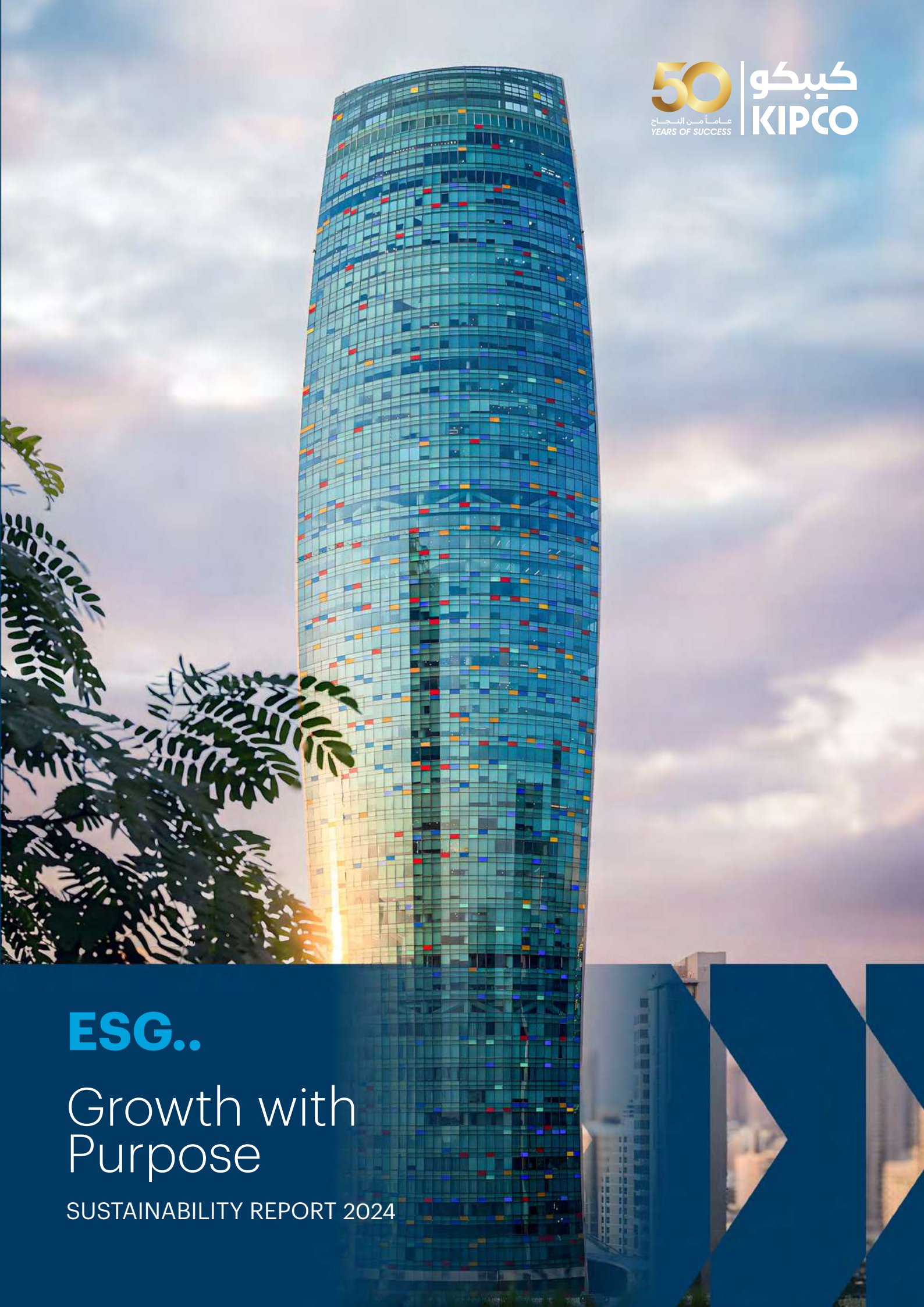

50 عاماً من النجاح YEARS OF SUCCESS

كيبكو KIPCO

ESG..

