	Manufacturing
				
				
				
				
				
				
Foodstuff	Real estate	Healthcare	Education	Logistics
				
				
				

Transparency and Governance:

Transparency and good governance practices are cornerstones of our operations. We are listed on the Bursa Kuwait stock exchange, with our bonds and sukuks also traded on the London Stock Exchange (LSE). As an investment holding company, our core business model involves holding stakes in various companies within our portfolio.

1.2 Bringing ESG to the Forefront

We recognize the interconnected nature of Environmental, Social, and Governance (ESG) factors and their significant impact on long-term business success. We are committed to integrating the ESG pillars throughout our operations. Our Corporate Communications team regularly organizes ESG training sessions to spread awareness of the latest applicable practices concerning ESG. Additionally, the team ensures that there is a balanced representation of our performance through our digital platforms (e.g. social media), aiming to enhance transparency and accountability in terms of communicating our performance to the broader community. The following sections delve into further detail on how ESG is embedded into our practices and how it is considered as a strong foundation in terms of operational performance.

ESG Journey and Strategy

2023 was a significant year in our ESG journey as we have achieved a number of important milestones—the most vital of which is the development of our ESG Strategy Framework. Our ESG Strategy spans five years and guides us in achieving a set of ESG Objectives via elements that include Key Performance Indicators (KPIs) and Targets. Supplementing our ESG Strategy was the development of several tools, including the Implementation Plan (IP) to set out action items, and the Monitoring & Evaluation (M&E) Framework to be able to closely oversee progress.

In addition, we established an ESG Committee chaired by an independent Board of Director (BOD) member, cultivating comprehensive oversight and strategic direction towards embedding ESG into our practices. This committee approved our 2022 Sustainability Report in 2023 and is currently leading the development of ESG practices in collaboration with esteemed sustainability consultants in Kuwait.

The responsibilities of the ESG Committee include the following:

ESG Strategy:	Overseeing strategy development, implementation, and monitoring, setting KPIs, and reporting progress against the ESG Strategy to the Board
Liaison:	Identifying relevant portfolio companies, engaging with them on ESG matters, and gathering performance data
Working Groups:	Establishing focused working groups aligned with ESG priorities and involving representatives from portfolio companies
Reporting:	Overseeing the development and publication of ESG/sustainability reports, guiding portfolio companies in their reporting efforts
Policy Framework:	Developing and overseeing the company's ESG Policy Framework and related policies
Awareness and Training:	Identifying stakeholders, facilitating awareness sessions, and providing necessary training on ESG matters

To lay the foundational stones of this ESG Committee, we have developed a well-defined ESG Charter, which has been approved by the Board of Directors (BOD) in 2023. The ESG Committee is headed by an independent BOD member, and its members include the Deputy Chief Executive Officer (CEO) and the Group Senior Vice President (SVP) - Corporate Communications and Investor Relations (IR).

Our sustainability journey continues with further planned milestones, including the development of this Sustainability Report, a planned review of our existing policies from the perspective of ESG, and the planned development of our ESG Policy Framework.

ESG Integration

Environmental Responsibility: While our core business may not pose significant direct environmental risks, we are dedicated to minimizing our environmental footprint. We actively implement initiatives like aiming to reduce paper waste through digitization and promoting reusable items among employees.

Social Impact: We believe in creating positive social impacts and value to our stakeholders, including our employees and the communities in which we operate. We cultivate a safe and inclusive work environment, invest in employee development, and partner with various community organizations, charities, and Non-Governmental Organizations (NGOs). Notably, our revenue streams include elements that related to the following:

- Segments focusing on products that carry health risks (e.g., through injury, contamination or intoxication): 0%
- Segments targeting vulnerable populations: 0%
- Segments providing public services: 0.02%
- Segments relying heavily on government spending (ie. oil services and healthcare services): 3.5%

Ethical Governance: We uphold high standards of corporate governance, ensuring transparency and accountability through well-defined risk management frameworks. The BOD plays a vital role in sustainability reporting and in approving financial statements while the ESG Committee oversees and approves sustainability reports. Additionally, we emphasize ethical marketing practices, ensuring fair and balanced representation across company communications (e.g. social media).

Beyond the aforementioned ESG areas of integration, KIPCO's Corporate Communications Department actively contributes to advancing our sustainability journey through various initiatives. These mainly focus on capturing meaningful community engagements whether internal or external, as illustrated in the following.



Selected Workplace Initiatives:

- Hosting successful employee events like the Family Day and employee recognition programs
- Implementing a "Continuous Improvement Culture" that encourages employee feedback and utilizes it for ongoing improvement
- Offering non-monetary rewards to employees who contribute to sustainability efforts, instilling motivation to our workforce to seek out sustainable practices



Selected Community Initiatives:

- Collaborating with organizations like Tmkeen and Loyac to offer educational programs and entrepreneurship platforms
- Supporting educational conferences and initiatives, and historical documentation and cultural awareness



Stakeholder Engagement:

- Engaging with the local media to showcase KIPCO's activities and achievements
- Joining Kuwaiti Women Economic Empowerment Platform (KWEEN) to demonstrate commitment to gender equality and women's empowerment

Striding Onwards

We are continuously striving to improve our ESG performance and transparency. We regularly review and update our policies and procedures to ensure alignment with our ESG Strategy. We also believe in upholding a culture of continuous improvement, encouraging employee feedback (through our "Continuous Improvement Culture") and actively seeking opportunities to enhance our sustainability efforts.

Recognition Through the Lens of Sustainability

Our efforts have been recognized through prestigious awards, including:



These accolades solidify our position as a prominent and respected player driving economic growth and responsible practices in the Middle East and North Africa (MENA) region.

	Kamco Invest Launches 2022 Sustainability Report titled “Building Wealth Through Sustainability” in 2023
CASE STUDY	ORGANIZATION: KAMCO INVEST Our portfolio company, Kamco Invest published its 2022 Sustainability Report, emphasizing its commitment to sustainability and integration of ESG values. The company took a pioneering step by joining the UN Global Compact, fostering responsible business practices in Kuwait’s financial sector. It initiated responsible investing by incorporating clean energy into its Kamco EPADI Fund mandate. Enhancing its digitization strategy, Kamco Invest introduced new features in the second phase of the Kamco Invest App, including client portfolio dashboards. Collaborating with global entities, the company promoted sustainable business practices and empowered youth through initiatives at Kuwait University (KU). It focused on robust corporate governance and compliance with regulations. CEO Faisal Mansour Sarkhou highlighted the importance of sustainability, pledging continued ESG integration across operations.

	Spotlight on EPSCO
CASE STUDY	ORGANIZATION: EPSCO This subsidiary operates a tire recycling facility, contributing to a circular economy and waste reduction. The operation of this tire recycling facility exemplifies our commitment to integrating sustainability practices into our core business operations. By contributing to a circular economy and minimizing our environmental footprint, we are actively working towards a more sustainable approach through our investments and operations.



Jordan Kuwait Bank a Leader in the Green Bond Market

CASE STUDY

ORGANIZATION:
Jordan Kuwait Bank (JKB)

JKB has made significant strides in the green finance arena by issuing Jordan’s first green bond, valued at US\$50 million, showcasing its commitment to sustainability and eco-conscious investments. This move signals a significant step towards financing Jordan’s green economy transformation. By promoting green financing practices and investing in clean technologies, JKB contributes to global sustainability goals, including the UN Sustainable Development Goals (SDGs) and the Paris Agreement.

JKB’s receipt of the “Global Green Bond of the Year” award from the International Finance Corporation (IFC) in the January 2024 edition further solidifies its position as a leader in green finance.



URC’s 50 Years of “Building Sustainable Communities”

CASE STUDY

ORGANIZATION:
United Real Estate Company (URC)



URC celebrates 50 years of resilience and success in “Building Sustainable Communities,” driven by a strategy focused on continuous development and customer-centric solutions. In an interview, Mazen Hawwa, URC’s Vice Chairman and CEO, emphasized URC’s commitment to maintaining trust, enhancing profits, and increasing value for stakeholders. Despite economic challenges in 2023, including market volatility and inflation, URC maintained strong financial performance through high liquidity levels and financial discipline. Following mergers with United Towers Holding Company K.S.C.C. (UTHC) and Al Dhiyafa Holding Company (DHC), URC’s consolidated assets exceeded KD 668 million (\$2.2 billion), with additional assets under development valued at over KD 1 billion. Looking ahead, URC aims to participate in socially viable projects locally and accelerate business development regionally, including the negotiation of a world-class resort in Sharm El Sheikh, Egypt.



Kamco Invest named “Best Debt Bank in the Middle East” by Global Finance

CASE STUDY

ORGANIZATION:

Kamco Invest

Our portfolio company, Kamco Invest has been honored with the title of “Best Debt Bank in the Middle East” by Global Finance, recognizing its outstanding contributions to the regional debt capital markets. This prestigious accolade underscores Kamco’s leadership, innovation, and proven track record in various aspects of the market.

Selected through a rigorous evaluation process, Kamco Invest emerged as a standout performer, showcasing excellence in market share, deal size, advisory services, and market reputation. Noteworthy achievements include serving as Joint Lead Manager and Joint Bookrunner on multiple bonds and sukuk issuances, alongside significant debt advisory endeavors.

Omar Zaineddine, Executive Director of Debt Capital Markets at Kamco Invest, emphasized the company’s commitment to excellence and client satisfaction. He highlighted Kamco’s pivotal role in landmark transactions and its dedication to driving growth and development in the region’s debt capital markets.

Looking ahead, Zaineddine expressed confidence in Kamco’s ability to navigate evolving market dynamics and seize emerging opportunities, leveraging its robust regional footprint and technical capabilities.

Kamco’s Investment Banking team recorded remarkable achievements in 2022, completing 13 transactions totaling USD 5.6 billion across Equity Capital Markets, Debt Capital Markets, and Mergers & Acquisitions. The team’s success shows its comprehensive expertise and commitment to delivering innovative financial solutions across diverse sectors.

With a strong track record and expanding regional presence, Kamco Invest reaffirms its position as a leading player in the regional investment banking landscape, poised for continued success and impact in the dynamic regional market.



Advanced Technology Company CEO listed among Top 100 Healthcare Leaders 2023

CASE STUDY

ORGANIZATION:

Advanced Technology Company

KIPCO proudly announces that ATC’s CEO, Ghassan Mamlouk, was recognized among the Top 100 Healthcare Leaders of 2023, highlighting his contributions to ATC’s success and industry leadership.

Mamlouk joined ATC in 1989 and assumed his current role in 2003. Today, ATC is a healthcare and environmental solutions provider. It is 44.06% owned directly and indirectly by KIPCO and recorded revenues of \$409 million in the first nine months of 2022, compared to \$332.2 million in the same period of 2021. Mamlouk has over 36 years of experience in sales, marketing, technical, and administration.

1.3 Involving our Stakeholders

Building and maintaining strong relationships with stakeholders is paramount, and this extends to our engagement with both internal and external stakeholders. We prioritize open communication, transparency, and recognition of stakeholders' contributions-ultimately striving for positive multilateral impacts across the parties involved.

A) Internal Stakeholders

Employees and Management

One of the key aspects of our approach to internal stakeholder engagement is the utilization of various digital channels and platforms to facilitate communication and collaboration. Email remains a popular and efficient tool for exchanging and delivering information, from announcements and updates to reminders. Additionally, platforms like Microsoft Teams and video conferencing tools, such as Zoom, are used to connect with employees in real time, increasing outreach and enabling seamless communication across teams.

Regular employee events serve as valuable opportunities to share important information, address questions, and solicit feedback directly from our employees. These events allow us to maintain an open dialogue and ensure that our employees feel heard and valued. Furthermore, one-on-one meetings provide a personalized touch, allowing us to build relationships with employees, provide feedback, and address any concerns they may have on a personal level, to constantly be up to date on any issue an employee of ours might be facing, and accordingly to promptly address, respond and carry out any action needed.

Recognizing the hard work and accomplishments of our employees is also an integral part of our engagement strategy. Through employee recognition programs, ranging from simple thank-you notes to award ceremonies like our annual Gala Dinner, we show appreciation for their dedication and contributions to the organization, and extend our gratitude to our workforce, who constantly perform their part in upholding KIPCO's standards and operations.

B) External Stakeholders

Turning to our external stakeholders, maintaining transparent and effective communication is key.

Investors and Shareholders

In quarterly investor relations (IR) calls and one-on-one meetings, we address any concerns or inquiries raised by investors regarding various matters, including any ESG issues. Investors have consistently shown interest in our sustainability and ESG reporting efforts, and we ensure that consistency and clarity in our communications in this regard are maintained.

Furthermore, the establishment of the IR function in January 2022 has streamlined our coordination with shareholders and investors. By centralizing record-keeping and anticipating the material needs of investors, we have enhanced our ability to provide timely and relevant information to stakeholders.

Importantly, KIPCO has maintained a strong track record of transparency and compliance with investor protection requirements, and we have received no allegations in relation to these issues. We openly respond to numerous requests for information and provide justification when certain information cannot be shared, ensuring that our investors are well-informed and confident in our operations.

Community Stakeholders

Our community stakeholders are a priority in order to ensure that we maintain positive impacts across society-which are displayed through our community initiatives, sponsorships, engagements, investments, philanthropy, etc.

Governmental and Regulatory Entities

We strive to consistently meet the laws and regulations set up by the government and regulatory authorities applicable to each jurisdiction's operations, aiming to continuously deliver sound governance.

Portfolio Companies

Our portfolio companies are vital components that make up the Group, and we are happy to see these companies are from a variety of sectors. KIPCO ensures continuous engagement and open dialogue between the Holding and associated portfolio companies.

Suppliers

Our suppliers are other stakeholders we consider in assessing our impacts. For example, one way that we can give back to the communities in which we operate is by emphasizing local procurement practices.

1.4 Assessing our Materiality

The importance of regularly assessing our material topics to effectively manage our impacts and align with evolving sustainability goals is a fundamental step. Each year, we embark on a thorough materiality assessment process to identify key issues that drive our performance and stakeholder engagement forward.

Approach to Assessing our Materiality

Our approach to materiality assessment mirrors best practices, especially in terms of incorporating a multi-step process to ensure comprehensiveness and relevance. In line with the updated GRI standards, our methodology for determining and assessing material topics has evolved. We begin by contextualizing our operations, strategy, and stakeholder landscape to lay a solid foundation for our assessment.

Identifying our Material Topics

Drawing on insights from our business activities, strategy, stakeholder feedback, and sustainability frameworks, we identify key material topics covering various aspects, including the economy, environment, and society. Through stakeholder engagement activities and benchmarking against industry peers and regulatory frameworks, we gain a holistic understanding of our reporting year's material topics.

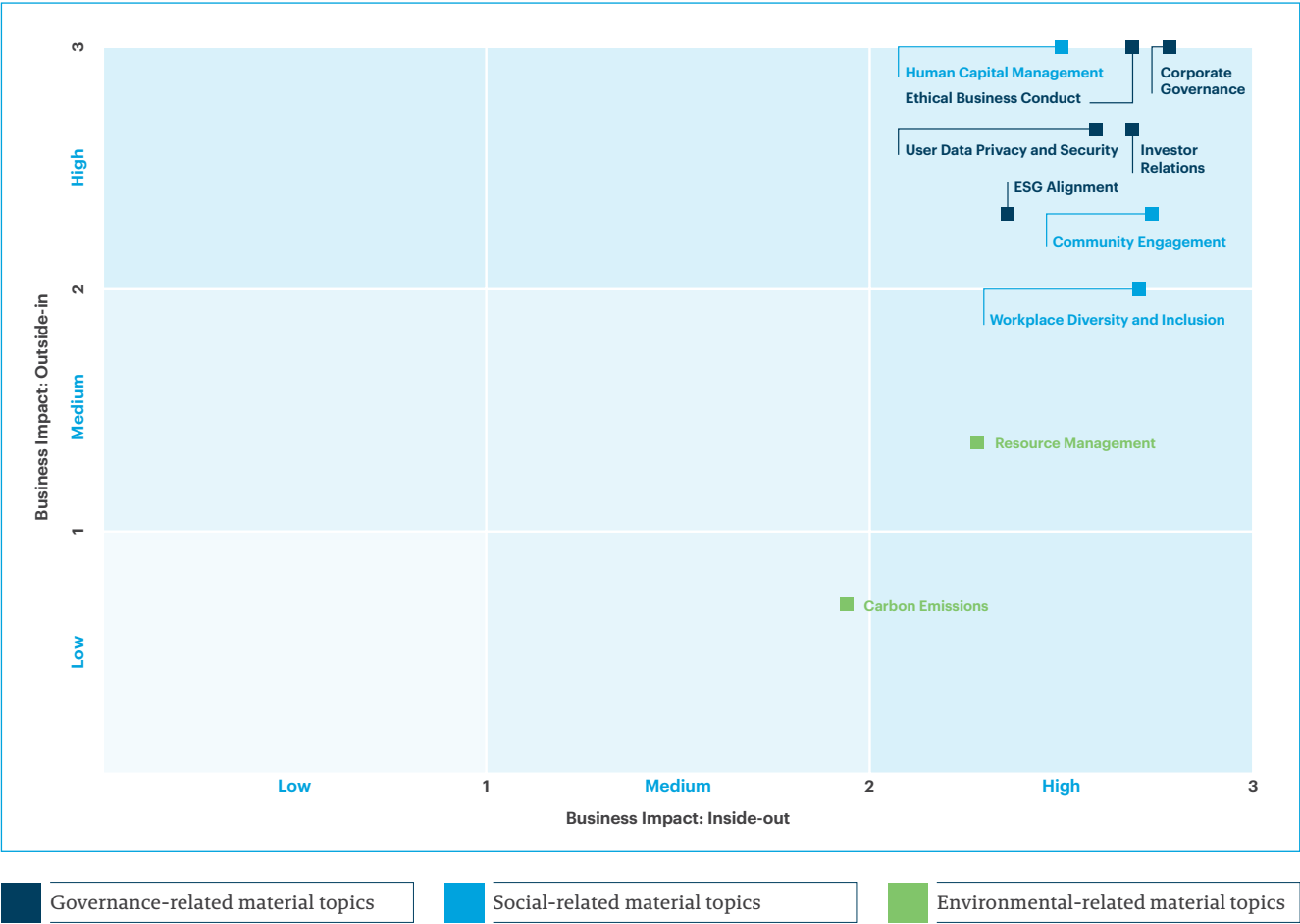
Stakeholder Engagement

Central to our materiality assessment process is active engagement with both internal and external stakeholders. We conducted surveys that reached 47 participants, who all remained anonymous, and whose inputs and feedback was gathered on the perceived impact of each of the identified material topics across set parameters. This inclusive approach ensured that the perspectives of our sampled stakeholders, including employees, management, subsidiaries, and community partners, are considered in our materiality assessment.

Materiality Matrix

The culmination of our assessment is the creation of a materiality matrix, which visually represents the significance and influence of each material topic. By plotting the topics on a matrix with Environmental, Social, and Governance (ESG) dimensions, we gain clarity on the key issues that require attention and prioritization. The following chart demonstrates these findings.

Figure: Materiality Matrix 2023



Key Findings

The materiality matrix uses two axes: the Y-axis ranges from low to high and assesses the potential outside-in impact of a topic on KIPCO’s operations and success, measured in terms of financial materiality. The X-axis also ranges from low to high, reflecting the perceived level of importance that internal and external stakeholders place on each topic, signifying the inside-out materiality of each topic from KIPCO to stakeholders. This display of axes in the materiality matrix adheres to modern trends in double-materiality assessments. This analysis may guide us to make informed decisions, prioritize resources, and navigate the sustainability context effectively.

Our 2023 materiality assessment revealed several key findings. Notably, eight topics emerged as high priorities due to their significant impact and influence. Additionally, other topics- Carbon Emissions and Resource Management- were assessed as lower priorities, which may be considered logical due to the nature of KIPCO’s operations.

Assessing our materiality process provides valuable insights that inform our sustainability strategy and decision-making. By systematically evaluating our material topics and engaging with stakeholders, we ensure that our efforts are aligned with the evolving needs and expectations of our stakeholders and the broader sustainability landscape.