Growth with Purpose

SUSTAINABILITY REPORT 2024

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

H.H. Sheikh Sabah
Al-Khalid Al-Hamad Al-Sabah
Crown Prince of the State of Kuwait

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ABOUT THE REPORT

Celebrating our fourth consecutive Sustainability Report, we are delighted to share our detailed account of KIPCO's Environmental, Social and Governance (ESG) performance and initiatives for the reporting period January 1, 2024 to December 31, 2024. This report outlines ongoing efforts, actions and results related to ESG matters that impact both our operations and stakeholders.

Developed in accordance with the **Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021**, as well as in alignment with leading global and national standards, including the United Nations Sustainable Development Goals (SDGs) and Kuwait's National Vision, this report allows stakeholders to thoroughly assess KIPCO's sustainability practices. By providing these insights, we aim to engage stakeholders in a transparent dialogue about how we are contributing to sustainable development across the company. See **Appendix 5.1** (GRI Standards Index) and **5.2** (ESG Disclosures) for further details.

With the release of this report, we open the door for conversations with our stakeholders, including investors, employees, suppliers and communities, among others. Through sharing our ESG initiatives, achievements, challenges and future objectives, we aim to strengthen trust, promote collaboration, and support positive change within the company, Group and the broader society.

Reporting Boundaries

This Sustainability Report has been created for the Kuwait Projects Company (Holding) (K.S.C.P) (KIPCO) and encompasses our Head Office operations located in Kuwait (referred to throughout the report as "KIPCO", "the company", "we", "our", and "the Holding"). Any mentions of "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 associated portfolio company is mentioned by name.

Contact us

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

Local procurement expenditure out of total procurement expenditure

77%

Initiating our ESG Strategy and the formation of an ESG Working Group

10 Portfolio company representatives within the ESG Working Group

Females on the Board of Directors (BOD)	**20.0%**
Females in Executive Management (EM)	**24.2%**
Females in KIPCO workforce	**36.5%**

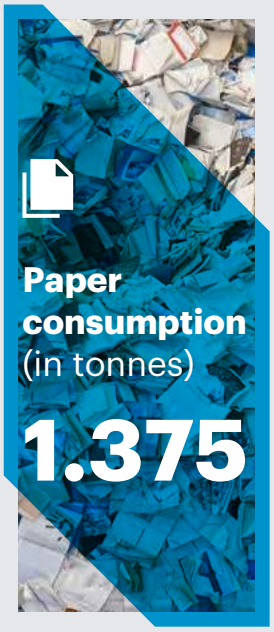
Kuwaitization

50%

Executive Management

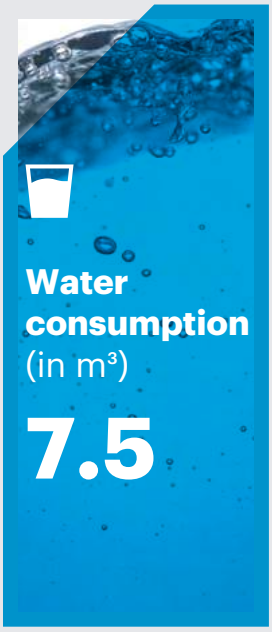
28%

The workforce



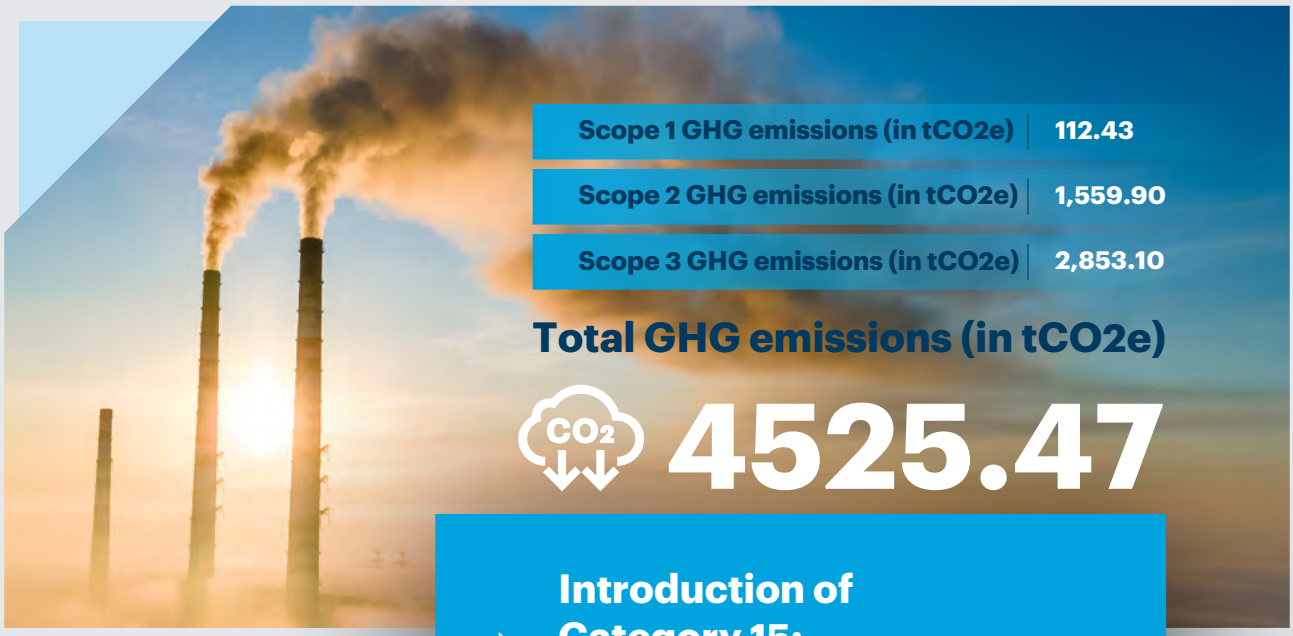
Paper consumption (in tonnes)

1.375



Water consumption (in m³)

7.5



Scope 1 GHG emissions (in tCO2e)	112.43
Scope 2 GHG emissions (in tCO2e)	1,559.90
Scope 3 GHG emissions (in tCO2e)	2,853.10

Total GHG emissions (in tCO2e)

4525.47

→ **Introduction of Category 15:** Financed Emissions

→ **and Category 7:** Employee Commuting in Scope 3 GHG Emissions

15%
Rise in total expenditure on employee engagement

KD 288,328
Total expenditure on community and employee engagement

KD 300,200
Total expenditure on philanthropic initiatives

10%
Rise in total expenditure invested in employee training

0
Number of incidents of data loss, leaks, or breaches

KD 80,540
Total expenditure on IT initiatives

Message from our Group CEO

As we proudly present KIPCO's fourth consecutive Sustainability Report, we continue to chart a course towards sustainable success. The year 2024 has marked significant progress in advancing our Environmental, Social and Governance (ESG) initiatives. This report highlights our key achievements and reaffirms KIPCO's commitment to creating long-term value that benefits the Holding and also the communities, investors and employees who rely on our leadership and governance.

A defining moment in 2024 was the establishment of the ESG Working Group, composed of representatives from across KIPCO's diverse portfolio companies. This initiative has strengthened collaboration, enabling us to integrate sustainability goals more seamlessly into our corporate strategy. By uniting the collective expertise and resources of the Group, we are taking bold steps toward building a resilient, sustainable future.

As an organization, we remain deeply committed to diversity, and this is reflected in the representation of women across both Executive Management and the Board of Directors. These efforts go hand in hand with Kuwaitization initiatives, as we ensure we provide fair opportunities and also promote local talent within KIPCO's leadership. By maintaining a balance in representation and actively driving diversity across all levels, we create a culture of inclusivity that reflects the values we hold dear.

In 2024, KIPCO reinforced its commitment to fostering meaningful connections within our communities and workforce, contributing to numerous community and employee initiatives. Our focus on employee engagement and development was reflected in an increased investment in initiatives that aim to strengthen our workforce and enhance their skill sets. At the same time, we ensured that our operations remained secure, with zero incidents related to data loss, leaks or breaches, demonstrating our unwavering dedication to maintaining trust and security in our operations.

Our commitment to responsible investment continues to strengthen, as we actively ensure that all our investments align with ESG principles. We have also taken a significant step forward in our environmental strategy, incorporating financed emissions into our GHG emissions reporting. This new addition ensures that KIPCO has taken the first step toward fully accounting for the impact of our investments, providing a more comprehensive and transparent approach to sustainability reporting. Through careful management of water consumption, paper usage and other resource-based impacts, we strive to minimize our environmental footprint while continuing to meet our sustainability targets.