Our Material Topics' Ratings

Materiality Topics	Rating (x.y)	Comparison with 2022 Material Topics	KIPCO's Strategy	ESG	SDGs
Carbon Emissions	Medium-Low	Medium-Medium	Positive Environmental Outcome	E	  
Resource Management	High-Medium	N/A	Positive Environmental Outcome	E	  
Workplace Diversity and Inclusion	High-High	N/A	Attractive Workplace	S	  
Human Capital Management	High-High	Medium-Medium	Attractive Workplace	S	 
Community Engagement	High-High	High-High	Responsible Community Engagement	S	  
User Data Privacy and Security	High-High	N/A	Adaptive Governance	G	 
Ethical Business Conduct	High-High	High-High	Adaptive Governance	G	
Corporate Governance	High-High	High-Medium	Adaptive Governance	G	
Investor Relations	High-High	N/A	Sustainable Economic Impact	G	 
ESG Alignment	High-High	N/A	Attractive Workplace	ESG	 
			Responsible Community Engagement		 
			Positive Environmental Outcome		 
			Adaptive Governance		 
			Sustainable Economic Impact		 



02 ENVIRONMENTAL PILLAR



Material Topics Alignment

	Carbon Emissions	Positive Environmental Outcome	E	  
	Resource Management	Positive Environmental Outcome	E	  
	ESG Alignment	Attractive Workplace	ESG	         
		Responsible Community Engagement		
		Positive Environmental Outcome		
		Adaptive Governance		
		Sustainable Economic Impact		

2.1 Assessing our Resources

At KIPCO, we are committed to assessing and managing our resources in a sustainable manner to minimize our environmental impact and contribute to climate change mitigation efforts to stay in line with Kuwait's Vision 2035. As well as our internal endeavors, this is extended to our portfolio companies, guiding them to source responsibly, as well as to our external stakeholders, forging partnerships and collaborations to amplify our impact. Our Corporate Communications team spearheads these efforts, working closely with NGOs, industry associations, and governmental bodies to champion sustainability initiatives and drive positive change across Kuwait. Through these collaborations, we aim not only to enhance our environmental stewardship within our organization but also to be the catalyst for broader environmental action in our community.

Climate Change as a Business Risk Factor

While climate change is not listed as a highly material risk for KIPCO, we recognize the importance of minimizing negative environmental impacts through our business operations. Our waste management practices prioritize the concepts of reduce, reuse, and recycle, reflecting our commitment to environmental stewardship. Moreover, we continuously evaluate our business strategies to ensure alignment with sustainability goals regarding operations that might impose any harm.

Carbon Intensity of Operations

As a holding company engaged in predominantly office-based work and business support functions, most of our operations fall into the "Low" category in carbon intensity. Our focus on efficiency and resource optimization further contributes to our low carbon footprint. We continually seek opportunities to reduce energy consumption and emissions across our operations, demonstrating our dedication to environmental responsibility.

Assessment of Climate Change Mitigation

While our direct environmental risk is low as an investment holding company, we actively assess and encourage climate-conscious practices within our investment portfolio. By evaluating the environmental performance of our portfolio companies and encouraging the adoption of sustainable technologies and practices, we aim to drive positive impact and contribute to climate change mitigation efforts. Additionally, we engage with industry experts and stakeholders to stay informed about emerging trends and opportunities for sustainability-driven innovation.

KIPCO and our direct investments are located in countries with strengthening or pending greenhouse gas (GHG) emissions regulations, covering 100% of our operations. We recognize the importance of staying compliant with environmental regulations and proactively adapting our operations to meet evolving standards. By prioritizing regulatory compliance and proactive environmental management, we ensure that our business activities align with global efforts to address climate change and reduce GHG emissions.

Managing our Resources

As part of our commitment to sustainability, we have implemented various initiatives to aim to reduce negative environmental impacts within our organization, including:



Digital Document Management

We have implemented a digital document management system to store and organize files electronically, allowing for easy access, searchability, and sharing without the need for printing or physical storage.



Electronic Communication

We encourage the use of electronic communication methods, such as email and instant messaging, to reduce paper-based communication. Digital signatures are utilized whenever possible.



Online Collaboration and File-Sharing

We utilize online collaboration platforms and file-sharing services to facilitate teamwork and document sharing, eliminating the need for printing multiple copies.



Electronic Forms and Workflow

We have replaced paper-based forms with electronic forms and implemented digital workflows to automate processes and reduce manual paperwork.



Digital Notetaking and Documentation

We encourage the use of digital note-taking tools and explore digital annotation and documentation tools for marking up documents digitally.



Print Management and Policies

We have implemented print management software and set up print policies to encourage responsible printing practices, such as double-sided printing, print preview, and default settings for black and white printing.



Education and Training

We provide education and training to employees on the benefits of a paperless office and promote awareness about the environmental impact of paper usage.



Recycling and Responsible Disposal

We have implemented recycling programs for paper waste and established protocols for the responsible disposal of electronic devices.



Continuous Improvement and Monitoring

We regularly assess our progress towards a paperless office, monitor paper usage, and identify areas for improvement.

Managing our Paper through Technology

Through strategic IT initiatives, KIPCO has realized significant cost savings and environmental benefits. One such initiative involved the implementation of SAP B1 - General Ledger, Payable, and Fixed Asset modules for five KIPCO companies, including Amaken, Overland, Rawabi, KUCC, and Al Ansar portfolio companies. This implementation resulted in the reduction of paper usage (around 125 ledger books) and related cost savings of KD 50,000. Additionally, we upgraded our datacenter infrastructure, ensuring system availability, performance, and efficiency. Furthermore, our invoices processing and settlements automation and workflow system, developed in-house, significantly reduced paper usage by eliminating the need for 250 reams of paper, and further resulted in cost savings of around KD 15,000. In total, KIPCO's expenditure in these IT initiatives amounted to KD 47,500. These initiatives not only contribute to our financial efficiency but also demonstrate our commitment to sustainability and responsible resource management.



Environmental Sustainability-Related Projects by the Alternative Energy Projects Company - Abdali Mall

CASE STUDY

ORGANIZATION:

Alternative Energy Projects Company (AEPCO)



Abdali Mall is a modern, innovative open-air shopping mall that offers a variety of amenities including local and international retail brands. It also features a five-level basement designed for more accessible parking. Located in Abdali Boulevard, the mall is situated in the heart of the capital Amman.

Abdali Mall granted a long-term lease contract to AEPCO to build and operate a 2.90 MWp solar plant. The plant is connected via two main schemes – operating on both net metering and wheeling. The project was conceptualized to aim to reduce the mall's energy consumption and adapt to a more green and renewable energy source. This was achieved by combining four different solar plants under two different connection schemes, which are wheeling and net metering, to achieve their desired energy saving. The project helped to offset ~2,000 metric tonnes of CO₂ in the first year of operation.



Sustainability-Related Projects by the Alternative Energy Projects Company - Blue Fig

CASE STUDY

ORGANIZATION:

Alternative Energy Projects Company (AEPCO)

Blue Fig is a modern restaurant and cafe, located in Abdoun – Amman, Jordan. Blue Fig granted a long-term lease contract to AEPCO to build and operate a 0.36 MWp solar plant. The project aimed to reduce the restaurant's energy consumption and adapt to a more green and renewable energy source. This was achieved by building a solar wheeling plant under one connection scheme. The project helped offset ~235 metric tonnes of CO₂ in the first year of operation.



AUK Champions Sustainability

CASE STUDY

ORGANIZATION:

American University of Kuwait (AUK)

AUK partnered with Al Manakh, Kuwait's premier climate change NGO, to host a discussion panel promoting sustainability in business, aligning with AUK's commitment to responsible management education. The panel, featuring owners of green businesses, emphasized the urgency of addressing climate change and discussed strategies for enhancing energy efficiency and integrating ESG factors into business practices—highlighting the benefits of sustainability in business, such as operational efficiency and brand enhancement. The event showcased AUK's dedication to instilling environmental and social responsibility in students and the broader community. AUK's sustainability campaign sets a standard for educational institutions globally, resulting in significant contributions towards a more sustainable future.

2.2 Reporting our Emissions

KIPCO is dedicated to aligning with the nation's ambitious climate change mitigation objectives and to being transparent with reporting our emissions. With Kuwait's commitment to achieving net-zero emissions in the oil sector by 2050 and extending this to all sectors by 2060, we are keenly focused on playing our part. Our commitment extends to the comprehensive assessment and reduction of our greenhouse gas (GHG) emissions.

In this section, we provide detailed insights into KIPCO's emissions profile, covering all three scopes to encompass both direct and indirect sources of emissions.

Scope 1 GHG Emissions

Scope 1 GHG emissions refer to our direct emissions stemming from sources we own and control. These emissions primarily include those from our owned vehicles' fuel combustion. Managing our Scope 1 emissions is critical as we strive to reduce our carbon footprint and contribute to mitigating climate change impacts. The following illustrates our Scope 1 GHG emissions metrics for 2023.

Figure: Scope 1 Emissions

Metric	2023
 Total number of cars	3.00
 Total volume of fuel consumed (liters)	3,600.00
 Scope 1 GHG emissions (tCO2e)	8.17

Scope 2 GHG Emissions

Scope 2 GHG emissions encompass indirect emissions associated with the generation of electricity, heating, cooling, or steam purchased and consumed by an organization. Understanding and managing Scope 2 emissions are crucial as they represent a significant portion of our carbon footprint, despite being indirect. By monitoring and assessing our consumption of grid electricity, we can make strides towards achieving our sustainability goals.

The table illustrates our Scope 2 emissions, noting that the total amount of electricity consumed, and expenditure remained constant at around 2,500,000.00 kWh over the two-year period.

This stability in both electricity consumption and expenditure suggests a maintained level of energy usage efficiency within our operations. It indicates that despite potential fluctuations in energy prices or external factors (such as Kuwait's harsh weather conditions during the summer), KIPCO has managed to keep electricity consumption and associated costs steady.

Figure: Electricity Consumption

Metric	2022	2023	% Change
 Total amount of electricity consumed (kWh)	2,500,000.00	2,500,000.00	0%
 Total amount paid towards electricity consumption in (KD)	50,000.00	50,000.00	0%



Electricity Intensity per Employee

36,231.88 kWh / employee

Figure: Scope 2 Emissions

Metric	2023
 Scope 2 GHG emissions (tCO2e)	1,575.00

Scope 3 GHG Emissions

Scope 3 GHG emissions encompass indirect emissions resulting from activities outside of our direct control but associated with our operations. These emissions often arise from sources related to an organization's overall value chain. As part of our commitment to comprehensive emissions reporting, we analyze and address Scope 3 emissions to gain a good understanding of our carbon footprint and identify opportunities for reduction.

Throughout this section, we will delve into specific categories of Scope 3 emissions relevant to KIPCO, including non-owned cars, courier services trips, business travel trips, plastic waste, paper waste, water consumption and e-waste. Detailed tables will provide insights into the GHG emissions associated with each category, allowing for a thorough examination of our indirect emissions sources and our efforts to mitigate their impact.

Scope 3 GHG Emissions – KIPCO Non-owned vehicles

In 2023, KIPCO utilized a total of seven non-owned vehicles, which collectively consumed 21,000.00 liters of fuel. This consumption resulted in a total GHG emissions output of 47.67 units. These emissions represent KIPCO's indirect environmental impact associated with non-owned vehicles, highlighting the importance of considering emissions from all aspects of operations, including third-party vehicles.

Figure: Scope 3 from Rented Cars

Metric	2023
 Total number of cars	7.00
 Total volume of fuel consumed (liters)	21,000.00
 GHG emissions (tCO2e)	47.67

Scope 3 GHG Emissions – Business Travel

We record our business travel as part of our Scope 3 emissions as well. In 2023, we saw 94 business trips across varied locations (ranging from short to medium distance hauls), leading to total Scope 3 GHG emissions from business travel of 59.35 tCO2e.

Figure: Scope 3 from Business Travel

Metric	2023
 Total number of trips	94.00
 GHG emissions (tCO2e)	59.35

Scope 3 GHG Emissions – Courier Services

Courier services are part of our value chain, and therefore part of our Scope 3 emissions. In 2023, a total of 190 courier trips took place, which incurred about 55.10 tCO₂e in emissions.

Figure: Scope 3 from Courier Services

Metric	2023
 Total number of trips	190.00
 GHG emissions (tCO ₂ e)	55.10

Scope 3 GHG Emissions – Plastic Waste

In 2023, there was no quantity of plastic used by KIPCO. Consequently, the total GHG emissions associated with plastic waste were zero (0) for the year 2023. This absence of plastic consumption highlights KIPCO's efforts to minimize environmental impact by reducing plastic usage within its operations.

Scope 3 GHG Emissions – Paper Waste

In 2023, we used a total of 275,000 sheets of paper. However, out of this amount, we managed to recycle 200,000 sheets of paper. Paper waste figure breakdowns and their related emissions are shown in the following tables.

Figure: Paper Consumption and Recycling

Metric	2023
 Quantity of paper used (sheets)	275,000.00
 Quantity of paper recycled (sheets)	200,000.00

Figure: Scope 3 from Paper Emissions

Metric	2023
 Scope 3 GHG emissions (tCO ₂ e) from paper consumed	0.007
 GHG emissions (tCO ₂ e) related to paper recycled	0.005

Scope 3 GHG Emissions – Water Consumption

Over the reporting period, KIPCO demonstrated a noteworthy decrease in water use, reflecting our commitment to sustainability and resource conservation. The company implemented various strategies and initiatives aimed at minimizing water consumption across its operations. These efforts included the adoption of water-efficient technologies, the implementation of water-saving practices, and the promotion of a responsible water use culture among employees. Through these measures, KIPCO achieved a substantial reduction in its water consumption.

In 2023, KIPCO achieved a remarkable 53% reduction in water consumption, which reflects the extent of our efforts at minimizing waste and managing our resources efficiently. The breakdowns and associated Scope 3 emissions are displayed as follows.

Figure: Water Consumption

Metric	2022	2023	% Change
 Total quantity of water consumed (Liters)	16,000	7,500	-53.125%
 Total amount paid towards water consumption (KD)	1,540	550	-64.29%

Figure: Scope 3 from Water Emissions

Metric	2023
 GHG emissions (tCO ₂ e)	0.004

Scope 3 GHG Emissions – E Waste

There was a significant increase in electronic waste (e-waste) generated by KIPCO, rising from 13 to 60 units, marking a 362% increase. This rise was primarily due to the disposal of electronic items like tapes, PCs, and printers, which reached the end of their life cycle coinciding with the 2023 reporting period. Notably, KIPCO consciously selects durable electrical items for its operations, which have a longer lifespan. However, despite their durability, these items eventually reached the end of their usable life, resulting in their disposal as electronic waste. As a result, there was a notable increase in e-waste generation. This breakdown and resulting GHG emissions are displayed as follows.

Figure: Scope 3 from E-Waste

Metric	2023
 Quantity of ewaste	60.00
 Total GHG emissions (tCO ₂ e)	0.065

Total Scope 3 GHG Emissions

Scope 3 GHG emissions attributed to various aspects of KIPCO's operations. It reveals that emissions from third party-owned vehicles, travel, and courier services constitute significant portions of the total emissions, reflecting the environmental impact of transportation and logistics activities, which have been reduced to counteract the impact. While emissions from plastic waste are zero, paper waste and water consumption contribute relatively minor amounts to the overall carbon footprint. Despite that, KIPCO remained keen on limiting it as much as possible by recycling paper waste. Additionally, e-waste emissions highlight the environmental consequences of electronic waste disposal. In total, the Scope 3 GHG emissions amounted to 162.2 metric tons of CO₂ equivalent. It is worth noting that comparison with the previous year is not valid as different sources of emissions are considered this year.

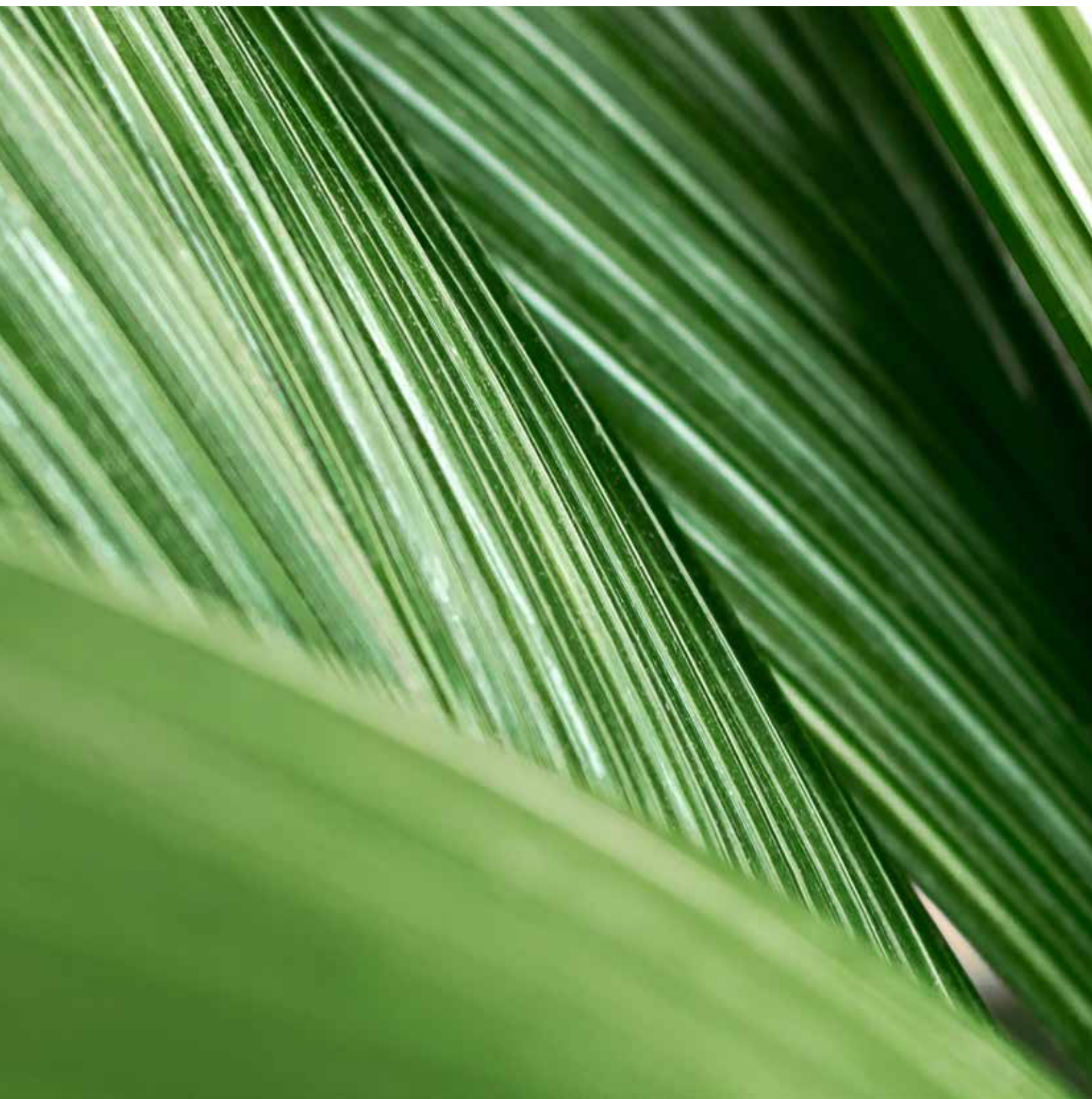
Metrics	GHG Emissions Generated
Third party-owned vehicles (tCO ₂ e)	47.67
Air travel (tCO ₂ e)	59.35
Courier services (tCO ₂ e)	55.10
Plastic waste (tCO ₂ e)	0
Paper waste (tCO ₂ e)	0.007
Water consumption (tCO ₂ e)	0.004
E-waste (tCO ₂ e)	0.07
Total (tCO₂e)	162.2

Total GHG Emissions (All Scopes)

The table below summarizes KIPCO's total greenhouse gas (GHG) emissions across all scopes. It shows emissions from Scope 1 (direct), Scope 2 (indirect), and Scope 3 (indirect) sources. The amounts are presented in the following, expressed in both total emissions per scope, as well as an average estimated intensity per each Holding employee. In total, KIPCO's GHG emissions accumulated 1,745.37 tCO₂e, or 25.30 tCO₂e/employee – as illustrated and broken down in the following. It is also worth mentioning that comparison with the previous year is not valid as different sources of emissions are considered this year.