KIPCO's work goes beyond the numbers. Every investment, decision and strategy is made with our stakeholders' interests in mind. Whether it is creating economic opportunities in the communities we operate in, empowering our employees through training and engagement initiatives, or ensuring that we align our reporting with global sustainability frameworks, we aim to be a company that excels in its own right and contributes positively to the broader global movement for a sustainable future.

While we celebrate our achievements, we recognize that this is only the beginning. The future is full of opportunities to enhance our Environmental, Social and Governance impact, and we are more determined than ever to take bold actions that will leave a lasting legacy. By continuing to engage with our stakeholders, embrace innovation and prioritize responsible governance, we are confident that KIPCO will lead by example in sustainable business practices—now and in the years to come.

Dana Naser Sabah Al Ahmad Al Sabah
Group Chief Executive Officer

1 OVERVIEW

This section offers an overview of our operations and strategic direction, beginning with an introduction to our diverse business relationships, profile, and investments across the MENA region. We highlight our refreshed corporate mission and vision, alongside key recognitions and achievements that reflect our continued leadership in sustainability and responsible business practices. In addition, we outline our approach to engaging stakeholders and conducting our materiality assessment, ensuring that our efforts are aligned with both internal objectives and external expectations. Through these initiatives, KIPCO remains committed to advancing sustainable development while enhancing our corporate governance and stakeholder value in parallel.

1.1 About KIPCO

Our journey as a leading investment holding company in the MENA region spans nearly five decades, grounded in a strategy that combines acquisition, value creation, and growth. Since our founding in 1975, KIPCO has grown into one of the region's largest and most diversified investment groups, comprising over 60 companies and employing more than 16,000 people across 24 countries. Our operations reflect a deliberate and disciplined approach to investment, with a focus on sectors that matter—financial services, media, real estate, manufacturing, education, and food industries.

Our broader business ecosystem includes numerous strategic relationships and holdings that are closely linked to our operations, products, and services. In the financial services sector, we maintain significant interests in key regional institutions, including Burgan Bank, operating in Kuwait, Turkey, Algeria, and Tunisia, as well as Jordan Kuwait Bank and First International Merchant (FIM) Bank in Malta. We also hold a strategic stake in Gulf Insurance Group (GIG), one of the region's largest and most geographically diversified insurance providers, with a presence in Algeria, Egypt, Iraq, Jordan, Lebanon, Syria, Saudi Arabia, Kuwait, Bahrain, and the UAE.

The breadth of our services holdings also extends to KAMCO, a regional player in investment banking and asset management, reinforcing our presence across diverse financial markets and complementing our commercial and retail banking interests, and URC (United Real Estate Company), which is active in real estate development and investment projects across Kuwait, Egypt, Morocco, Oman, Jordan, and Lebanon. Our commitment to supporting industries vital to regional well-being is further reflected in our ownership of SADAFCO, a prominent food and dairy company based in Saudi Arabia with operations spanning the MENA region, and EQUATE, a leading Kuwait-based petrochemical manufacturer and one of the largest producers of petrochemicals in the Middle East.

Renewed Corporate Mission, Vision, and Values

Long-term value creation remains the cornerstone of our business strategy. Our corporate direction remains anchored by a five-year strategic plan, which continues to guide our investment decisions and growth trajectory. In 2024, we launched our long-term commitment to value creation through the launch of a renewed mission, vision, and set of values that articulate the essence of KIPCO's identity and aspirations. Our refreshed corporate direction is illustrated in the following:

Mission:

Preserve and grow stakeholders' value

Vision:

To be an agile investment holding company in our core markets delivering sustainable returns in sectors that matter to our society in the present and the future.

Values:

Competence: Attract, retain, and nurture talent to make informed decisions, adapt to changing markets and generate sustainable returns to our stakeholders

Integrity: Adhere to ethical standards in all business dealings and maintain trust with our stakeholders

Sustainability: Ensure long-term value creation and sustainable growth that meets the present's need while supporting the future

Innovation: Implement cutting-edge solutions to shape the future of our investments, unlock new possibilities, and drive transformative changes

Action-Orientation: Take proactive action to drive growth and enhance stakeholders' value with an agile and hands-on approach to our investments

Accountability: Commit to effective risk management, to ambitious yet achievable goals and to the highest standards of corporate governance

Achievements and Awards

Reflecting our continued impact and performance in the region's dynamic business landscape, KIPCO's position as a regional leader has been consistently recognized year on year, especially as a leader in sustainability. For example, we are proud to be featured in the listings shown in the figure below:

Longevity in Diversity

The diversified nature of our portfolio contributes significantly to our resilience and adaptability. Our investments span multiple strategic sectors, as shown in the following. This diversity positions us effectively to navigate market fluctuations and supports our ability to sustain consistent long-term value creation.