Figure: Total GHG Emissions and Intensity

Metric	GHG Intensity (Per employee)	GHG Emissions generated (tCO ₂ e)
Scope 1 (Direct)	0.12	8.17
Scope 2 (Indirect)	22.83	1,575.00
Scope 3 (Indirect)	2.35	162.2
Total (tCO₂e)	25.30	1,745.37





03 SOCIAL PILLAR

Material Topics Alignment

	Workplace Diversity and Inclusion	Attractive Workplace	S	  
	Human Capital Management	Attractive Workplace	S	 
	Community Engagement	Responsible Community Engagement	S	  
	ESG Alignment	Attractive Workplace Responsible Community Engagement Positive Environmental Outcome Adaptive Governance Sustainable Economic Impact	ESG	         

3.1 Engaging our Community

Community engagement is not just a responsibility; it is at the core of our values. We believe in actively contributing to the well-being and development of the communities we serve.

KIPCO actively engages with its community through a diverse range of initiatives aimed at fostering collaboration, empowerment, and support. Our efforts include sponsoring entrepreneurship platforms, collaborating with community organizations, participating in conferences, and conducting employee engagement initiatives, among others.

While we did not conduct formal surveys related to Corporate Social Responsibility (CSR) initiatives, KIPCO actively seeks feedback from experts, participants, and stakeholders both pre and post projects. This is to ensure ongoing improvement and alignment with community needs, in terms of what initiatives should be pursued.

KIPCO's community engagement efforts reflect our dedication to social responsibility and how we aim to create a positive impact within Kuwait's society.

Figure: Selected Community Initiatives

Initiative	Number of Participants	Description
Employee Initiatives		
Staff training	N/A	Refer to Section 3.2. Investing in our Workforce
KIPCO's Family Day	10,000	Refer to case study in Section 3.2. Investing in our Workforce
KIPCO's Dawri	150	Refer to case study in Section 3.2. Investing in our Workforce
KIPCO's Ghabga	50	KIPCO held its 2 nd Ghabga for employees. The event brought together all colleagues for a night of relaxation and fun. Games and activities were organized, together with a raffle draw.
Gala Dinner	350	Refer to case study in Section 3.2. Investing in our Workforce
Philanthropy		
Kuwait Red Crescent Society (KRCS) - Turkey-Syria Earthquake	N/A	Refer to Giving Back part in this section
Masharee Al Khair Charity Organization	N/A	Refer to Giving Back part in this section
Youth and Education Initiatives		
Loyac '7 Habits'	~80	Refer to case study in this section
AUS activities	~1300	Community engagement activities with the American United School of Kuwait (AUS)
AUK EduCon	250	Refer to case study in this section
AUK OHDP	N/A	Refer to case study in this section
AUK Capstone initiative	N/A	Refer to case study in this section
Generation Alpha	80	Refer to case study in this section

Others		
ABANA	N/A	Sponsorship of ABANA
Annual Media Dinner	100	The annual Media Dinner was held in recognition of media representatives' efforts to cover the Group's events throughout the year. The event included members of Kuwait's leading media outlets and news agencies, in addition to representatives from KIPCO Group's Communications team. KIPCO's Group SVP – CorpComms & IR, Ms. Eman Al Awadhi expressed her gratitude to the press for their support and said, "We are gathered here tonight to express our appreciation for our colleagues in the media sector for their contributions to the success of the functions we hold throughout the year. We recognize the great efforts the media put in in order to deliver reliable and accurate news stories, and we highly value their efforts."
KIPCO Tmkeen Entrepreneurship Platform	150	Refer to case study in this section
Injaz	3	KIPCO has volunteered in initiatives related to Injaz Company Program, in coordination with Group companies

*Note: This table does not include employee-specific initiatives, which are reported in a later section.

The significant percentage change in investments in community initiatives by KIPCO from 2022 to 2023 highlights a substantial increase in investment, measuring at about a 380% increase. This represents a remarkable growth, signifying KIPCO's heightened commitment to supporting and enriching its community through various sponsorship initiatives.

Figure: Investment in Community Initiatives

2022 KD 132,422	2023 KD 635,145	%-Change 380%
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Volunteering

Throughout the year, KIPCO employees demonstrated a strong dedication to community service through volunteerism. Notably, three employees from the Corporate Communications Department (CCD) participated in volunteering activities in collaboration with Injaz. Additionally, members of the CCD invested their time and expertise in mentoring an intern, further contributing to skill development within the community. In total, KIPCO employees collectively devoted 60 hours to volunteering, showcasing their commitment to giving back to the community.

Giving Back

Demonstrating its philanthropic values, KIPCO has made significant financial contributions to various charitable endeavors. A noteworthy donation was designated specifically to aid victims of the Turkey-Syria earthquake, through the Kuwait Red Crescent Society (KRCS), underscoring KIPCO's commitment to humanitarian relief efforts and addressing urgent community needs. Moreover, KIPCO's dedication to social responsibility extends beyond singular acts of generosity. Through an enduring partnership with Masharee Al Khair Charity Organization, KIPCO allocated 1% of its net profit annually to support ongoing initiatives. Total philanthropy amounted to KD 559,450.

Figure: Philanthropy

Organization/Initiative	Contribution Amount (KD)
Kuwait Red Crescent Society (KRCS) - Turkey-Syria earthquake relief	307,950
Masharee Al Khair Charity Organization	251,500
Total (KD)	559,450



LOYAC Partnership

CASE STUDY

ORGANIZATION:

KIPCO Holding and LOYAC

KIPCO's partnership with LOYAC, a local non-profit organization, introduces the '7 Habits for Highly Effective Teens' program to empower youth aged 12 to 18 sponsored by KIPCO. Inspired by Steven Covey's book, the initiative aims to instill essential life skills often overlooked in this age group. Through workshops, the program empowers teenagers to develop several aspects to their character, as follows:

- | | |
|--|---|
| 1. Develop 21st century skills | 2. Gain greater control of their lives |
| 3. Improve relationships with family and friends | 4. Increase self confidence and self-esteem |
| 5. Be responsible | 6. Define their values and what matters most to them |
| 7. Recognize and prioritize their goals | 8. Resist peer pressure |
| 9. Improve academic performance | 10. Develop a resilient mindset to overcome life's challenges |

This collaboration, KIPCO's first with LOYAC, extends beyond education, promoting teamwork and collaboration among colleagues. Feedback from participants proves the program's success in achieving its objectives, highlighting improved teamwork and collaboration across the company. This program is being brought to this age group for the first time and was held four times in 2023. We expect to renew this collaboration in 2024.



KIPCO Sponsors 10th Youth Empowerment Symposium

CASE STUDY

ORGANIZATION:

KIPCO Holding

KIPCO Holding served as the Strategic Sponsor of the 10th Youth Empowerment Symposium (Tmkeen), marking the 10th anniversary since the event's launch. Over the decade, the symposium hosted more than 30 international leaders, 95 local leaders and 300 growing entrepreneurs. This is a testament to KIPCO's longstanding commitment to promote entrepreneurship and empowering young leaders. The initiative aimed to provide a platform for youth to exchange ideas, learn from industry experts, and explore opportunities for entrepreneurship. Over the past decade, the symposium has welcomed renowned international and local leaders, displaying a culture of innovation and enterprise. This year's conference featured keynote speakers Porter Erisman, former VP of Alibaba Group, and Hamad Al Baher, Co-Founder & Chief Business Officer of Jahez Group, who shared their insights and experiences with approximately 500 attendees. Through its sponsorship and support, KIPCO continues to champion youth entrepreneurship.



Burgan Bank sponsors Kuwait Women's Football League for 2023 season

CASE STUDY

ORGANIZATION:
Burgan Bank



In its continued efforts to bolster Kuwait's sports culture and empower young aspiring female athletes, our portfolio company Burgan Bank announced its gold sponsorship of the Kuwait Women's Football League (KWFL) for the 2023 season: in partnership with Kuwait Calma and in affiliation with the Kuwait Football Association.

This sponsorship comes as part of Burgan's commitment to championing diversity and inclusivity across all fields, including sports, in line with its environment, sustainability, and governance (ESG) commitment and its overarching social responsibility strategy. The Bank also continues to instill sports a central part of its community engagement initiatives.

In addition to its gold sponsorship of the KWFL, Burgan Bank has also sponsored a number of national athletic stars, including Kuwaiti Olympians Yaqoub Al-Youha, Mudhawi Al-Shammari, Ebrahim Al-Dhafeeri Amal Al Roumi, and Jude Tawfiq, in addition to Wheelchair Fencing Champion Tareq Al-Qallaf and the Kuwait Equestrian Federation (KEF) league.



KIPCO Hosts Local Startups & Entrepreneurs in Collaboration with Tmkeen

CASE STUDY

ORGANIZATION:
KIPCO Holding



As part of our collaboration, KIPCO recently hosted a networking dinner to facilitate collaboration among local startups and entrepreneurs, aligning with its partnership with the Youth Empowerment Symposium (Tmkeen). The event aimed to unite founders of startups recognized through the KIPCO Tmkeen Award for Young Entrepreneurs, an initiative established in 2015 to bolster emerging talent in Kuwait's entrepreneurial scene. By creating an environment conducive to dialogue and idea exchange, the dinner sought to bolster the startup community, foster knowledge sharing, and encourage partnerships among aspiring entrepreneurs. Also, the event served as an occasion to commemorate the longstanding partnership between KIPCO and Tmkeen, acknowledging past award finalists and winners' accomplishments. Together, KIPCO, Tmkeen, and the entrepreneurial community have cultivated an ecosystem where youth are empowered to pursue their ambitions, embrace innovation, and contribute to Kuwait's economic advancement. With approximately 150 attendees, the networking dinner highlighted the collective commitment to nurturing entrepreneurship.



Kamco Invest sponsors Ahmed Rabeea, captain of Kuwait's National Padel Team

CASE STUDY

ORGANIZATION:
Kamco Invest



Our portfolio company, Kamco Invest recently announced a one-year sponsorship agreement with Ahmed Rabeea, a prominent Kuwaiti padel player and captain of the Kuwait National Padel Team. The sponsorship shines on Kamco Invest's commitment to social responsibility and empowering young talent in the community. Rabeea's impressive achievements locally and regionally highlight his exceptional performance and sportsmanship. Kamco Invest's sponsorship reflects its dedication to supporting exceptional talent and fostering healthy competition, as this partnership aims to provide Rabeea with the resources and support needed to excel further in his padel career while inspiring other young athletes. Mohammed Akbar, Manager of Marketing and Investors at Kamco Invest, expressed pride in sponsoring Rabeea, emphasizing the company's commitment to making a positive impact.



Burgan Bank sponsors 2023 Farwah Expo

CASE STUDY

ORGANIZATION:
Burgan Bank



Burgan Bank sponsored the 2023 Farwah Expo as part of its ongoing commitment to support small and medium-sized enterprises (SMEs) and contribute to Kuwait's domestic economy. Held over three days at Murouj, the expo showcased a diverse range of Kuwait's homegrown SMEs, spanning industries such as F&B, clothing, accessories, homeware, and perfumes.

This sponsorship reflects Burgan Bank's dedication to nurturing local businesses and fostering entrepreneurship in Kuwait. Abdullah Al Maqseed, Executive Manager of Merchant Acquiring at Burgan Bank, emphasized the importance of supporting local entrepreneurs and SMEs in driving economic growth and sustainability. He noted that Burgan Bank's sponsorship aligns with its commitment to social responsibility, aiming to benefit Burgan, the community, and the economy mutually.

During the expo, Burgan Bank's representatives engaged with attendees to showcase the bank's tailored products and services designed to enhance personal and business transactions. Special focus was given to Tijarati, the bank's flagship product for businesses, along with point-of-sale (POS) and payment gateway (PG) solutions. Additionally, the bank organized competitions with cash prizes and distributed giveaways to expo participants.

Al Maqseed highlighted Burgan Bank's commitment to offering practical and rewarding solutions to customers. The bank's suite of products, including Tijarati and Tijarati Pay, provide merchants with comprehensive business management tools and convenient payment solutions at competitive rates. The Merchant Rewards program further incentivizes customers by offering exclusive benefits based on transactional activity.

Burgan Bank continues to prioritize the development of innovative products and services under its philosophy of being "Driven by You." By empowering customers and the community with tailored banking solutions, the bank aims to support their aspirations and contribute to Kuwait's economic prosperity.



KIPCO Supports 'EDUCON 2023' Global Engineering Education Conference Hosted by AUK

ORGANIZATION:
KIPCO and AUK



KIPCO Holding was the Premier Sponsor of the IEEE Global Engineering Education Conference, EDUCON 2023, hosted by the AUK. The support comes as part of the company's efforts to promote quality education and learning.

Held every year since 2010, this 14th EDUCON provided an opportunity for scientists, professional engineers, and students to present their work, publish their results, exchange ideas and network for future scientific and industrial collaborations.

Every year, the conference is organized in a different city within Europe and the MENA region. This year, the conference came to Kuwait for the first time.

The conference was a great opportunity to host a diverse and global group of scientists to discuss the latest research topics in engineering education.

More than 250 participants attended, comprised of researchers, industry representatives, members of academia and students, representing 65 countries.

The workshops and technical sessions mainly focused on aspects of engineering education. Many topics were covered, including:

- K12 STEM Education Initiatives
- Student Centered Learning Environments
- Engaging Undergraduate Students in Research
- Climate Change and Engineering Education
- Mastering Digitalization and Artificial Intelligence
- The Ethical Challenge and Engineering Education
- Women in Leadership in Engineering
- Diversity and Inclusion in Engineering Education
- Future Oriented and Personalized Educational Concepts in Engineering
- Game Based Learning and Gamification for Engineering Education
- Nontraditional Lab concepts in Engineering Education
- Data-driven Engineering Education



AUK Launch Kuwait's First Oral History Exhibition

CASE STUDY

ORGANIZATION:

American University of Kuwait (AUK)

AUK, in collaboration with the Contemporary Art Platform (CAP), launched Kuwait's first oral history exhibition. Titled "Voices from the Occupation," it featured stories and snippets from AUK's Oral History and Documentation Project (OHDP) interviews, sharing the experiences of Kuwaitis during the Iraqi occupation. Supported by KIPCO since 2020, the OHDP is part of AUK's effort to preserve Kuwait's history. Ms. Asma Al Kanan, AUK Librarian, and the OHDP team, Ms. Reem Alali and Mr. Abdulaziz Almahmeed, were proud of the exhibition. Ms. Eman Al Awadhi from KIPCO praised AUK's diverse work in educating Kuwait's youth and emphasized KIPCO's continuous support for the OHDP program. She noted that it is essential to preserve Kuwait's oral history, especially when documented information is comparatively limited.

The project was established to actively conduct oral histories on a wide range of topics and themes in order to document the experiences of generations of Kuwaitis and non-Kuwaitis. The launching of the OHDP website marks the culmination of a four-year collaboration between AUK and KIPCO, which has supported the project since the early stages of planning.

Our aim in launching this project is to develop a substantial archive of recorded interviews that will serve as a valuable resource to researchers, students and the general public.



AUK's Capstone Exhibition

CASE STUDY

ORGANIZATION:

American University of Kuwait (AUK)



AUK's College of Engineering and Applied Sciences (CEAS) held its second annual Capstone Exhibition, featuring over a 100 student projects ranging from solar cars to smart farming systems. Under faculty supervision, students showcased prototypes demonstrating innovation and problem-solving skills. AUK President Dr. Rawda Awwad praised students' achievements, highlighting their role as future leaders, while CEAS Associate and Interim Dean Dr. Mohamed El Abd commended their dedication and readiness to contribute to society. Winners were announced in engineering and computer science categories, recognizing outstanding projects like the "Solar Car" and "Mobile Brain Computer Interface Motor Imagery."



KIPCO Recognizes Generation Alpha Program's Young Athletes

CASE STUDY

ORGANIZATION:
KIPCO

KIPCO endorsed the participants in the second and third seasons of Generation Alpha, a program that promotes young athletes aged 7-13 years. The program displayed the achievements of these athletes and supported them in their efforts to compete in international sporting events.

During the event, attended by the athletes and their families, KIPCO recognized its strategic partner, Eighty Percent, as well as its media partners OSN and Al Rai Media Group.

KIPCO's Generation Alpha stems from the company's keenness to support young people and their development. The three seasons of the program included episodes aired on OSN+ and Al Rai TV that focused on the athletes, their training, as well as the challenges they faced. Parents and trainers were also featured. As part of the program, KIPCO also organized a series of personal development workshops for the young athletes.



JKB Receives Award for Best Bank for Social Responsibility in Jordan from Global Banking and Finance Review

CASE STUDY

ORGANIZATION:
Jordan Kuwait Bank (JKB)

Jordan Kuwait Bank (JKB) one of our many portfolio companies, recently received the prestigious Award for Best Bank for Corporate Social Responsibility in Jordan in 2023 from Global Banking and Finance Review magazine. This international recognition highlights JKB's commitment to community development while maintaining growth and profitability in its banking operations.

The bank's Head of Strategy and Marketing, Dana Jaradat, expressed pride in receiving the award, emphasizing JKB's dedication to fulfilling its social responsibilities. The bank's social responsibility strategy is deeply rooted in its core values of professionalism, teamwork, and innovation, with a focus on supporting the United Nations Sustainable Development Goals (SDGs) and empowering local communities.

Jaradat highlighted the significant increase in JKB's investment in social responsibility programs and initiatives, which has grown by 88% since 2021. This investment has led to a 28% rise in the number of supported community projects, demonstrating JKB's commitment to making a positive impact.

The Global Banking and Finance Review awards recognize excellence and expertise in the financial world, reflecting the transformative changes occurring within the global financial community. JKB's receipt of the Best Bank for Social Responsibility award not only enhances its leading position in the Jordanian banking market but also reaffirms its dedication to sustainable development and community empowerment.



SADAFCO signs strategic agreement with Jeddah's Social Responsibility Association

CASE STUDY

ORGANIZATION:

Saudia Dairy and Foodstuff Company (SADAFCO)

SADAFCO recently signed a strategic agreement with the Social Responsibility Association in Jeddah, marking a significant step in their collaboration. The agreement aims to broaden and strengthen their support for less fortunate families in the Makkah Province. SADAFCO, known for its iconic Saudia brand, views this partnership as part of its societal responsibility. The signing ceremony, attended by key representatives from both organizations, took place at SADAFCO's headquarters in Jeddah. Through this agreement, SADAFCO aims to further enhance its community engagement efforts, leveraging the association's established presence in Jeddah and beyond. Over the years, SADAFCO has been actively involved in various CSR initiatives, including COVID-related support, career fairs, sporting events, awareness campaigns, volunteering, and elderly care. As a trusted household name, SADAFCO's commitment to social responsibility remains unwavering, reflecting its dedication to making a meaningful difference in people's lives.



United Group Holding Supports the Mulim Campaign for Financial Literacy

CASE STUDY

ORGANIZATION:

United Group Holding (UGH)

In alignment with the UN Sustainable Development Goals (UN SDGs) of advancing education and fostering sustainable cities and communities, our portfolio company United Group Holding (UGH) proudly supports the Mulim campaign—a joint initiative by the Gulf Cooperation Council's (GCC) Capital Markets Authorities aimed at enhancing investor awareness through the GCC Smart Investor Award.

The campaign aims to elevate financial literacy among various segments of society. Participants are invited to contribute their unique, creative ideas focused on financial activities and investment awareness. School students, university students, and individuals are all encouraged to participate.

The competition's prizes exceed one million Saudi Riyals, offering substantial incentives for participants to showcase their creativity and contribute to financial literacy efforts.

3.2 Investing in our Workforce

At KIPCO, our workforce is not just a collection of individuals; they are the driving force behind our success. We prioritize the continuous growth and development of our employees while cultivating a diverse and inclusive environment where everyone can thrive. From comprehensive internship programs to promoting gender equality and Kuwaitization, we are committed to building a team that reflects the rich diversity of our community. Additionally, we ensure the well-being and professional advancement of our employees through competitive compensation packages, extensive training opportunities, and supportive policies such as parental leave. Our investment in our workforce reflects our dedication to creating an environment where every individual can flourish and contribute to our collective achievements.

Employee Attraction and Retention

In 2023, KIPCO maintained a stable workforce with a slight decrease of 1.4% in total full-time employees compared to the previous year. Part-time employment remained consistent at one employee for both years. Despite only having one intern and no fresh graduates being hired in 2023, KIPCO continues to prioritize employee attraction and retention, recognizing their importance in cultivating a diverse, inclusive, and dynamic workplace culture essential for organizational success.

KIPCO Employee Statistics Per Employment Type

Year	2022	2023	%-Change
Total full-time employees	70	69	-1.4%
Total part-time	1	1	0%
Internships	0	1	N/A
Fresh graduates out of existing employees	0	0	0%
Special needs out of existing employees	0	0	0%
Total employees (All employment types)	71	71	0%

New Hires and Turnover

We disclose our new hires and turnover numbers as follows. Across 2023, our employees saw a net change of –1 employee, which is broken down into five employees who left, and four newly hired employees. This yields a turnover rate of 7% in 2023, which was an increase compared to the 0% turnover rate in 2022.

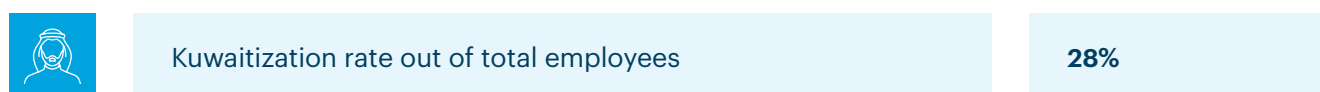
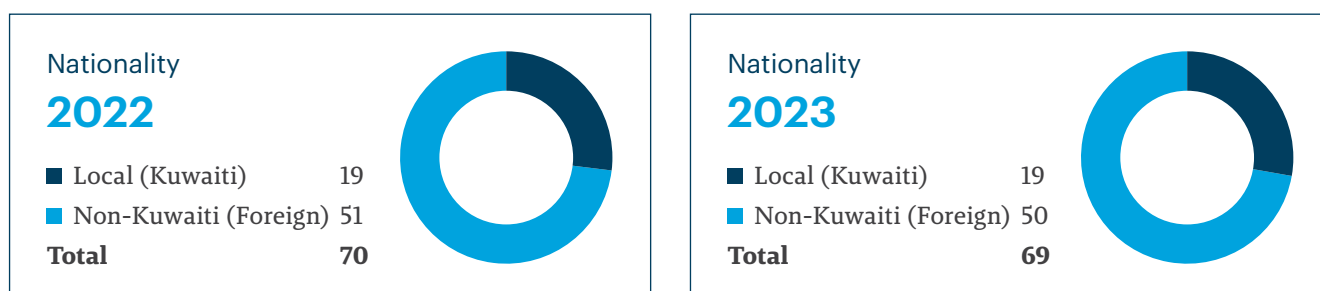
Figure: New Hires and Turnover

Number of employees at January 1, 2023	70
Number of employees at December 31, 2023	69
Turnover employees	5
New hire employees	4
Net change in employees	-1
Percentage change in employees	-1.43%
Turnover rate	7%

Kuwaitization at KIPCO

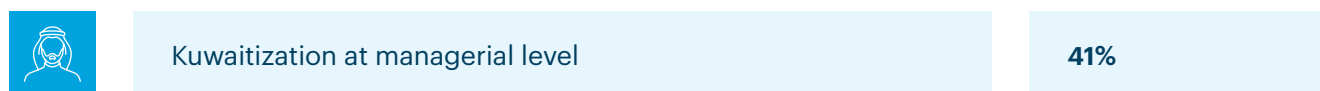
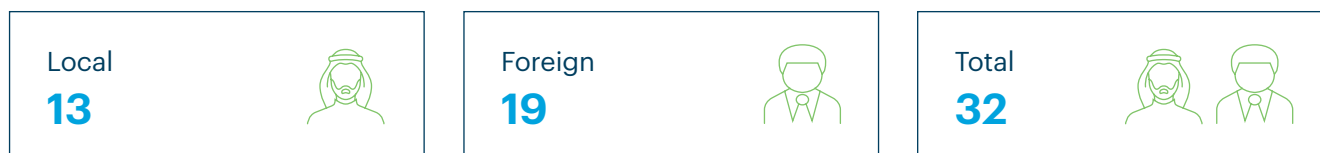
Our commitment to Kuwaitization continues to stand as shown in the following table, as there has been no change in the number of Kuwaiti employees at KIPCO from 2022 to 2023. We believe that this continuity showcases KIPCO's ongoing efforts to invest in local talent and contribute to the development of the Kuwaiti workforce.

Employee Numbers per Nationality



Maintaining a healthy proportion of nationalities throughout our entire organization is a priority, as our managerial positions are comprised of 13 local (Kuwaiti) employees and 19 foreign (non-Kuwaiti) employees.

Figure: Nationality Representation Within Managerial Positions

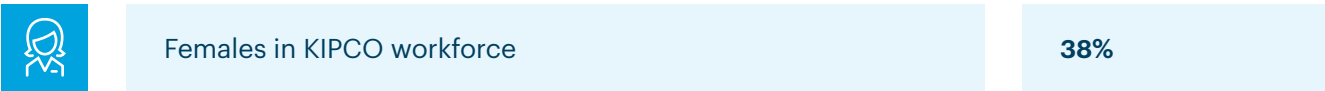


Gender Diversity

Gender-wise, there was a minor shift with the number of female employees decreasing from 27 to 26. Despite gender diversity figures remaining relatively similar from the previous year, KIPCO continues to prioritize and promote gender diversity within its organizational culture. With 43 male employees and 26 female employees in full-time positions as of 2023, KIPCO recognizes the importance of fostering an inclusive environment where individuals of all genders have equal opportunities for professional growth and advancement.

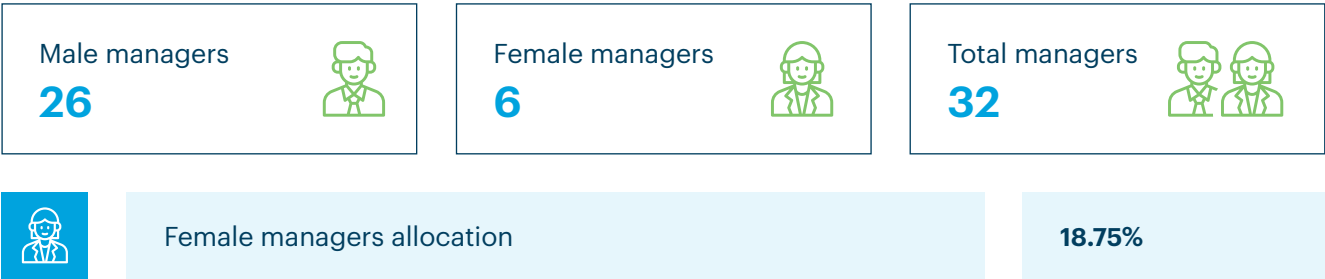
Figure: Employees per Gender Breakdown

Year	2022		2023		Change %
Type	Male	Female	Male	Female	
Full time	43	27	43	26	N/A
Total full time	70		69		-1.4%



In KIPCO’s managerial structure, gender diversity is evident, with male and female professionals contributing to leadership roles. Among a total of 32 managerial positions, 26 are occupied by male employees, while females hold six, illustrating a gender distribution of 81.25% and 18.75%, respectively. Notably, one of the female managers also serves as a BOD member and holds the esteemed position of CEO, reflecting KIPCO’s commitment to inclusive leadership.

Figure: Gender Representation at Managerial Positions





KIPCO's Women Empowerment Principles (WEP) Efforts

CASE STUDY

ORGANIZATION:
KIPCO

KIPCO continues its annual obligation of filing a report on its gender-related efforts as per the UN Women Empowerment Principles (WEPs) signatory requirements.

In 2023, KIPCO supported and contributed to “Kuwait Women Leadership,” a group that seeks to gather women of the public and private sectors to discuss ways in which women can be supported as they make their way up the career ladder. The speakers and participants in the sessions included ministers, MPs, Municipal Council members and government decision-makers, as well as leaders of the private sector.

KIPCO also signed on to Kuwait Women Economic Empowerment Platform (KWEEN) this year, which is planned to be officially launched in 2024. The platform brings together WEPs signatories to work together on projects to support women empowerment, as well as exchange best practices and expertise.

This year, KIPCO executives were encouraged to attend conferences on diversity and inclusion, including the National Leadership Institute (NLI) Conference 2023: Breaking Barriers.



KIPCO's CEO Sheikha Dana Naser Sabah Al Ahmad Al Sabah Among Top 100 CEOs Within the Middle East Region for 2023

CASE STUDY

ORGANIZATION:
Forbes list



Sheikha Dana Naser Sabah Al Ahmad Al Sabah assumed her role as KIPCO's Group CEO in January 2022, leveraging her extensive experience in leadership roles. Under her guidance, KIPCO has witnessed remarkable growth, achieving \$126.7 million in net profits by Q3 2023, with total assets reaching \$38.6 billion. Notably, her strategic decision-making led to the successful sale of KIPCO's stake in GIG to Fairfax Financial Holdings for \$860 million in April 2023. Beyond her role at KIPCO, Sheikha Dana is a prominent figure in various organizations, serving as the founder and chair of the board of trustees of the AUK and chairperson of United Education Company (UEC). Additionally, she holds positions on the boards of the Gulf Insurance Group (GIG), OSN, and Kamco Invest. Forbes has deemed her one of the top 100 CEOs within the Middle East.

KIPCO Appoints Ghada Khalaf as Group Senior Vice President – Investments

CASE STUDY

ORGANIZATION:
KIPCO

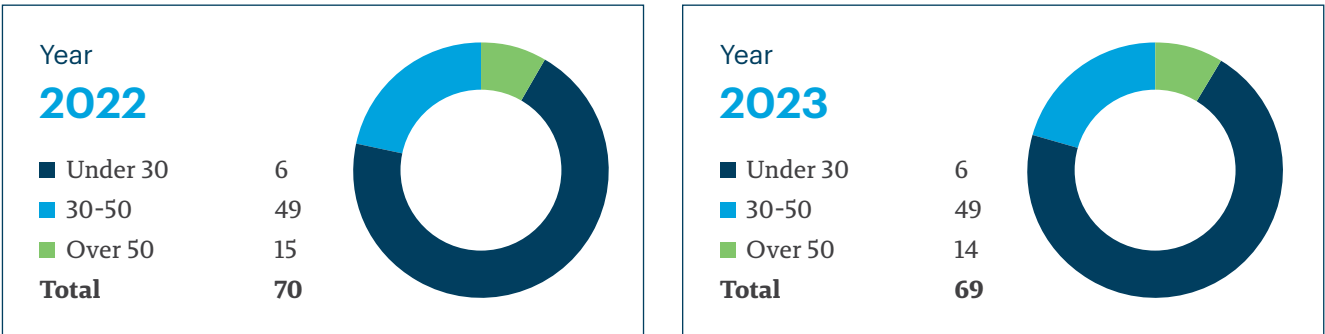
KIPCO has announced the appointment of Ms. Ghada Khalaf as Group Senior Vice President (SVP) – Investment. With more than two decades of experience in multiple financial and investment domains, Ms. Ghada Khalaf plays an important role in monitoring the performance of KIPCO’s portfolio and seeking opportunities for new investments.

Prior to joining KIPCO, Ghada held the position of Chief Finance Officer (CFO) at Al Kout Industrial Projects. Before that, she was the Executive Director of the Kuwait Office of Asiya Capital Investments Company. Ghada started her career as a chemical engineer and has experience working in the education sector. She also holds a Master’s degree in Chemical Engineering from Imperial College London (UK), and an MBA from the Tepper School of Business, Carnegie Mellon University (USA).

Age Diversity

KIPCO’s employee age demographics remained relatively stable compared to the previous year. There were six employees under the age of 30 and 49 in the 30-50 years age group, both of which reflected no change from 2022. However, there was a slight decrease in the number of employees over the age of 50, dropping from 15 to 14, representing a 6.7% decline. As part of our commitment to diversity, we constantly seek a culture consisting of varied age groups.

Figure: Employee Numbers per Age Group



Engaging our Employees

As part of our unwavering dedication to fostering a dynamic and engaged workforce, KIPCO not only recognizes but also prioritizes the vital role that employee engagement plays in driving organizational success. Understanding the significance of fostering a positive and inclusive work environment, we invest in initiatives aimed at enhancing employee morale, promoting collaboration, and cultivating a sense of belonging among our diverse team.

KIPCO organized various events to strengthen bonds and show appreciation among its employees. We emphasize our dedication to enhancing employee engagement, which is reflected in the increase of investment from 2022 to 2023. During this period, our investment surged by a 75% increase, highlighting our efforts to maintain a supportive and engaging work environment for all our employees.

Figure: Total Amount Spent on Employee Engagement

2022 KD 68,290	2023 KD 119,500	% Change 75%
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KIPCO 2023 Football League (KIPCO Dawri)

CASE STUDY

ORGANIZATION:
KIPCO



KIPCO organized its 2023 football league, the KIPCO Dawri, to cultivate teamwork and unity among its Group companies. The tournament featured 12 teams from various Group entities, including KIPCO, Burgan Bank, GIG, and others. Matches were held at the Salwa football stadium over three weekends, providing employees with a platform to showcase their skills and strengthen bonds with colleagues. Referees from the Kuwait Football Association officiated the matches, adding a professional touch to the friendly games. Marina TV broadcasted the matches live, extending the excitement to a wider audience, while also showcasing highlights on the same platform. Notably, this event marked the league’s return after a 10-year break.



KIPCO Recognize Top Employees in our Group Companies at our Annual Gala Dinner

CASE STUDY

ORGANIZATION:
KIPCO

KIPCO recently hosted its Annual Gala Dinner to honor outstanding employees across its core operating companies and to recognize the “Employees of the Year”. The event, hosted by Group CEO Sheikha Dana Naser Sabah Al Ahmad Al Sabah, gathered 300 CEOs and executives from over 30 subsidiaries and affiliates, showcasing the organization’s vast scope and diverse workforce.

The objectives included unifying the KIPCO Family, celebrating collective achievements, recognizing top-performing individuals, setting a precedent for similar events, and facilitating CEO collaboration. The Gala provided a relaxed setting for employees to network and celebrate accomplishments. Feedback from attendees was overwhelmingly positive, particularly given the event’s significance following the Covid pandemic.

Following the Gala, Group CEOs convened to explore opportunities for collaboration and synergy. Discussions centered on maximizing efficiency and effectiveness in achieving shared goals.

The event strengthened unity within the organization while highlighting KIPCO’s commitment to collaboration across its subsidiaries and affiliates.



KIPCO’s Family Day

CASE STUDY

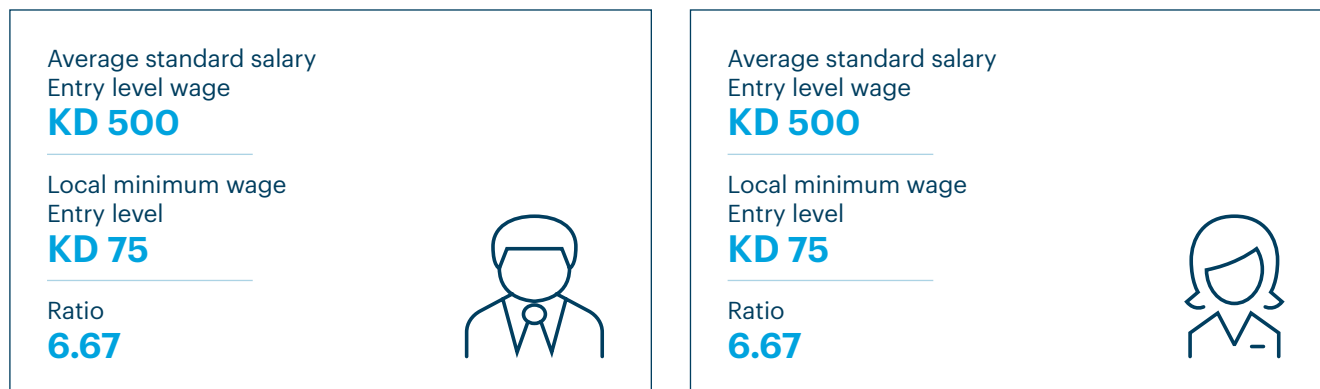
ORGANIZATION:
KIPCO

KIPCO hosted and organized its 2023 Family Day event at the Touristic Park, inviting employees from Group companies to spend a day of fun with their families. The festivities included various activities and competitions with prizes sponsored by KIPCO, such as tablets, smartphones, electronic games, and gift vouchers from Burgan Bank and GIG. Snacks were provided by SADAFICO, while children enjoyed bouncy castles, inflatable slides, face-painting, arts and crafts, and wall-climbing. The day concluded with entertaining performances by local musical and dance acts, fostering a sense of unity and community among employees and their families.

Employee Wages

KIPCO maintains a standard entry-level wage for its employees, ensuring fairness and equity across genders. The average standard salary for both male and female entry-level employees stand at KD 500, reflecting KIPCO's commitment to providing equal opportunities and compensation regardless of gender. When comparing this entry level wage to local national minimum wage in Kuwait, we see a ratio of KD 6.67 at KIPCO for KD 1 of national minimum wage, applicable irrespective of gender.

Figure: Entry Level Wage



Compensation and Remuneration

In the realm of compensation and remuneration, KIPCO demonstrates a commitment to gender equality and fair wage practices. Further indicators related to our compensation practices can be found as follows.

Indicator	2023
Median compensation per person across all KIPCO employees, not including the highest-paid individual in KIPCO	KD 1,200 per employee per month
Median compensation per person across all KIPCO employees, including the highest-paid individual in KIPCO (in KD per employee)	KD 1,250 per employee per month
Ratio of the annual total compensation for KIPCO's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	1:0.1
Ratio of the percentage increase in annual total compensation for KIPCO's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	1:1

Remuneration Policies

KIPCO’s process for devising remuneration policies involves the Board Nominations & Remuneration Committee (BNRC) proposing studies and recommendations to the CEO, who then presents them to the Board of Directors for endorsement. The company periodically engages consultants to review the existing salary structures and incentive schemes and offer suggestions accordingly.

Aligning Compensation with ESG Goals

As part of compensation and remuneration, there are also variable components to pay provided. Notably, this involves cases where employees are rewarded for achieving certain performance metrics that are aligned to organizational goals.

Overall, KIPCO ensures that remuneration policies for our highest governance body and senior executives resonate with the organization’s objectives and performance. It strives to correlate pay with performance metrics, encompassing both financial and non-financial aspects like Environmental, Social, and Governance (ESG) targets. Moreover, we maintain a balance between short-term and long-term objectives by offering various incentives such as annual bonuses, share options, or deferred compensation.

Employee Benefits

Our employee benefits program is competitive, aligning with market standards, ensuring fairness and satisfaction among our valued workforce. To uphold our commitment to supporting work-life balance and meeting the diverse needs of our full-time permanent staff, we provide a variety of employee benefits, including:

- Health insurance coverage for medical, dental, and vision aids
- Paid vacation days, holidays, and personal leave to allow employees to rest, recharge, and attend to personal matters
- Support for professional development, including reimbursement for courses, workshops, or conferences to enhance skills and knowledge
- Parental leave for new parents to care for a newborn or adopted child
- Flight tickets provided to all staff and their family members, with benefits allocated based on employee grade and family status
- Free parking for every employee at KIPCO
- Discounts on certain products or services related to portfolio companies, as well as partnerships with external vendors
- Indemnity
- Certain bonuses

These benefits are designed to ensure fairness and equality throughout our workforce while promoting a healthy work-life balance.

The following table outlines the total amount designated for employee benefits at KIPCO in the years 2022 and 2023. In 2022, the total sum reached KD 3,443,275 which was an aggregate of KD 2,499,000 in indemnity and KD 994,275 in other benefits. Comparatively, this resulted in a decrease by 57.4% in 2023, leading to KD 1,468,118 in benefits, including indemnity amounts of KD 313,889 and the rest for other benefits.

Figure: Total Amount of Employee Benefits, Including Indemnity

2022 KD 3,443,275	2023 KD 1,468,118	% Change -57.4%
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Parental Leave Policy

At KIPCO, we value the importance of supporting employees during significant life events, such as welcoming a new member to the family. Our parental leave policies reflect this commitment by providing male and female employees with equal opportunities to take time off to care for their newborns. In 2023, a total of two male and two female employees availed themselves of parental leave benefits. Moreover, KIPCO is proud to report that all employees who took parental leave were retained after 12 months, highlighting our dedication to promoting a supportive and family-friendly work environment.

Figure: Parental Leave

Year	2022		2023	
	Male	Female	Male	Female
Employees who took parental leave	0	3	2	2
Employees retained	0	3	2	2

Training and Developing our Employees

Recognizing the paramount importance of nurturing employee skills, KIPCO diligently endeavors to provide comprehensive training opportunities.

The training initiatives at KIPCO encompass a variety of courses aimed at enhancing employee skills and knowledge across different domains. Employees participated in a variety of courses, each tailored to specific areas of professional development. The total training hours for these courses combined reached 344, reflecting KIPCO's commitment to continuous improvement in employee development.