Financial Services

- بنك برقان BURGAN BANK
- البنك الأردني الكويتي JORDAN KUWAIT BANK
- شركة الخليج المتحد القابضة ش.م.ب United Gulf Holding Company B.S.C.
- KAMCO INVEST

Media and Technology

- United Networks
- osn

Foodstuff

- SADAFCO سدافكو
  الشركة السعودية لمنتجات الألبان والأغذية
  SAUDIA DAIRY AND FOODSTUFF COMPANY

Management and Advisory

- PKC Advisory

Real Estate

- URC شركة العقارات المتحدة United Real Estate Co

Industrial

- شركة الصناعات المتحدة United Industries Company
- Insha'a Holding انشاء القابضة

Education

- UEC شركة التعليم المتحدة United Education Company

Energy

- KARO الشركة الكويتية للعطريات Kuwait Aromatics Co.
- NAPESCO نابيسكو
- UOP الشركة المتحدة للمشروعات النفطية United Oil Projects
- Alternative Energy Projects Co. شركة مشاريع الطاقة البديلة
- EQUATE

Healthcare

- Advanced Technology Company K.S.C.P شركة التقدم التكنولوجي ش.م.ك.ع

Logistics

- JTC

1.2 ESG Advancements

Anchoring our sustainability approach for the present and future is our clearly defined ESG Strategy, which has remained unchanged since its inception and is structured around the following four foundational pillars: Report, Operate, Lead, and Empower (ROLE). Each pillar is supported by strategic priorities that articulate our ESG ambition and focus our efforts in areas critical to our stakeholders and operational success. By doing so, we aspire to enable targeted progress tracking across all dimensions of sustainability, ensuring our commitments translate effectively into meaningful outcomes.

Our ESG Strategy Framework is as follows:

Pillars:

R — **Report:** Transparent communication and accountability

O — **Operate:** Integrating sustainability into our daily operations

L — **Lead:** Championing ESG practices within our sectors

E — **Empower:** Enabling positive change internally and externally

Strategic Priorities and Goals:

Attractive Workplace	3 Strategic Objectives	13 KPIs
Positive Environmental Outcomes	4 Strategic Objectives	15 KPIs
Responsible Community Engagement	2 Strategic Objectives	6 KPIs
Adaptive Governance	10 Strategic Objectives	18 KPIs
Sustainable Economic Impact	3 Strategic Objectives	8 KPIs

Responsibility and Dedication – Formation of an ESG Working Group

To oversee the integration of ESG practices, a significant milestone in our ESG journey has been the establishment of dedicated governance structures. The Board ESG Committee, formed in 2023, maintains oversight of ESG initiatives at the highest organizational level. This includes overseeing critical milestones, such as approving the annual Sustainability Report, initiating the KIPCO Group ESG Committee, and aligning company policies and procedures closely with our overarching ESG Strategy.

At the operational level, the KIPCO ESG Working Group Committee—established at the end of 2024 and set to convene regularly from 2025—is expected to ensure the effective implementation and tracking of our ESG KPIs. This Committee (also serving as our ESG Working Group) is tasked with monitoring contributions from individual portfolio companies toward achieving our collective ESG objectives, respecting the unique contexts and strategic priorities of each entity.

Complementing these governance efforts, the responsibility of carrying forward KIPCO's sustainability integration rests with our Corporate Communications (CC) team, which has been proactive in organizing ESG training programs. These sessions are designed not only to raise awareness but also to equip our teams, including financial analysts, with the latest insights and practices in ESG. This focus on education and capacity building ensures that sustainability considerations are seamlessly integrated into daily decision-making processes. Among other responsibilities, timely and transparent disclosure is a theme our CC team maintains, designing policies and procedures to ensure that stakeholders receive accurate and relevant ESG information, empowering them to make informed decisions aligned with their individual and collective interests.