Figure: Selected Training and Development Performance

Training Course	Hours per Employee	Number of Employees Trained	Total Training Hours per Course
Audit Conference	80	2	160
HR Conference	24	1	24
Corporate Governance	4	10	40
Online courses	2	60	120
Totals	N/A	N/A	344

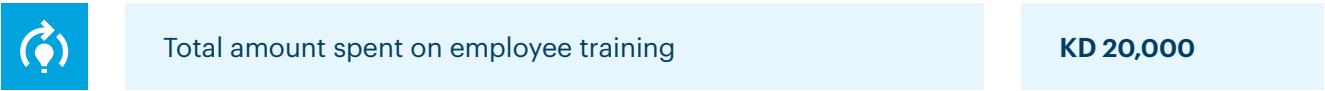
Additionally, KIPCO is proud to report a substantial increase in employee training hours, increasing by about 53.6%. This significant escalation reflects KIPCO's steadfast dedication to investing in the development and enhancement of its workforce. By expanding training opportunities, KIPCO aims to equip its employees with the essential skills and knowledge necessary to excel in their respective roles. This increase highlights KIPCO's ongoing commitment to nurturing a culture of learning and development, ensuring that its employees remain well-equipped to contribute effectively to the company's objectives.

Figure: Total Training Hours for All Employees



Figure: Other Training Related Indicators

2023		
	Average training hours per employee	5.73
	Average training days per employee	0.76
	Percentage of employees who received training	87%





LinkedIn Learning

CASE STUDY

ORGANIZATION:
KIPCO and LinkedIn



We have successfully concluded the LinkedIn Learning Enterprise Program (LEP) Contract. LinkedIn Learning is an online educational platform that offers video courses taught by industry professionals in business skills. This is a monumental step forward in our commitment to fostering a continuous learning culture and professional development for our staff at KIPCO Holding level and the Group level as well. This program gave access to over 17,0000 courses, and HR was equipped and ready to guide any employee along this learning journey.

Developing our Leadership Talent

We prioritize leadership training and talent management to foster growth and success. Regular executive meetings and inclusive events bring employees together, fostering collaboration and a supportive culture. We believe in identifying and nurturing potential leaders, equipping them with the skills needed for higher responsibilities. For instance, we conduct cross-functional projects supported by the Kuwait Foundation for the Advancement of Sciences (KFAS), offering opportunities for participants to present ideas to senior leadership and develop leadership skills across various business aspects. Additionally, targeted programs for senior-level executives enhance strategic thinking, decision-making, and understanding of global business trends. These programs include executive training, workshops, networking events, and mentorship from top-level executives.

Moreover, due to the nature of KIPCO as a Holding, we prioritize coaching and special assignments for talent development, fostering a culture of internal promotion. This approach ensures the continuous growth and development of our employees, aligning with our commitment to nurturing talent from within the organization.

Professional Development Support and Exam Leave Policy

We offer exam leave for employees pursuing certifications relevant to their job requirements, allowing them to focus on their exams without worrying about work commitments. Additionally, we facilitate opportunities for continuous learning and professional development by organizing or sponsoring seminars, masterclasses, and conferences in their respective fields.

Monitoring Performance

Regular performance appraisals at KIPCO involve managers assessing employees and submitting feedback to HR via email for consolidation. We diligently monitor employee performance and career development through regular performance appraisals and feedback mechanisms. Approximately 87% of employees undergo these reviews, ensuring that their progress aligns with organizational goals. The frequency of performance evaluations varies, with formal yearly reviews supplemented by regular verbal feedback sessions throughout the year. Additionally, KIPCO provides targeted feedback on performance evaluations, with 19 executive-level employees and 41 non-executive-level employees receiving comprehensive feedback, ensuring that all employees are adequately supported in their professional development.

Well-Being of Our Employees Employee Satisfaction

We prioritize monitoring employee satisfaction on a regular basis to ensure a positive work environment. We conduct satisfaction surveys on specific services and maintain an open-door policy, encouraging employees to voice their concerns and suggestions direct to management. This approach enables us to listen to our employees firsthand, address their needs promptly, and continuously improve our workplace environment.



Employee complaints received

Zero (0)

Human Rights

We are committed to maintaining a zero-tolerance policy towards harassment and bullying in the workplace. All employees are expected to treat each other with fairness, respect, and dignity, promoting a supportive environment conducive to productivity and well-being. To uphold these standards, both management and employees receive comprehensive training on their rights and responsibilities concerning discrimination, harassment, and bullying. Through initiatives led by our HR Department, all staff members are educated on company policies and procedures, ensuring a clear understanding of acceptable conduct in the workplace, in line with these mandates:

- Any form of harassment or bullying is unacceptable, and KIPCO does not tolerate or condone such behavior.
- Harassment is defined as any unwelcome conduct, whether verbal or physical, that makes an individual feel threatened or compromised. This includes but is not limited to insulting remarks, intimidating behavior, or derogatory jokes.
- Bullying is characterized by offensive or malicious actions intended to undermine or humiliate others.
- Management and all employees should be made aware by HR of their rights and responsibilities in relation to unlawful discrimination, workplace harassment, and bullying.
- After a full investigation, should an employee be found to be harassing or bullying a colleague, disciplinary measures will follow.

In line with these mandates, KIPCO acknowledges the importance of transparency and accountability in addressing any potential violations or controversies. As of the latest assessment, there have been no confirmed incidents of violations involving the rights of indigenous peoples within KIPCO, particularly concerning Kuwaiti nationals. Furthermore, we have not recorded any discrimination or workforce diversity controversies.

Moreover, in the event of any reported incidents, KIPCO conducts thorough investigations to address the matter promptly and effectively. Should an employee be found guilty of harassment or bullying, disciplinary measures are implemented accordingly, reinforcing our commitment to maintaining a safe and respectful work environment for all.

By enforcing these policies and fostering a culture of accountability, KIPCO endeavors to create an inclusive and supportive workplace where every individual feels valued and respected.



Discrimination incidents in 2023

Zero (0)

Grievances

Under our formal grievance reporting and escalation procedures, we prioritize addressing employee concerns and complaints effectively. These procedures are designed to provide employees with a safe and confidential channel to report grievances, ensuring that appropriate actions are taken to resolve them. We uphold confidentiality throughout the reporting process and follow established escalation procedures after conducting a thorough review of each reported case. The process entails the following:

- Employees can submit any complaint related to the work environment, performance review, or interactions with fellow employees directly to HR.
- HR reviews the complaints and refers them to the appropriate party for investigation as necessary.
- No employee will face any negative consequences for raising a grievance or complaint, as per the provisions of our policy.
- If a complaint remains unresolved to the employee's satisfaction, they have the option to escalate it further within HR.
- All grievances are treated with the utmost confidentiality and are only discussed with the parties involved.
- If necessary, unresolved grievances may be brought to an ad-hoc Grievance Committee chaired by the Group Chief HR & Admin Officer, along with representatives from Legal or Internal Audit and the concerned Department Head.

Occupational Health and Safety (OHS)

KIPCO places a paramount emphasis on ensuring the health and safety of its employees through comprehensive occupational health and safety (OHS) policies and practices. Regular updates and communications, such as newsletters, emails, or bulletin boards, are vital for ongoing education and awareness, as they keep employees informed about safety issues, new policies, and industry best practices. KIPCO's priority is to maintain a secure work environment at all times for all our employees.

OHS Management System and Training

We have implemented a comprehensive occupational health and safety management system, underpinned by a clearly defined policy and supported by an insurance plan covering occupational accidents. All employees are thoroughly trained in KIPCO's OHS policies to ensure awareness and compliance.

Incident Reporting and Health Monitoring

We are proud to report that there have been no incidents of injuries or ill health occurring in the workplace. However, we remain vigilant in monitoring and addressing any potential risks to employee health and safety.



Recorded workplace injuries at KIPCO in 2023

Zero (0)

KIPCO has once again achieved a remarkable milestone by maintaining zero incidents of injuries within its workplace, showcasing our safety measures and unwavering commitment to employee well-being.

Occupational Health Services

KIPCO's occupational health and safety (OHS) policies reflect our commitment to providing a safe and healthy working environment for all stakeholders. Our policies encompass various measures, including:

- Managing health and safety risks in the work environment, including regular review of work methods and practices
- Compliance with relevant legislation and requirements relating to health and safety
- Maintenance of clean and hygienic workspaces, adequate lighting, and provision of essential facilities such as potable water and first aid cabinets
- Prohibition of smoking in all work areas to promote a smoke-free environment
- Clear posting of OHS instructions in prominent places within all work locations in both Arabic and English
- Implementation and maintenance of safe systems of work and premises, including emergency response procedures and adequate supply of firefighting equipment
- Encouragement for employees to actively participate in implementing health and safety procedures and to avoid situations that may jeopardize their well-being or that of others
- Strict prohibition of possessing, carrying, or using prohibited weapons on company grounds, facilities, or at events, with violation resulting in immediate termination

These measures collectively reinforce our commitment to safeguarding the health, safety, and well-being of our employees, contractors, clients, and visitors.



04 GOVERNANCE PILLAR



Material Topics Alignment

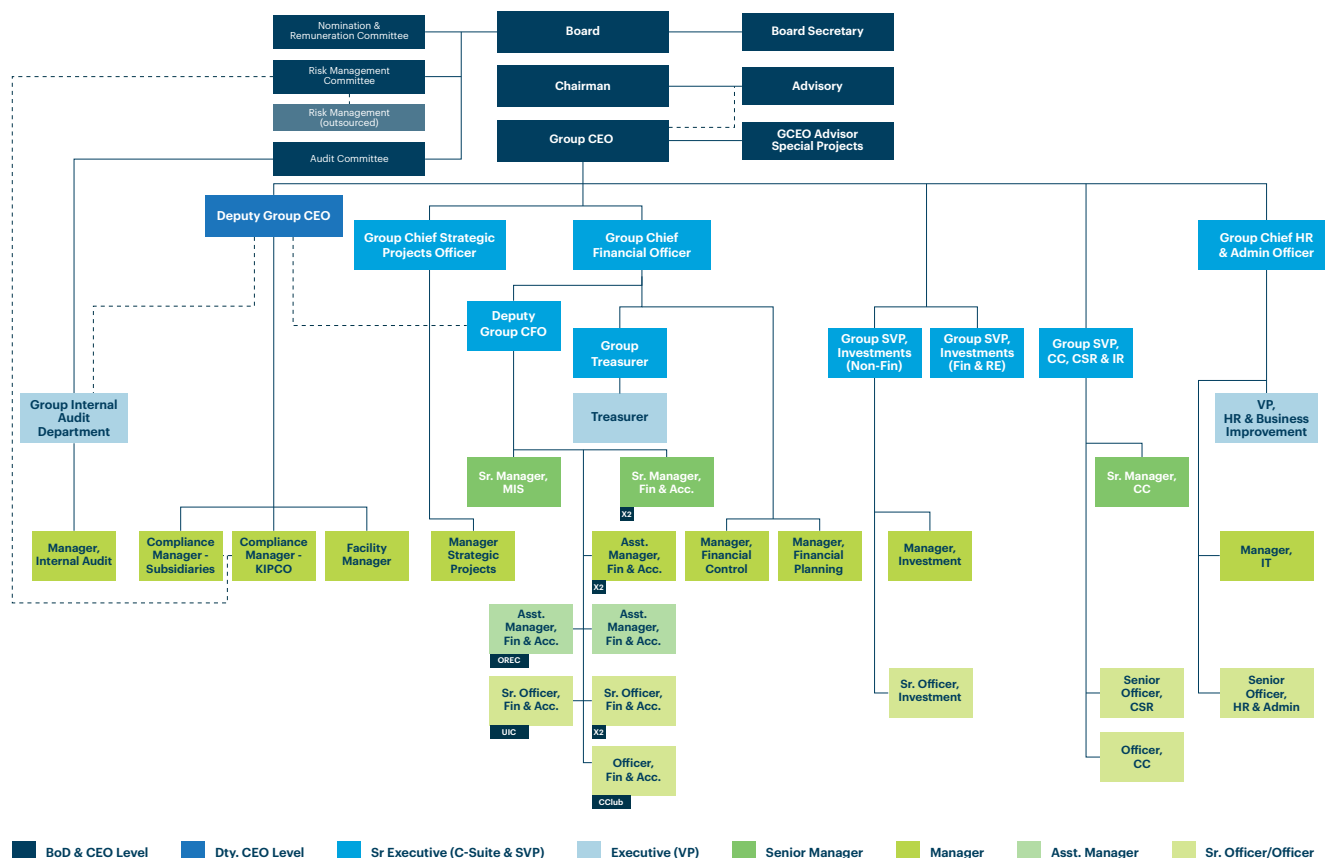
	User Data Privacy and Security	Adaptive Governance	G	 
	Ethical Business Conduct	Adaptive Governance	G	
	Corporate Governance	Adaptive Governance	G	
	Investor Relations	Sustainable Economic Impact	G	 
	ESG Alignment	Attractive Workplace Responsible Community Engagement Positive Environmental Outcome Adaptive Governance Sustainable Economic Impact	ESG	         

4.1 Governing the Holding

As a holding company, governance is at the core of our being, as we utilize our range of governance mechanisms, policies, procedures, oversight, and decision-making to ensure the smooth flow of operations both within KIPCO and across our portfolio companies.

Organization Structure

Our governance is demonstrated in an organization structure that ranges from the Board of Directors (BOD) level, to executives, senior managers, managers, and so on, cascaded across departments. This structure is displayed below.



In line with this structure, the reporting chain in KIPCO is as follows, with the usual reporting frequency given for each level:

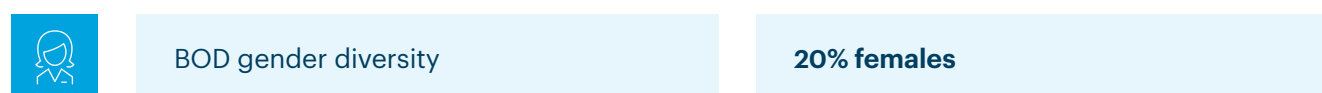
- Senior executives report to the CEO on a regular basis—with the actual frequency determined by the ongoing project(s) or matters at hand.
- The CEO frequently reports to the BOD.
- The BOD committees report to the BOD on a quarterly basis, on average.
- The Executive Management (EM) meets with the CEO every two weeks for general updates.

Board of Directors (BOD)

The highest governance body at KIPCO is the BOD, which is composed of five members, categorized with further details as follows, including executive status, and independence. These members are well-equipped to lead us, with ample industry-relevant expertise. Regarding BOD gender diversity, we have one female out of five BOD members, accounting for 20%.

Figure: BOD Members and Details

Name	BOD Position	Independent / Non-Independent	/ Executive Non-Executive
Sheikh Hamad Sabah Al Ahmad Al Sabah	Chairman	Non-Independent	Non-Executive
Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	Vice Chairman	Non-Independent	Non-Executive
Sheikha Dana Nasser Sabah Al Ahmad Al Sabah	Board Director	Non-Independent	Executive
Abdullah Yacoub Bishara	Board Director	Independent	Non-Executive
Faisal Hamad Al Ayyar	Board Director	Non-Independent	Non-Executive



Committees

The BOD is composed of four committees presiding over different functional areas, and we are proud to announce the new addition of our ESG Committee. Further information is provided below.

Figure: Board Committees

Committee Name	Committee Representative	Independence Status of Representative	The Times Each Committee Met in the Year	Attendance Rate per Committee
Board Audit Committee (BAC)	Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	None	6	100%
Board Nomination and Remuneration Committee (BNRC)	Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	None	2	100%
Board Risk Management Committee (BRMC)	Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	None	8	100%
ESG Committee	Samer Khanachet	N/A	1	100%

BOD Nomination and Selection

KIPCO adheres to a clear process for nomination and selecting potential candidates for BOD membership. The process is as follows:

1. An announcement is placed in newspapers for potential candidates to register their interest in becoming BOD members.
2. Nominations are received by the Board Nominations & Remuneration Committee (BNRC), which prepares a shortlist of candidates who are eligible and meet the criteria.
3. The candidate names are presented at the Annual General Meeting (AGM) for election by the shareholders.
4. Following the election, the BOD members hold a meeting and elect the Chairman and Vice Chairman and appoint or reappoint the CEO.

BOD Evaluation

We follow a process for evaluating BOD members annually. This is conducted in accordance with the requirements of the Internal Control Review (ICR). BOD performance is assessed via a self-assessment, a BOD effectiveness assessment, and an assessment for every committee the Director is in.

Executive Management (EM)

Cascading down from the BOD is the next level of governance, which is our EM team, composed of 13 highly knowledgeable and well-experienced leaders. Further information related to these positions is provided as follows, including certain demographic representations.

Demographically, we note gender diversity in EM that accounts for three female managers out of 13. This figure of three female EMs increased from last year's two female EMs—which also saw an increase in allocation percentage from 17% female EMs in 2022 to 23% female EMs in 2023.

Meanwhile, Kuwaitization in the EM stands at 46%, composed of six Kuwaiti EMs out of 13. Compared to the previous year, this is an increase of both the number of Kuwaiti EMs (from five to six), and an increase in the allocation of EM Kuwaitization (from 42% to 46%). Further details and breakdowns are provided as follows.

Figure: Executive Management (EM)

Name	Position / Title	Industry Expertise	Direct ESG Experience / Credentials	Nationality	Age	Gender	Years Tenure
Sheikha Dana Naser Sabah Al Ahmad Al Sabah	Group CEO	Education, Media, Real Estate, Insurance, Investment	Yes	Kuwait	53	Female	4
Samer Khanachet	Deputy Group CEO	Education, Banking, Real Estate, Investment	Yes	USA	72	Male	34
Sunny Bhatia	Group CFO	Investment, Financing	No	India	59	Male	3
Sheikh Sabah Mohammad Abdulaziz Al Sabah	Group Chief Strategic Projects Officer	Industry, Investment	No	Kuwait	41	Male	2
Joe Kawkabani	Group Chief Investment Officer	Investment, Media	No	Lebanese	44	Male	6
Khaled Abdul Jabbar Al Sharrad	Group Chief HR & Admin Officer, Board Secretary	Investment Holding, Industrial, Logistics	No	Kuwait	59	Male	29
Moustapha Samir Chami	Deputy Group CFO	Investment, Financing, Banking	No	Lebanese	42	Male	15
Eric Schumacher	Group Treasurer	Banking	No	Canada	59	Male	5
Adel Jasem Al Waqayan	Treasurer - SVP	Investment, Financing, Banking, Real Estate	No	Kuwait	62	Male	29
Ghada Khalaf	Group SVP – Investments	Education, Investment, Oil & Gas	No	Kuwait	49	Female	2
Samer Abbouchi	Group SVP – Investments	Financial, Banks	No	Lebanese	41	Male	1
Eman Mohammad Al Awadhi	Group SVP – Corporate Communications & IR	Media & Communication	Yes	Kuwait	45	Female	14
Riyad Mohammed Hanbali	Group VP – Internal Audit	Investment, Financing, Insurance, Real Estate	No	Austria	57	Male	20



EM gender diversity:

Increased to 23% female EMs

EM Kuwaitization rate

Increased to 26% Kuwaiti EMs

Shareholder Matters

As a vital stakeholder group, we cater to our shareholders to make sure that their rights are safeguarded, that voting mechanisms are in place, and that they are kept transparently engaged. As part of the shareholder rights we safeguard, we disclose that:

- KIPCO allows for shareholders voting in the AGM on BOD member appointments and dismissals, in compliance with laws and regulations—though this specific instance has not occurred yet.
- KIPCO allows for one share one vote for all KIPCO meeting resolutions, in compliance with laws and regulations.
- KIPCO is free from any key concerns related to shareholder rights to convene meetings.
- KIPCO allows shareholders to request an AGM if at least 10% of shareholders request, as per the laws and regulations.
- KIPCO allows for provisions to be amended in KIPCO documents (ie. charter or bylaws) based on the following:
An Extraordinary General Meeting (EGM) is required to make the change, with at least 75% quorum. If this quorum is not met, the EGM convenes in two weeks' time, and can make the change with 50+1%.
- KIPCO allows shareholders to have a say on pay. Specifically, BOD remuneration is listed as an item on the AGM agenda, and the AGM can vote to approve, withhold or amend the remuneration amount as per law.

Investor Relations (IR) Activities

Our Investor Relations (IR) Department is key in ensuring that our shareholders' needs and queries are addressed, and proper engagement, transparency, and communication is maintained. Investors inquire about KIPCO's sustainability reporting frequently, and KIPCO takes pride in our investors' consistent satisfaction with our efforts and the newly established strategy for 2024.

It is worth mentioning that all of our investors are deemed to be conscious about ESG trends and matters. Out of these, around 70% of investors require being presented with ESG matters related to KIPCO. Notably, in the recent IR conferences, five out of seven meetings included direct questions about our ESG reporting and ratings.

Regulatory Compliance Activities

KIPCO ensures that we comply with all applicable laws and jurisdictions relevant to the jurisdictions and operations that we are involved in. This effort is spreadhead by our Compliance Department. We are glad to report that no significant instances of non-compliance with laws and regulations occurred in 2023.

	Number of significant instances of non-compliance with laws and regulations	Zero (0)
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Internal Audit Activities

Our Internal Audit (IA) Department is crucial to ensuring that KIPCO personnel adequately adhere to the set policies and procedures. This oversight applies to KIPCO as a Holding and further ensures effective oversight of internal audit functions at portfolio company levels. A few achievements noted by the IA Department further include:

- Incorporating the newly merged entities into the audit plan
- Conducting control audits for several subsidiaries
- Organizing a Group Internal Audit Conference for Internal Audit Heads, Risk Managers and Compliance Managers

Treasury Activities

Our Treasury Department manages KIPCO’s finances appropriately and ensures we remain adequately liquid and sustainable, in both the short and long term. Achievements to mention regarding our Treasury activities include our recent completion of a USD 375 million bond liquidity backstop, as well as a USD 525 million additional liquidity backstop. We have also achieved the execution of new Sukuk for KD 103 million, and monetization Furthermore, we have achieved the execution of new Sukuk for KD 103 million, and monetization of receivables for USD 427.6 million in proceeds.

Financial Audit Activities

KIPCO takes the necessary steps and procedures to conduct audits on our financial statements. Throughout this, we are committed to the regular rotation of auditors / audit partners through a clear audit rotation policy, which is applicable as per Kuwait Capital Markets Authority (CMA) regulations.

Information Technology (IT) Activities

Our IT Department ensures that we are equipped with the appropriate tools, systems, and platforms available to make our business practices flow smoothly. The IT Department’s achievements in 2023 included the following:

- We have implemented a new Enterprise Resource Planning (ERP) System Application and Product (SAP) B1, which is in full production for KIPCO Holding and six other subsidiary companies. With this implementation, we have achieved significant cost reduction for software licenses, and hardware maintenance, as well as for server administration and maintenance. In addition, we have achieved centralized reporting, consolidation and productivity.
- We have implemented a Workflow process for settlements and invoice payments, integrated with SAP B1. This in-house workflow system has been developed using the latest Microsoft Power BI and Power Automation, integrated with Microsoft Office 365 and Active Director. As a result, we have achieved a significant reduction in invoices’ processing time, and we are now able to track supplier balances clearly.
- We have implemented a new Cisco Network Security Firewall to have a second layer of network protection and data security.
- Our datacenter infrastructure has been upgraded to ensure systems’availability, performance, and efficiency-in addition to providing high performance and availability of the applications and services. This project is expected to meet KIPCO’s growing IT resource requirements for the next five years. With this new purchase, all old servers and storage equipment are planned to be replaced, and systems will be updated to the latest VMware version with redundant servers.

As one indicator of our successful IT efforts, we are proud to disclose that KIPCO has neither lost any data as leaks nor had any breaches during the reporting period.

	Number of incidents of data loss, leaks, or breaches	Zero (0)
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Another indicator of our IT efforts is the KD amount of expenditure on technology, which included license fees, maintenance, purchase, implementation, and services.

	Amount of IT expenditure in 2023	KD 129,295
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Data Center Infrastructure

CASE STUDY

ORGANIZATION:
KIPCO



KIPCO is currently undergoing an initiative to revamp our data center infrastructure. To ensure the high performance and availability of our applications and services, we recognize the need to completely revamp our IT infrastructure. This entails replacing all old servers and storage equipment and updating systems to the latest VMware version with redundant servers. This change included maintaining control and accessibility over data security, eliminating the need to share IT resources, avoiding regular expensive rental charges, and fulfilling compliance and audit requirements. Ultimately, this initiative is expected to significantly enhance data security across KIPCO's operations.



Burgan Bank Facilitates SME Payment Experience with Tijarati Pay

CASE STUDY

ORGANIZATION:
Burgan Bank

Burgan Bank recently unveiled Tijarati Pay, a groundbreaking addition to its Tijarati platform, the first of its kind in the region, designed specifically for small and medium-sized enterprises (SMEs) in Kuwait. This innovative solution revolutionizes payment transaction execution and management for merchants, offering seamless operations and real-time monitoring capabilities. Through Tijarati Pay, merchants can effortlessly create and share invoices, accept payments, and track transactions, all from a visually appealing and intuitive dashboard. Additionally, merchants benefit from competitive transaction rates and reward points on every transaction, redeemable for various options including cashback and airline tickets. Mr. Naser Al-Qaisi, General Manager of Retail Banking at Burgan Bank, emphasized the bank's commitment to customer-centric innovation, ensuring that Tijarati Pay aligns with the needs and aspirations of local SMEs while providing valuable insights for informed decision-making.

Procurement Activities

Suppliers are one of KIPCO’s various stakeholder groups, and through information related to them, we measure, assess, and report on our procurement practices. We conduct a thorough mapping of the supply chain to identify only the top tiers of suppliers and subcontractors. These first-rated suppliers are recognized for their reputation and social responsibility practices.

We actively consider ESG factors across our business decisions, including supplier selection. Our supplier evaluation criteria include environmental performance and alignment with our sustainability goals. Notably, we do not currently employ a formal ESG scorecard in our investment processes, but the BOD and EM ensure that these factors are considered. In the future, KIPCO is planning to develop an ESG scorecard and refine certain processes for formal, transparent integration of ESG into our practices.

KIPCO prioritizes supporting the local Kuwaiti economy by strategically directing resources towards local suppliers. We had 15 active local suppliers of products and services, and 7 foreign suppliers—with a total number of 22 suppliers. It is worth noting that these are the same figures from last year as well. Expressed in percentage allocation, this is broken down as follows.



In terms of procurement expenditure, the Holding directed KD 1,309,114 towards local suppliers, significantly exceeding the KD 388,628 spent on foreign suppliers. This is about three times more local procurement expenditure compared to that of foreign. This demonstrates KIPCO’s commitment to driving local economic development and creating a ripple effect of positive impact within the community. Expressed in percentage allocations, this is broken down as follows:



KIPCO’s dedication to local sourcing extends beyond just financial figures. We actively build strong relationships with local vendors, potentially through:

- Establishing clear guidelines and expectations for local suppliers to ensure quality, efficiency, and alignment with KIPCO’s values
- Participating in local business networking events to connect with potential vendors and stay informed about the local business landscape
- Offering training and development programs to local suppliers to enhance their capabilities and competitiveness

CASE STUDY		Ooredoo Partnership
	ORGANIZATION: KIPCO We unveiled our recently renewed partnership with Ooredoo for the procurement of corporate and personal lines, after signing the Telecom Services Master Agreement for KIPCO Group. The objective was to ensure value for our people, while maximizing cost savings for the Group. We have been able to achieve a significant increase in the total voucher value, among other outcomes, resulting in substantial additional benefits to our people.	

4.2 Complying with Ethical Conduct

As a Holding, our governance mechanisms are at our core; we must ensure that our work practices are conducted in full alignment with and adherence to ethical conduct standards. These standards are reflected in our policies and practices for responsible business conduct—regarding which we often seek advice from third parties, such as consultants. Our ethical standards are diligently codified in our Code of Conduct Policy, and all employees are made aware of the policy.

Anti-Corruption

One part of our ethical conduct is making sure that we are free from any potential corruption incidents, and we have put in place proper controls for these matters. The anti-corruption and business ethics related audit work is embedded in various audits that we carry out. KIPCO's services and activities are assessed for risks related to fraudulent activities, including bribes, kickbacks, influence payments etc. KIPCO has policies and controls in place to mitigate such risks.

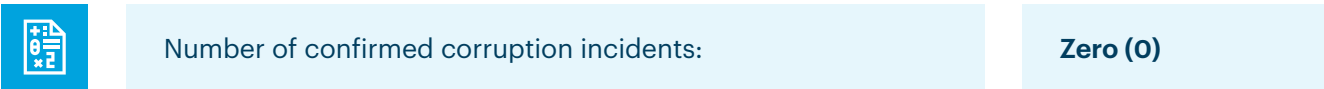


Figure: Anti-Corruption Indicators



Conflict of Interest

In our pursuit of ethical conduct, we have clear measures in place to manage and prevent conflict of interests, including processes for the Board and top management to ensure conflicts of interest are prevented and mitigated. Regarding this, we apply best practices, and observe the laws and regulations of the CMA, Boursa Kuwait, and the Kuwait Commercial Law, among others. Our Compliance Department oversees these matters.

In case of any potential conflict of interest matters, these would be presented on the website in the biographies of the relevant BOD members. Furthermore, controlling shareholders are listed on KIPCO's page on Boursa Kuwait. Relevant transactions are disclosed as per the requirements of CMA. The types of potential conflict of interest related to this may include:

- Cross-board membership (ie. Executive Management members in other companies' BODs)
- Cross-shareholding with suppliers and other stakeholders
- Existence of controlling shareholders
- Related parties, their relationships, transactions, and outstanding balances

Ethical Conduct in Procurement

KIPCO ensures that our suppliers apply these standards—as our procurement aspects are essentially an extension and reflection of our values and ethics. Accordingly, we draft Request for Proposals (RFPs) that include and require suppliers to adhere to our business Code of Conduct, and we make it a contractual obligation. We also only commission contractors that have an untarnished reputation, and that follow good and fair business practices and human rights standards. Third-party service providers are also required to sign a legally binding document related to ethics.

Reporting Concerns and Whistleblowing

In case of any ethical conduct concerns, we report those directly to the BOD and Board committees as necessary. We also hire consultants to aid in identifying and reporting any concerns found.

Good corporate governance practices and our Whistleblowing Policy are in place to protect employees from disclosure of any wrongdoings by the management. We have clear whistleblowing procedures, which are in place to ensure that all personnel are held accountable to follow proper business conduct and ethics-while leaving a mechanism in place for whistleblowers to anonymously report any misconduct if occurred. These mechanisms are laid out clearly in our Whistleblowing Policy, which is made available on our website.

In addition, we disclose that our Whistleblowing Policy includes provisions to protect whistleblowers from retaliation.

4.3 Managing our Risks

A vital part of maintaining our business continuity and guaranteeing smooth operations is our ability to properly manage risk. KIPCO Holding manages risk through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. Each subsidiary of the Group is responsible for managing its own risks and has its own Board committees, including Audit and Executive Committees, in addition to other management committees. Our risk management practices are adequately codified and laid out in our Risk Management Policies & Procedures Manual, as well as our Risk Appetite Statement for specific risk appetite indicators. Overall, risk is tracked carefully.

		Burgan Bank Hosts Risk Culture Week			
CASE STUDY	ORGANIZATION:				
	Burgan Bank				
Burgan Bank recently hosted Risk Culture Week, demonstrating its commitment to banking excellence and human capital development. The event aimed to enhance awareness of global market standards for risk management across all departments and employment grades. Through workshops, seminars, and engaging activities, the bank equipped 343 employees with the latest market knowledge, covering topics such as ESG risks, cyber security, and innovation risks. Mr. Fadel Abdullah, Acting CEO of Burgan Bank, emphasized the importance of risk management in ensuring sound decision-making, particularly during market disruptions, underscoring the bank’s dedication to serving customers’ interests.					

Our Risk Department is key to assessing credit and contributing to decision-making related to portfolio companies. In 2023, the Risk Department actively contributed to KIPCO's success by facilitating several crucial transactions, including the strategic sale of GIG, the targeted acquisition of a stake in Burgan Bank Turkey, and the smooth divestment of United Petroleum Projects Company. The timely completion of these transactions reflects KIPCO's strong governance and efficient execution practices.

Furthermore, any risk-related observations raised by the CMA and auditors have been duly closed. There are currently no open observations related to the Risk Department.

Business Continuity and Going-Concern

KIPCO maintains contingency and business continuity plans to ensure our ability to operate as a going concern and minimize losses in the event of severe business disruption. We are in a relatively stable position when it comes to going-concern matters. Neither KIPCO nor a material subsidiary are currently in receivership, under bankruptcy protection, or facing liquidation. In addition, no concerns have been identified by the BOD or been reported in the press in relation to the going-concern assumption, nor is there other evidence that KIPCO, or a material subsidiary, is facing financing difficulties.

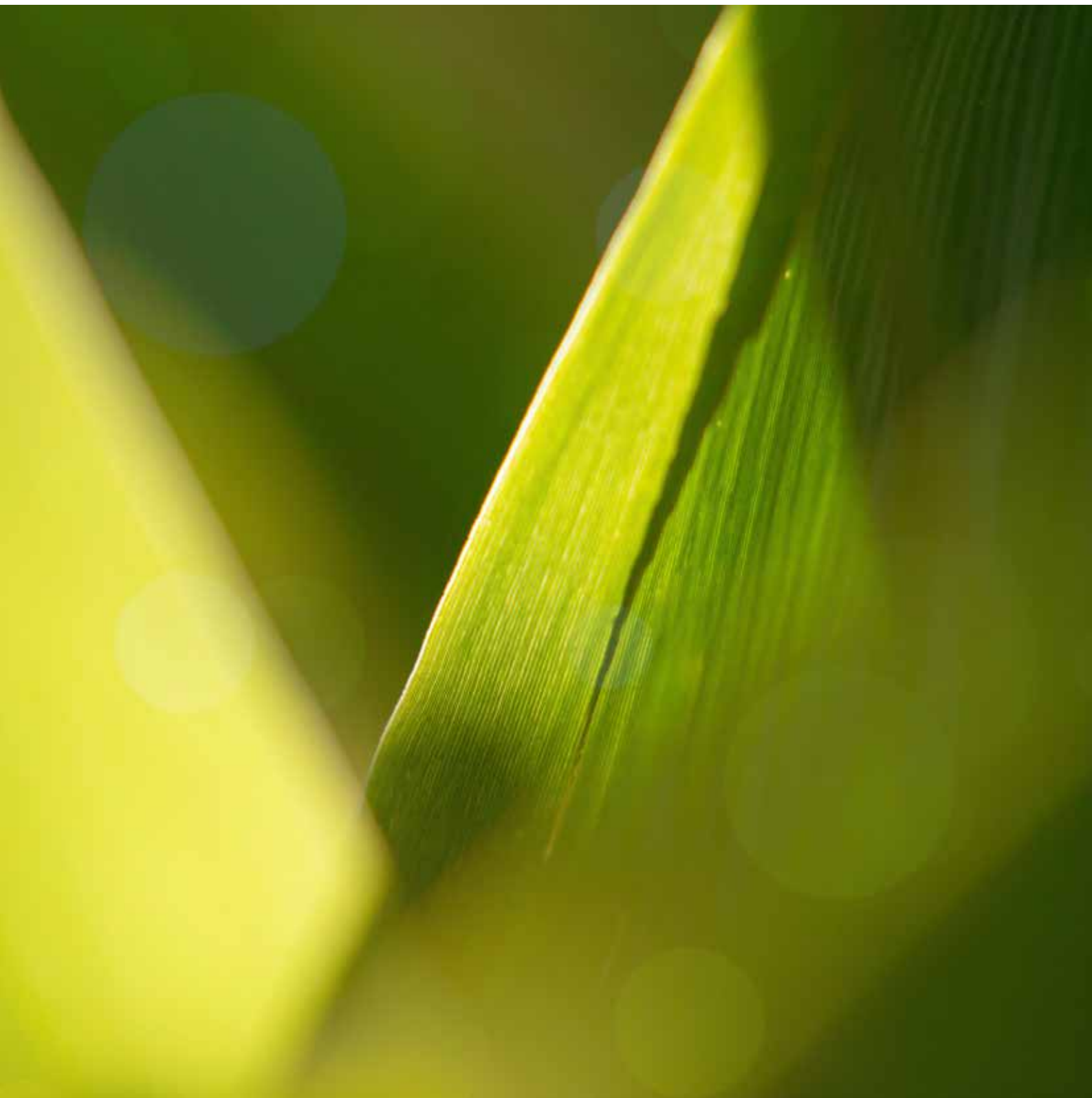
Financial Risks

Financial risk is a material risk for KIPCO, being heavily tied to finance and investment activities—and this is one of the several risks that we manage and mitigate. In 2023, we have been managing the financial reporting cycle in a timely manner and without any regulatory violation. In addition, we have implemented a new ERP system, and have undertaken ongoing process automations. Finally, we are managing the execution of related party deals effectively and successfully, with currently more than six deals.

We exhibit proper debt liability management. In 2023, we believe that we will have realized improvements in our debt liability management with more efficient cost with longer maturities. We have developed a long-term strategy that includes a financial plan, and this plan itself emphasizes proper liability management.

In addition, any mergers or sales are conducted methodically, and require pre-approval by the BOD.

		Group Internal Audit Conference
CASE STUDY	ORGANIZATION:	KIPCO
	KIPCO organized a continuous professional education Group conference attended by Group Internal Audit Heads, Risk Managers, and Compliance Managers. Topics presented by professional firms covered Combating Fraud, Cyber Security, FinTech, RegTech, Opportunities and Risks of Generative AI (Gen AI), ESG, Behavioral Factors in Compliance and Control, and the COSO Internal Control over Sustainability Reporting (ICSR) Framework.	





05 APPENDICES

5.1. UN SDGs Index

Goal #	Sustainable Development Goals (SDGs)	Related Disclosure Section
1	No poverty	1.2. Placing ESG at the forefront 3.1. Engaging our Community 3.2. Investing in our Workforce
3	Good health and Well Being	3.2. Investing in our Workforce
4	Quality education	3.1. Engaging our Community 3.2. Investing in our Workforce
5	Gender equality	3.2. Investing in our Workforce
8	Decent work and growth	3.2. Investing in our Workforce 4.1. Governing the Holding
9	Innovation and infrastructure	4.1. Governing the Holding
11	Sustainable Cities and Communities	2.1. Assessing our Resources 2.2. Reporting our Emissions 3.1. Engaging our Community 4.1. Governing the Holding
12	Responsible Consumption and Production	2.1. Assessing our Resources
13	Climate action	2.1. Assessing our Resources
14	Life below Water	N/A
17	Partnerships	3.1. Engaging our Community 3.2. Investing in our Workforce 4.1. Governing the Holding

5.2. Training Index

Training course
Audit Conference
HR Conference
Corporate Governance
Online courses

5.3. Boursa Kuwait Index

Metric	Calculation	Disclosure / Section Number
Environmental		
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	Section 2.2
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	Section 2.2
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	Section 2.2
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	Section 2.2
	E2.2) Total non-GHG emissions per output scaling factor	Information is unavailable
Energy Usage	E3.1) Total amount of energy directly consumed	Section 2.2
	E3.2) Total amount of energy indirectly consumed	Information is unavailable
Energy Intensity	Total direct energy usage per output scaling factor	Section 2.2
Energy Mix	Percentage: Energy usage by generation type	Not applicable
Water Usage	E6.1) Total amount of water consumed	Section 2.2
	E6.2) Total amount of water reclaimed	Information is unavailable
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 policies? Yes/No	Not officially
	E7.3) Does your company use a recognized energy management system? Yes/No	Not officially
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	Yes through the ESG Committee
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes through the ESG Committee
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	Not available

Social		
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	Section 3.2
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	Section 3.2
	S3.2) Percentage: Year-over-year change for part-time employees	Section 3.2
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	Not disclosed
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Section 3.2
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Section 3.2
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Section 3.2
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	Section 3.2
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	Information is unavailable
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	None
Global Health and Safety	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	Yes
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Not applicable
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Not applicable
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Not disclosed
Nationalization	S11.1) Percentage of national employees	Section 3.2
	S11.2) Direct and indirect local job creation	Section 3.2

Governance		
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	20% Section 4.1
	G1.2) Percentage: Committee chairs occupied by men and women	Section 4.1
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	No
	G2.2) Percentage: Total Board seats occupied by independents	20% Section 4.1
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	Yes
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	Information is unavailable
Supplier code of conduct	G5.1) Are your vendors or suppliers required to follow a code of conduct? Yes/ No	Yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	Information is unavailable
Ethics and Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	Yes
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	N/A
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	No
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	Not officially and directly
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No	No

5.4. GCC Stock Exchange Index

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Environment	E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016	Actual or estimated atmospheric emissions produced as a direct (or indirect) result of the company's consumption of energy. Please refer to the WRI/WBCSD GHG protocol.	Section 2.2
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016	Dividing annual emissions (numerator) by relevant measures of economic output (denominator). Scaling factors set by reporting company. Examples include revenues, sales, production units, employee headcount, and physical floor space.	E2.1) Section 2.2 E2.2) Information is unavailable
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016	Typically measured in megawatt-hours (MWh) or gigajoules (GJ). Direct energy produced and consumed on company-owned or operated property. Indirect energy is produced elsewhere (i.e., utilities).	E3.1) Section 2.2 E3.2) Section 2.2

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Environment	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016	Dividing annual consumption (numerator) by relevant measures of physical scale (denominator). Examples include revenues, sales, production units, employee headcount, and physical floor space.	Section 2.2
	E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	Quantifying the specific energy sources most directly used by the Company. "Generation type" set by reporting company; examples include renewables, hydro, coal, oil, and natural gas.	Not applicable
	E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018	Water consumed, recycled, and reclaimed annually, in cubic meters (m3).	Section 2-2.2
	E7. Environmental Operations	E7.1) Does your company follow a formal environmental policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No E7.3) Does your company use a recognized energy management system?	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject. Examples of management systems: ISO14001: Environmental management system. ISO 50001: Energy management system.	E7.1) No E7.2) Not officially E7.3) No

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Environment	E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Does your company cover sustainability issues in senior management (as part of the official agenda), or does it have a management committee dedicated to sustainability-related issues?	Yes
	E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Does your company cover sustainability issues in Board meetings (as part of the official agenda) or has a Board committee dedicated to sustainability-related issues?	Yes
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development		Companies measure the total AED amount invested in climate-related issues, including R&D spend, if any.	Information is unavailable
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016	As a ratio: the CEO Salary & Bonus (X) to Median (FTE - Full Time Equivalent) Salary, is usually expressed as "X:1" Use total compensation, including all bonus payments and incentives.	S1.1) Section 3.2 S1.2) No

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Social	S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	As a ratio: the median total compensation for men compared to the median total compensation for women. Reported for Full Time Equivalent (FTEs) only; Use total compensation, including all bonus payments and incentives.	Section-3.2
	S3. Employee Turnover	S3.1) Percentage: Year- over-year change for full-time employees S3.2) Percentage: Year- over-year change for part-time employees S3.3) Percentage: Year- over-year change for contractors/ consultants	GRI 401: Employment 2016	Percentage of total annual turnover, broken down by various employment types. Turnover includes all job changes, whether due to dismissal, retirement, job transition, or death.	S3.1) Section 3.2 S3.2) Section 3.2 S3.3) Information is unavailable
	S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive- level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	Percentage of male-to- female metrics, broken down by various organizational levels.	Section 3.2
	S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016	Percentage of Full-Time (or FTE-equivalent) positions held by non-traditional workers in the value chain.	S5.1) Section 3.2 S5.2) Information is unavailable

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Social	S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	Yes
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	Total number of injuries and fatalities, relative to the total workforce.	None
	S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	Yes
	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	S9.1) N/A S9.2) N/A
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016	Publish a commitment, position statement, or a policy document that covers this subject.	S10.1) Yes S10.2) Not disclosed

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Governance	G1. Board Diversity	G1.1) Percentage: Total Board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	Percentage of women at the board. Percentage of committee chairs held by women.	G1.1) Section 4.1 G1.2) Section 4.1
	G2. Board Independence	G2.1) Does your company prohibit CEO from serving as Board chair? Yes/No G2.2) Percentage: Total Board seats occupied by independent Board members		Highlight the separation of the role of Chairman and CEO. Disclose the percentage of independent Board members.	G2.1) No G2.2) Section 4.1
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?		Describe links between executive performance and sustainability performance, if any.	Yes
	G4. Supplier code of conduct	G4.1) Are your vendors or suppliers required to follow a code of conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		Publish a commitment, position statement, or a policy document that covers this subject.	G4.1) Yes G4.2) 100%
	G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/ or Prevention of Corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		Publish a commitment, position statement, or a policy document that covers this subject.	G5.1) Yes G5.2) 100%

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Governance	G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No		Publish a commitment, position statement, or a policy document that covers this subject.	G6.1) Yes G6.2) N/A
	G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No		The company can publish a stand-alone sustainability report or integrate sustainability information in our annual report.	Yes
	G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No		Does your company publish a GRI, CDP, SASB, IIRC, or UNGC based report?	G8.1) Yes G8.2) Yes G8.3) Not officially and directly
	G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	* GRI 103: Management Approach 2016 is to be used in combination with the topic-specific standards	Please specify whether your sustainability data has been verified by a third party. Please highlight the Key Performance Indicators (KPIs) that have been verified, if any.	No

5.5. Global Reporting Initiative (GRI) Index

Statement of use	KIPCO has reported in accordance with GRI Standards for the period starting from January 1 st , 2023, to December 31 st , 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not Applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.	
			Requirement(s) omitted	Reason	Explanation
GRI 2 used	GRI 2: General Disclosures 2021				
	2-1: Organizational details	Located in 1.1			
	2-2: Entities included in the organization's sustainability reporting	a. Kuwait Projects Company (Holding) (K.S.C.P) b. Listed company (Boursa Kuwait) c. Headquartered in Kuwait d. Subsidiaries operate across the MENA region in addition to Turkey and Malta			
	2-3: Reporting period, frequency and contact point	Refer to Sections: About the Report, Reporting Boundary, and Contact			
	2-4: Restatements of information	N/A	Restatements of information	N/A	KIPCO has no restatements of information therefore it is not applicable
	2-5: External assurance	a. N/A - as KIPCO's sustainability report was not assured by an independent third-party			
	ACTIVITIES AND WORKERS				
	2-6: Activities, value chain and other business relationships	a. Located in Section 1.1. bi. Located in Section 1.1. bii. Located in Section 4.1. biii. Located in Section 1.1. c. No other business relationship apart from the above. d. No significant changes in the above material to report here.			
	2-7: Employees	Located in Section 3.2			
	2-8: Workers who are not employees	Located in Section 3.2			

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 2 used Governance	Governance					
	2-9: Governance structure and composition	Located in Section 4.1				
	2-10: Nomination and selection of the highest governance body	Located in Section 4.1				
	2-11: Chair of the highest governance body	a. The chair of the highest governance body is not also the senior executive in KIPCO b. The above answer was no, therefore it is N/A to explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated				
	2-12: Role of the highest governance body in overseeing the management of impacts	a. KIPCO's BOD approves the recommendations of the Board committees b. The BOD at KIPCO oversees the determining, approving, and the implementation of long-term strategy. c. KIPCO's executive management and Board committees report to the BOD (highest governing body) More information related to the above is Located in Section 4.1.				
	2-13: Delegation of responsibility for managing impacts	a. KIPCO's BoD delegates to the CEO, who in turn delegates to her deputies and senior executives b. KIPCO's senior executives report to the CEO, who then reports to the board, alongside the committees, which report to the BOD More information related to the above is Located in Section 4.1				
	2-14: Role of the highest governance body in sustainability reporting	Financial statements are approved by the BoD. and ESG reports are reviewed and approved by the ESG Committee. More information related to the above is Located in Section 1.2 and 4.1.				
	2-15: Conflicts of interest	a. KIPCO applies best practices and observes relevant laws and regulations , including the Kuwait Capital Market Authority (CMA), Boursa Kuwait, and the Commercial Law b. KIPCO discloses such matters on the website, and controlling stakeholders are listed on the KIPCO's page on the Kuwait Boursa. As for transactions, it is disclosed as per the CMA. More information related to the above is Located in Section 4.2.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	
			Requirement(s) omitted	Reason	Explanation		
GRI 2 used Governance	2-16: Communication of critical concerns	a. At KIPCO, reporting begins from the functions to the CEO, and from the CEO to the BOD. b. KIPCO has liability management. Any mergers or sales are pre-approved by the BOD, and related risk is tracked carefully. More information related to the above is Located in Section 4.3.					
	2-17: Collective knowledge of the highest governance body	KIPCO provides awareness sessions, one-on-one meetings with consultants, and access to training when required.					
	2-18: Evaluation of the performance of the highest governance body	a. KIPCO's process for evaluating the performance of the highest governance body is in accordance with the requirements of the ICR. b. KIPCO's evaluations are conducted independently b. KIPCO's evaluation of the highest governing body occurs annually c. KIPCO's action taken is applied based on what is needed as a response to the conducted evaluation. More information related to the above is Located in Section 4.1					
	2-19: Remuneration policies	a. KIPCO's Nominations & Remuneration Committee conducts studies and hires consultants periodically to continuously review, recommend, and improve. More information related to the above is Located in Sections 3.2 and 4.1.		-			
	2-20: Process to determine remuneration	i. KIPCO's remuneration policies competitively align with market compensation practices ii. Information is not available iii. KIPCO seeks to link Pay to Performance Metrics in relation to their remuneration policies for members of the highest governance body and senior executives . Located in Sections 3.2 and 4.1.	ii. Reporting on the results of votes of stakeholders on remuneration policies and proposals	Information is not available	Information on reporting on the results of votes of stakeholders on remuneration policies and proposals is not available		
	2-21: Annual total compensation ratio	Located Section 3.2					
	2-22: Statement on sustainable development strategy	KIPCO's BoD approved of an ESG Strategy More information related to the above is Located in Section 1.2 and the Message from our Group CEO.					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	Requirement(s) omitted	Reason	Explanation	GRI SECTOR STANDARD REF. NO.
GRI 2 used Governance	2-23: Policy commitments	a. Located in Section 4.2.	c. Links to the policy commitments regarding responsible business conduct and human rights	c. Information is not available	c. No information is available on the links to the policy commitments regarding responsible business conduct and human rights	
		b. Located in Section 4.2.				
		c. Information is not available				
		d. N/A				
		e. N/A				
		f. N/A				
			d. KIPCO reporting on the level at which each of the policy commitments was approved within the organization	d. N/A	d. Reporting on the level at which each of the policy commitments was approved within the organization is not applicable to KIPCO	
			e. KIPCO reporting on the extent to which the policy commitments apply to the organization's activities and to its business relationships	e. N/A	e. Reporting on the extent to which the policy commitments apply to the organization's activities and to its business relationships is not applicable to KIPCO	
			f. How the policy commitments are communicated to workers, business partners, and other relevant parties	f. Not applicable	f. How the policy commitments are communicated to workers, business partners, and other relevant parties is not applicable for KIPCO	
	2-24: Embedding policy commitments	Located in Section 4.2				
	2-25: Processes to remediate negative impacts	Located in Sections 3.2 and 4.2				
	2-26: Mechanisms for seeking advice and raising concerns	Located in Section 3.2				
	2-27: Compliance with laws and regulations	a. KIPCO had no instances of non-compliance with laws and regulations				
		b. KIPCO had zero non-compliance instances, and therefore no fines have been filed against KIPCO.				
		More information is located in Section 4.1.				
	2-28: Membership associations The organization would:	Located in Sections 3.1 and 3.2.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION	GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation
GRI 3 used	Governance				
	STAKEHOLDER ENGAGEMENT				
	2-29: Approach to stakeholder engagement identified	KIPCO implements various methods regarding stakeholder engagement. More information can be found in Section 1.3.			
	2-30: Collective bargaining agreements The organization would:		Collective bargaining agreements	N/A	Collective bargaining agreements is not applicable to KIPCO
	GRI 3: Material Topics 2021				
	3-1: Process to determine material topics *	Located in 1-1.4			
	3-2: List of material topics *	Located in 1-1.4			
	3-3: Management of material topics For each material topic reported under Disclosure 3-2	Located in this Appendix, table titled: " Table for Material Topics Alignment (GRI 3-3)"			
GRI 201: ECONOMIC PERFORMANCE 2016					
201-1	Direct economic value generated and distributed	a.i. Refer to latest KIPCO financial statements for revenue figures. a.ii. Expenditures are provided all over the sustainability report. However, further information about KIPCO's expenditures can be found in the latest financial statements.	a.iii. The total Economic value retained b. EVG&D reported separately at country, regional, or market levels, and the criteria used for defining significance.	a.iii. N/A b.Data not available	a.iii. The total Economic value retained is not applicable to KIPCO b. The data was not available.
201-2	Financial implications and other risks and opportunities due to climate change	Located in Section 4.3.			
201-3	Defined benefit plan obligations and other retirement plans	Located in Section 3.2			
201-4	Financial assistance received from government	KIPCO receives 0 financial assistance from the government			
GRI 202: MARKET PRESENCE 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Located in Section 3.2			
202-2	Proportion of senior management hired from the local community	Located in Section 3.2			

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 203: INDIRECT ECONOMIC						
203-1	Infrastructure investments and services supported	Located in Sections 1.1 and 3.1.				
203-2	Significant indirect economic impacts	Located across the report depending on the various stakeholders impacted				
GRI 204: PROCUREMENT PRACTICES 2016						
204 -1	Proportion of spending on local suppliers	Located in Section 4.1.				
GRI 205: ANTI CORRUPTION 2016						
205-1	Operations assessed for risks related to corruption	Located in Sections 4.2 and 4.3.	Services assessed for risks related to corruption	N/A	Services assessed for risks related to corruption is not applicable to KIPCO as it is a holding company with no operations	
205-2	Communication and training about anti-corruption policies and procedures	KIPCO did not conduct any employee training solely regarding AML, anti-bribery, fraud and CFT				
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption				
GRI 206: ANTI COMPETITIVE BEHAVIOR 2016						
206	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None				
GRI 207: TAX 2019						
207-1	Approach to tax		Approach to tax	N/A	The approach to tax is not applicable to KIPCO as operations are predominantly in Kuwait	
207-2	Tax governance, control, and risk management		Tax governance, control, and risk management	N/A	Tax governance, control, and risk management is not applicable to KIPCO as operations are predominantly in Kuwait	
207-3	Stakeholder engagement and management of concerns related to tax		Stakeholder engagement and management of concerns related to tax	N/A	Stakeholder engagement and management of concerns related to tax is not applicable to KIPCO as operations are predominantly in Kuwait	
207-4	Country-by-country reporting		Country-by-country reporting	N/A	Country-by-country reporting is not applicable to KIPCO as operations are predominantly in Kuwait	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 301: ENVIRONMENTAL MATERIALS 2016						
301-1	Materials used by weight or volume	Paper, glass, and plastic. More information about consumption and breakdowns can be found in Sections 2.1 and 2.2.				
301-2	Recycled input materials used	Located in Section 2.1.				
301-3	Reclaimed products and their packaging materials		Reclaimed products and their packaging materials	N/A	Reclaimed products and their packaging materials is not applicable to KIPCO	
GRI 302: ENERGY 2016						
302-1	Energy consumption within the organization	Located in Section 2.1.				
302-2	Energy consumption outside of the organization	Located in Section 2.2.				
302-3	Energy intensity	Located in Section 2.2.				
302-4	Reduction of energy consumption	KIPCO is aiming at minimizing electricity consumption. However, it remained constant compared to the previous year.				
302-5	Reductions in energy requirements products and services		Reductions in energy requirements products and services	N/A	Reductions in energy requirements products and services are not applicable to KIPCO	
GRI 303: WATER AND EFFLUENTS 2018						
303-1	Interactions with water as a shared resource		Interactions with water as a shared resource	N/A	Interactions with water as a shared resource is not applicable to KIPCO	
303-2	Management of water discharge-related impacts		Management of water discharge-related impacts	N/A	Management of water discharge-related impacts is not applicable to KIPCO	
303-3	Water withdrawal		Water withdrawal	N/A	Water withdrawal is not applicable to KIPCO	
303-4	Water discharge		Water discharge	N/A	Water discharge is not applicable to KIPCO	
303-5	Water consumption	Located in Section 2.1				
GRI 304: BIODIVERSITY 2016						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas are not applicable to KIPCO	

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	Requirement(s) omitted	Reason	Explanation	GRI SECTOR STANDARD REF. NO.
304-2	Significant impacts of activities, products, and services on biodiversity		Significant impacts of activities, products, and services on biodiversity	N/A	Significant impacts of activities, products, and services on biodiversity are not applicable to KIPCO	
304-3	Habitats protected or restored		Habitats protected or restored	N/A	Habitats protected or restored	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	IUCN Red List species and national conservation list species with habitats in areas affected by operations is not applicable to KIPCO	
GRI 305: EMISSIONS 2016						
305-1	Direct (Scope 1) GHG emissions	Located in Section 2.2.				
305-2	Energy indirect (Scope 2) GHG emissions	Located in Section 2.2.				
305-3	Other indirect (Scope 3) GHG emissions	Located in Section 2.2.				
305-4	GHG emissions intensity	Located in Section 2.1.				
305-5	Reduction of GHG emissions	Located in Section 2.2.				
305-6	Emissions of ozone-depleting substances (ODS)		Emissions of ozone-depleting substances (ODS)	N/A	Emissions of ozone-depleting substances (ODS) is not applicable to KIPCO	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	N/A	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions is not applicable to KIPCO	
GRI 306: WASTE 2020						
306-1	Waste generation and significant waste-related impacts	Located in Section 2.1.				
306-2	Management of significant waste-related impacts	Located in Section 2.1.				
306-3	Waste generated	KIPCO has an insignificant amount.				
306-4	Waste diverted from disposal	KIPCO has an insignificant amount.				
306-5	Waste directed to disposal	KIPCO has an insignificant amount.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016						
308-1	New suppliers that were screened using environmental criteria	KIPCO includes environmental performance and alignment with the organization's sustainability goals. More information is located in Section 4.1.				
308-2	Negative environmental impacts in the supply chain and actions taken	KIPCO is incrementally moving towards a paperless office by implementing several systems to achieve this. More information is located in Section 4.1.				
GRI 401: EMPLOYMENT 2016						
401-1	New employee hires and employee turnover	Located in Section 3.2				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Located in Section 3.2				
401-3	Parental leave	Located in Section 3.2				
GRI 402: LABOR/MANAGEMENT RELATIONS, 2016						
402-1	Minimum notice period regarding operational changes	The minimum notice period for operational changes is three months, as mandated by Kuwaiti Labor Law				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018						
403-1	Occupational health and safety management system	Located in Section 3.2				
403-2	Hazard identification, risk assessment, and incident investigation		Approach towards Hazard identification, risk assessment, and incident investigation	N/A	An approach towards Hazard identification, risk assessment, and incident investigation is not directly applicable to KIPCO since it is a Holding Company	
403-3	Occupational health services	Located in Section 3.2				
403-4	Worker participation, consultation, and communication on occupational health and safety	Located in Section 3.2				
403-5	Worker training on occupational health and safety	Located in Section 3.2				
403-6	Promotion of worker health	Located in Section 3.2				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Located in Section 3.2				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
403-8	Workers covered by an occupational health and safety management system	Located in Section 3.2				
403-9	Work-related injuries	Located in Section 3.2				
403-10	Work-related ill health	Located in Section 3.2				
GRI 404: TRAINING AND EDUCATION 2016						
404-1	Average hours of training per year per employee	Located in Section 3.2				
404-2	Programs for upgrading employee skills and transition assistance programs	Located in Section 3.2				
404-3	Percentage of employees receiving regular performance and career development reviews	Located in Section 3.2				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016						
405-1	Diversity of governance bodies and employee	Located in Section 3.2				
405-2	Ratio of basic salary and remuneration of women to men	Located in Section 3.2				
GRI 406: NON-DISCRIMINATION 2016						
406-1	Incidents of discrimination and corrective actions taken	Located in Section 3.2				
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016						
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information is not available	Information on the operations and suppliers in which the right to freedom of association and collective bargaining may be at risk is unavailable	
GRI 408: CHILD LABOR 2016						
408-1	Operations and suppliers at significant risk for incidents of child labor	KIPCO does not have operations or suppliers that are at significant risk for incidents of child labor				
GRI 409: FORCED OR COMPULSORY LABOR 2016						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A	Operations and suppliers at significant risk for incidents of forced or compulsory labor is not applicable to KIPCO since it is a holding company	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 410: SECURITY PRACTICES 2016						
410-1	Security personnel trained in human rights policies or procedures					
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016						
411-1	Incidents of violations involving rights of indigenous peoples	Located in Section 3.1				
GRI 413: LOCAL COMMUNITIES 2016						
413-1	Operations with local community engagement, impact assessments, and development programs	Located in Section 3.1				
413-2	Operations with significant actual and potential negative impacts on local communities	Located in Section 3.1				
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016						
414-1	New suppliers that were screened using social criteria	Located in Section 4.1				
414-2	Negative social impacts in the supply chain and actions taken	None				
GRI 415: PUBLIC POLICY 2016						
415-1	Political contributions	None (N/A)				
GRI 416: CUSTOMER HEALTH AND SAFETY 2016						
416-1	Assessment of the health and safety impacts of product and service categories		Assessment of the health and safety impacts of product and service categories	N/A	Assessment of the health and safety impacts of product and service categories taken is not applicable to KIPCO since we are a holding company	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	Incidents of non-compliance concerning the health and safety impacts of products and services taken is not applicable to KIPCO since we are an investment holding company	

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			Requirement(s) omitted	Reason	Explanation	
GRI 417: MARKETING AND LABELING 2016						
417-1	Requirements for product and service information and labeling		Requirements for product and service information and labeling	N/A	Requirements for product and service information and labeling is not applicable to KIPCO since we are a holding company	
417-2	Incidents of non-compliance concerning product and service information and labeling	KIPCO has no incidents concerning product and service				
417-3	Incidents of non-compliance concerning marketing communications	KIPCO has no incidents concerning marketing communications				
GRI 418: CUSTOMER PRIVACY 2016						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Located in Section 4.1				

Table for Material Topics Alignment (GRI 3-3)

Material Topics List for Reference	Actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on our human rights	Involvement with the negative impacts through our activities or as a result of our business relationships	Policies or commitments regarding the material topic	Actions taken to prevent or mitigate potential negative impacts	Actions taken to address actual negative impacts, including actions to provide for or cooperate in their remediation	Actions taken to manage actual and potential positive impacts	Processes used to track the effectiveness of the aforementioned actions	Goals, targets, and indicators used to evaluate progress of the aforementioned actions	The effectiveness of the actions, including progress toward the goals and targets	Lessons learned and how these have been incorporated into your organizational policies and procedures
Carbon Emissions	Located in Section 2.2	Located in Section 2.2	No official related policies	Located in Section 2.2	Located in Section 2.2	Located in Section 2.2	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	We learned that a balance between negative and positive impacts will depend on the KIPCO's commitment to sustainability, innovation, and social responsibility practices.
Resource Management	Located in Section 2.1	Located in Section 2.1	No official related policies	Located in Section 2.1	Located in Section 2.1.	Located in Section 2.1.	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	We learnt that by focusing on these areas, we can not only contribute positively to the economy, environment, and social fabric but also enhance our reputation, attract and retain talent, and build a positive image in our community. These practices often go hand-in-hand with long- term business sustainability and success.

Ethical Business Conduct	Located in Section 4.2.	None	Related policies include well-defined Code of Ethics and Professional Conduct, anti-corruption policies, whistleblowing mechanisms, and commitment to transparency guide ethical conduct.	Located in Section 4.2.	Located in Section 4.2.	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	There have been no specific instances of any breaches during the year
Corporate Governance	Located in Section 4.1	None	All of KIPCO's policies are technically related to corporate governance.	Located in Section 4.1	Located in Section 4.1	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	There have been no specific instances of any breaches during the year
Community Engagement	Located in Section 3.1	None	Communications and CSR related policies	Located in Section 3.1	Located in Section 3.1	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	We reflect on each activity/event and meet with stakeholders to integrate lessons learnt into future events.
Workplace Diversity and Inclusion	Located in Section 3.2.	None	Related HR policies	Located in Section 3.2.	Located in Section 3.2.	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	We conduct exit interviews in case of turnover.

Human Capital Management	Located in Section 3.2.	None	HR policies	Located in Section 3.2.	Located in Section 3.2.	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	We conduct exit interviews in case of turnover.
Investor Relations	Located in Section 4.1.	None	IR related policies	We constantly listen to any concerns of our shareholders, as well as their needs in terms of how to make sure that we provide them with information in a transparent manner.	We often put out disclosures related to business aspects that may not always be positive, but are accurate and transparent.	We often put out disclosures related to business aspects that may not always be positive, but are accurate and transparent.	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	Since the formation of the IR Department, we make sure we follow up with the CFO and colleagues in the Finance Department to ensure that investors' questions are answered in a timely manner. This is appreciated by the investors.
User Data Privacy and Security	Located in Section 4.1.	None	IT and data privacy related policies	Located in Section 4.1.	Located in Section 4.1.	ESG Strategy KPIs and annual sustainability reporting	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	We keep updating our network and security system. We also keep updating ourselves with new technology, and keep understanding how to new threats are emerging.
ESG Alignment	Located in Section 1.2.	None	ESG Strategy, ESG Committee, and the formation of a Group-wide working group.	The approval of the ESG Strategy and the formation of the ESG Working Group and ESG Committee.	Located in Section 1.2.	The working group will be tracking progress against set KPIs once it is formed.	ESG Strategy Targets and annual sustainability reporting	This is deemed to be effective – though exact assessment depends on ESG Strategy evaluation.	Not available.

Table for Alignment of material topics to the relevant GRI standards

1	Carbon Emissions	GRI 3-2: List of material topics GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions GRI 305-3: Other indirect (Scope 3) GHG emissions GRI 305-4: GHG emissions intensity GRI 305-5: Reduction of GHG emissions GRI 305-6: Emissions of ozone-depleting substances (ODS) GRI 305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
2	Resource Management	GRI 3-2: List of material topics GRI 301: Material GRI 302: Energy GRI 303: Water GRI 306: Effluents and Waste
3	Workplace Diversity and Inclusion	GRI 3-2: List of material topics GRI 2-7: Employees The organization shall: - report the total number of employees, and a breakdown of this total by gender and by region; - report the total number of: - permanent employees, and a breakdown by gender and by region; - temporary employees, and a breakdown by gender and by region; - non-guaranteed hours employees, and a breakdown by gender and by region; - full-time employees, and a breakdown by gender and by region; - part-time employees, and a breakdown by gender and by region; - describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: - in head count, full-time equivalent (FTE), or using another methodology; - at the end of the reporting period, as an average across the reporting period, or using another methodology; - report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; - describe significant fluctuations in the number of employees during the reporting period and between reporting periods. GRI 405: Diversity and Equal Opportunity
4	Human Capital Management	GRI 3-2: List of material topics GRI 404: Training and Education GRI 401: Employment GRI 103: Management Approach GRI 2-7: Employees GRI 2-8: Workers who are not employees GRI 202-2: Proportion of senior management hired from the local community GRI 401-1: New employee hires and employee turnover GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3: Parental leave GRI 404: Training and Education GRI 404-1: Average hours of training per year per employee GRI 404-2: Programs for upgrading employee skills and transition assistance programs GRI 404-3: Percentage of employees receiving regular performance and career development reviews GRI 405-1: Diversity of governance bodies and employee GRI 405-2: Ratio of basic salary and remuneration of women to men GRI 406-1: Incidents of discrimination and corrective actions taken
5	Community Engagement	GRI 3-2: List of material topics GRI 413: Local Communities GRI 414-1: New suppliers that were screened using social criteria
6	User Data Security and Privacy	GRI 3-2: List of material topics GRI 418: Customer Privacy

7	Ethical Business Conduct	3-2: List of material topics GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior GRI 2-12: Role of the highest governance body in overseeing the management of impacts GRI 2-13: Delegation of responsibility for managing impacts GRI 2-14: Role of the highest governance body in sustainability reporting GRI 2-15: Conflicts of interest GRI 2-16: Communication of critical concerns GRI 2-19: Remuneration policies GRI 2-20: Process to determine remuneration GRI 2-21: Annual total compensation ratio GRI 2-22: Statement on sustainable development strategy GRI 2-23: Policy commitments GRI 2-24: Embedding policy commitments GRI 2-25: Processes to remediate negative impacts GRI 2-26: Mechanisms for seeking advice and raising concerns GRI 2-27: Compliance with laws and regulations GRI 2-28: Membership associations GRI 2-29: Approach to stakeholder engagement
8	Corporate Governance	3-2: List of material topics GRI 2-9: Governance structure and composition: The organization shall: a. describe its governance structure, including committees of the highest governance body; b. list the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people; c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation." GRI 103: Management Approach GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior
9	Investor Relations	3-2: List of material topics GRI 103: Management Approach GRI 201: Economic Performance
10	ESG Alignment	3-2: List of material topics GRI 103: Management Approach

5.5. ESG Disclosures

ESG Pillar	Disclosure
Environmental	KIPCO considers future assessments and reductions in the future, especially via our ESG Strategy: - o Air emissions - o Water effluents - o Nonhazardous waste - o Hazardous waste
Environmental	KIPCO does not have regular environmental impact audits, that: a) Cover the full geographic scope of operations B) Occur on an annual basis
Environmental	KIPCO has 0 past economic losses due to climate-related hazards. Therefore, figures that include extreme values, percentage of population exposed to climate-related hazards, and value of assets exposed to climate-related hazard are not applicable.
Social	There were no major employee layoffs (ie. affecting 10% of staff, or over 1,000 employees) in 2023.
Social	KIPCO does offer variable and incentive pay, and it has adopted a clawback policy, applicable to its long-term incentive plan
Social	KIPCO had no instances of discrimination and workforce diversity controversies
Social	KIPCO's BOD composition did not fail in including female directors
Social	KIPCO does not have an internal code on responsible marketing or consumer protection; however, KIPCO constantly seeks to be transparent with all its communications
Social	KIPCO does not need to train its employees on responsible marketing and advertising practices, because KIPCO is not a service provider
Governance Social	KIPCO has not failed to implement confidential voting, barring reasonable exceptions
Governance Social	KIPCO's BOD does not have the unilateral right to amend the company's bylaws / Articles of Association without shareholder approval
Governance Social	Shareholders do not lack the right to requisite an extraordinary general meeting (EGM) in KIPCO, but it is tied by a required threshold of 10% by the law to request an EGM
Governance Social	KIPCO's shareholders are not limited in their ability to make changes at the company due to the nature of provisions in the governing documents, shareholders can make changes as dictated by the law
Governance Social	Voting rights at KIPCO are indifferent for foreign or non-resident shareholders
Governance Social	KIPCO's ownership structure or governance arrangements does not indicate special concerns for minority public shareholders
Governance Social	There have been no instances of public criticism from stakeholders regarding golden hellos as KIPCO do not provide golden hellos to its executive recruits
Governance Social	KIPCO's pay policies or practices did not attract any adverse public comments from stakeholders (including shareholders, government, regulators, etc.)
Governance Social	For KIPCO's most recently reported period, we did not receive a negative vote in excess of 10% on our pay policies and practices

Governance	The percentage of long-tenured, aging directors does not suggest a problem with BOD entrenchment at KIPCO
Governance	We disclose that the chairman is one of the shareholders
Governance	In case of a non-independent chair, KIPCO has not failed to designate an individually named non-executive lead director or independent deputy chairman who is classified as both independent of management and independent of other interests (links to employees, government, or major owners) because the chairman is one of the owners
Governance	One out of 5 directors are independent of management
Governance	One director is independent of other interests
Governance	The BOD is comprised of 20% executive directors
Governance	KIPCO does not have a management board
Governance	There has been a disclosed related-party transaction (RPT) in reference to the inter-company transactions, but not in relation to BOD members transactions in the 2 most recently reported financial years
Governance	None of the BOD members are Flagged Directors
Governance	Three of KIPCO's non-executive BOD members serve on the boards of three or more additional issuers
Governance	KIPCO has 1 executive board member that serves on the boards of other companies
Governance	The BOD at KIPCO does not include a high number of directors that suggests obstacles to effective oversight and decision-making
Governance	None of KIPCO's members of the BOD failed to attend at least 75% of all board and committee meetings held during the last reported period
Governance	Only 20% of KIPCO's BOD is composed of a currently active corporate CEO from other companies
Governance	KIPCO's BOD does lack at least one non-executive member of the board who has general expertise in risk management
Governance	KIPCO has not failed to establish an audit committee (or audit board) comprising only directors who are independent of management
Governance	None of KIPCO's executives serve on the audit committee.
Governance	KIPCO's audit committee does not lack a non-executive member with general expertise in accounting or financial management
Governance	KIPCO's audit committee does not lack a non-executive member who has substantial industry knowledge
Governance	KIPCO's only independent member of the audit committee solely serves on KIPCO's BOD and no other board of any additional companies
Governance	Two of KIPCO's non-independent members of the audit committee serve on the BODs of two or more additional companies
Governance	KIPCO has an established pay committee called the Nomination and Remuneration Committee, and there are 3 directors serving on the committee who are not independent of management (all of whom are BOD members)
Governance	None of KIPCO's executives serve on the pay committee
Governance	KIPCO does not lack a standing pay committee, and no current company executives are serving on its BOD

Governance	KIPCO's composition of the pay committee does not raise concerns about the presence of active CEOs on the committee or in relation to the past record of the pay committee chair
Governance	KIPCO does not lack a standing nomination committee, as it has the Nominations and Remunerations Committee
Governance	The nomination committee chair is independent of management or other interests, as it is chaired by a non-executive board member
Governance	KIPCO's Nomination committee members who are independent of management and other interests do not total to a majority of the overall members
Governance 5. Appendices 5.1. UN SDGs Index 5.2. Training Index 5.3. Boursa Kuwait Index 5.4. GCC Stock Exchange Index 5.6. ESG Disclosures	No current or recent member of the BOD or a senior executive of KIPCO (and while serving at KIPCO) allegedly failed to act with honesty and integrity, engaged in actions contrary to the interests of KIPCO and its shareholders, breached trust or confidence, engaged in criminal actions or engaged in actions that caused damage to KIPCO's reputation
Governance	KIPCO did not face situations that may distract the BOD from focusing on business operations and strategic matters
Governance	No major questions have been raised as to the quality of past BOD decisions in KIPCO
Governance	There is no evidence of governance failures at KIPCO
Governance	The potential dilution in KIPCO's traded shares is not 10% or greater
Governance	KIPCO is not currently experiencing a reporting delay or is it late in the filing of its quarterly, half-year (or interim) or annual reports, or its annual proxy/notice of annual meeting of shareholders
Governance	KIPCO is not widely held but there are principal shareholders or other large-bloc holders, as it is known to be largely owned by members of the ruling family of Kuwait
Governance	At least 5% of KIPCO's revenue does come from Variable Interest Entities (VIEs), where it has a 6% stake at said company and no/minimal voting stake
Governance	KIPCO has not issued more than one class of equity shares
Governance	KIPCO's capital structure does not include a single share class where the voting rights vary based on the duration of ownership (or extra voting rights are granted via "loyalty shares")
Governance	Voting rights within KIPCO are not capped at a certain percentage, no matter how many shares the investor owns
Governance	KIPCO's capital and ownership structures do not include a "golden share" provision, and there is not an equivalent provision in national or state laws, nor the government has the right to nominate government representatives to the BOD
Governance	KIPCO has not adopted a takeover defense such as a poison pill, shareholder rights plan, or equivalent provision
Governance	KIPCO does allow qualified shareholders to nominate directors for election at the annual general meeting, such nominees to be included in the meeting agenda circulated by the company to its shareholders
Governance	KIPCO's shareholder-elected directors do stand for re-election at intervals greater than one year, that being a three-year tenure with no cap on the number of terms elected

Governance	KIPCO does not have a classified or staggered board in combination with other limitations on shareholder rights that further limit shareholders ability to affect the make-up of the BOD
Governance	KIPCO has not failed to use or adopt binding majority voting in the election of directors (even with immediate resignation, as well as the director not receiving a majority of the votes cast)
Governance	Shareholders of KIPCO do not lack the right to remove individual directors without cause, as by law, 25% of the shareholders can request to hold an AGM to vote for the removal of a board member without cause. The member is removed by a majority vote of 50+1%
Governance	In the most recent reported election, there are no directors on the BOD who received a negative or withheld shareholder vote exceeding 10%
Governance	KIPCO did not adopt specific stock ownership guidelines for non-executive directors
Governance	There has not been any evidence of material weakness in KIPCO's internal control systems
Governance	KIPCO does not have constituency provision nor is it subject to constituency protection under applicable law
Governance	KIPCO does not have a business combination provision in place nor is it subject to business combination protection under applicable law
Governance	KIPCO does not have a fair price provision (with a mandatory bid requirement which does not exceed 33.3%) in place, nor is it subject to fair price protection under applicable law
Governance	KIPCO is not a participant or a signatory to any of the below: - o UN Principles for Responsible Investment (UNPRI) - o Investor Network on Climate Risk (INCR) - o International Investors Group on Climate Change (IIGCC) - o Investor Group on Climate Change (IGCC) - o Social Investment Forum (SIF)/EuroSIF - o Other responsible investing initiative
Governance	KIPCO does not have audit/control procedures on responsible marketing
Governance	KIPCO's property and casualty reinsurance lines percentage of total premiums is 0
Governance	KIPCO's warranty payments in terms of payments / sales.
Governance	KIPCO has not announced an internal investigation into accounting and did not come under investigation from a regulatory body, or been subject to fine, settlement or conviction for issues related to accounting practices
Governance	KIPCO's auditor did not come under investigation for issues related to its work on the audit for KIPCO
Governance	KIPCO's independent auditor did not express any of the following matters: a) A qualified, adverse or disclaimer of opinion b) Concerns via an emphasis of matter paragraph
Governance	KIPCO has not announced or reported nor had special charges or write-offs that might raise questions as to the stewardship of the company by the board
Governance	KIPCO does possess evidence to identify that the external audit firm has served in excess of 20 years, which is shown through historical Financial Statements
Governance	The governance body responsible for oversight of business ethics and corruption issues is the Board Audit Committee (BAC)
Governance	KIPCO is free from any controversies related to controversial investments

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Governance	There are no breaches of continuing obligations that apply to the listing of KIPCO's securities, which could threaten the continued listing or trading of those securities
Governance	Neither KIPCO nor any material subsidiary has recently breached the terms of debt covenants, had a test of debt covenant terms deferred or waived, or been reported to be in danger of breaching debt covenants
Governance	No concerns have been raised regarding the treatment of security holders in relation to the raising and/or return of capital
Governance	KIPCO does not conduct a certification program for suppliers. a) Tier 1 (direct) b) Tier 2 (indirect) c) Tier 3 (raw material).
Governance	KIPCO is not a member of any industry-wide partnership on supply-chain risk mitigation
Governance	KIPCO did not conduct quality assurance training for suppliers
Governance	KIPCO did not conduct supplier training on quality assurance in the indicated below: a) Scope b) Frequency
Governance	KIPCO has no exposure to business activities or geographies facing a higher incidence of corruption and involvement in ongoing corruption-related controversies
Governance	KIPCO is not involved in anticompetitive and business ethics controversies
Governance	KIPCO has not received any regulatory warnings
Governance	KIPCO's CEO's annual incentives did not fail to rise as the variable component of her pay is linked to annual performance (company and individual)
Governance	The specific pay totals for KIPCO's top executives and the CEO are competitively aligned with market compensation practices
Governance	The most recently reported total realized CEO pay figure does not fall into an extreme range relative to KIPCO's pay peer group. It is competitively aligned with market compensation practices
Governance	The most recently reported total awarded CEO pay figure does not fall into an extreme range relative to KIPCO's pay peer group. It is competitively aligned with market compensation practices
Governance	The most recently reported total fixed CEO pay figure does not fall into an extreme range relative to KIPCO's pay peer group. It is competitively aligned with market compensation practices
Governance	The most recently reported CEO perquisites (perks) and other pay figures did not exceed the stated thresholds. It is competitively aligned with market compensation practices
Governance	The pension contribution rate made by the company on behalf of the CEO excessive relative to KIPCO's pay peer group is prepared according to Kuwaiti Labor Law
Governance	The most recently reported CEO accumulated pension figure is not excessive relative to KIPCO's pay peer group. It is competitively aligned with market compensation practices
Governance	The CEO's total awarded pay for the last reported period did not exceed the median pay for the other named executive officers by more than 3x
Governance	The CEO's potential cash severance pay does not exceed five times their annual pay
Governance	KIPCO's CEO does not hold shares with a value below 5x as the CEO does not hold any shares

Governance	KIPCO does not have a combined CEO/chair
Governance	There are no concerns at KIPCO regarding a leader with excessive influence, including where there is an executive chair serving alongside a CEO, where the chair is a former CEO or CFO, where a founder or co-founder remains on the board but not as chair or CEO, or where there are unregistered directors providing leadership direction
Governance	The CEO has an insignificant number of shares that she holds directly; therefore the amount of change year over year is insignificant
Governance	KIPCO has not failed to adopt either effective stock ownership guidelines or an equity retention policy for the CEO
Governance	Unvested equity awards are not eligible for vesting when the CEO's employment is terminated