Our commitment does not end with internal practices and local initiatives, it extends to global sustainability initiatives, as evident in our participation in the **Women's Empowerment Principles (WEPs)**. As a signatory, KIPCO is aligning itself with global best practices in gender equity, reinforcing our dedication to creating an equitable and inclusive workplace while promoting responsible governance and social impact—an accolade we have held for three years.

Case Study:

KIPCO & LOYAC Send Teenage Girls on a Leadership Summit

KIPCO sponsored LOYAC's Summer Leadership Retreat, sending 11 teenage girls to Nottinghamshire, UK, for a leadership program focused on team building, independence, and personal development. The retreat provided participants with hands-on leadership training, strengthening their confidence and career preparedness, and reinforcing KIPCO's commitment to youth development.

1.3 Stakeholder Engagement

We recognize that sustainable success hinges on understanding and responding to the needs and interests of our diverse stakeholders. Engaging with stakeholders—whether external or internal, on a continuous basis is a key part of our strategy to ensure alignment with our broader objectives and foster long-term relationships. By actively listening to their concerns and maintaining open lines of communication, we are able to create shared value and enhance trust across various sectors. Our engagement approach is designed to be dynamic, adapting to the changing expectations of our stakeholders, while ensuring that transparency, responsibility, and mutual respect remain at the core of every interaction. As we understand that each group has unique needs and expectations, and in order to keep the bar high, we have implemented a range of engagement methods to ensure these needs are fully understood and met effectively. Whether through direct communication channels, meetings, reports, or events, we aim to foster trust, alignment, and collaboration. By continuously engaging with stakeholders, we not only address their immediate concerns but also create long-term value, responding to the evolving landscape of regulatory compliance, business performance, and community impact. This multifaceted approach ensures that we remain attuned to the interests of both internal and external stakeholders, positioning KIPCO as a company that is as responsive as it is responsible.

Efficient Communication and Mechanisms

Classification	Selected Stakeholders	Selected Approach to Stakeholder Engagement	Selected Stakeholder Interests	Estimated Engagement Frequency
External	Investors	Online quarterly earnings calls, Annual General Assembly meetings, Conferences, Official letters, Emails, Reports, Website, Press releases	Return on Investment (ROI), ESG compliance, Regulatory compliance, Transparent and regular communication, Sustainable investments	High frequency
External	Shareholders	Meetings / Annual General Meetings (AGMs), Official letters, Phone calls, Emails, Reports, Website, Press releases	Voting rights, Robust governance, Return on Investment (ROI), ESG compliance, Regulatory compliance, Transparent and regular communication, Dividends, Revenue growth	Medium frequency

Classification	Selected Stakeholders	Selected Approach to Stakeholder Engagement	Selected Stakeholder Interests	Estimated Engagement Frequency
External	Governmental Entities	Meetings, Official letters, Emails, Reports	ESG compliance, Regulatory compliance, Transparent communication, Adhering and aligning to national plans, Ethical conduct	Medium frequency
External	Community	Community events, Website, Press releases, Reports, Volunteer activities	Transparent communication, Community engagement, Community empowerment	Medium frequency
External	Non-Governmental Organizations (NGOs)	Meetings, Official letters, Phone calls, Emails, Community activities	Transparent communication, forming partnerships, Sponsoring initiatives, Common goals, Impactful initiatives	Medium frequency
External	Suppliers and Vendors	Meetings, Official letters, Phone calls, Emails, Contracts, Website, Reports	Transparent communication, Due diligence, Payments	Medium frequency
Internal	Employees	Meetings, Emails, Conference calls, Phone calls, Training, Employee events, social media platforms, Press releases, Reports, Internal communication, Website, Contracts	Regular and transparent communication, Work-life balance, Compensation, Benefits, Robust employee policies, Non-discrimination and equal treatment, Compliance with labor law	High frequency

1.4 Materiality Assessment

A vital component of our sustainability reporting is the materiality assessment, which identifies and prioritizes the most significant ESG topics relevant to KIPCO and its stakeholders. In line with global best practices, including the GRI standards, this process enables us to focus our efforts on areas that are of the highest impact to both our business and the broader community, covering both the actual impact and the potential financial implications.

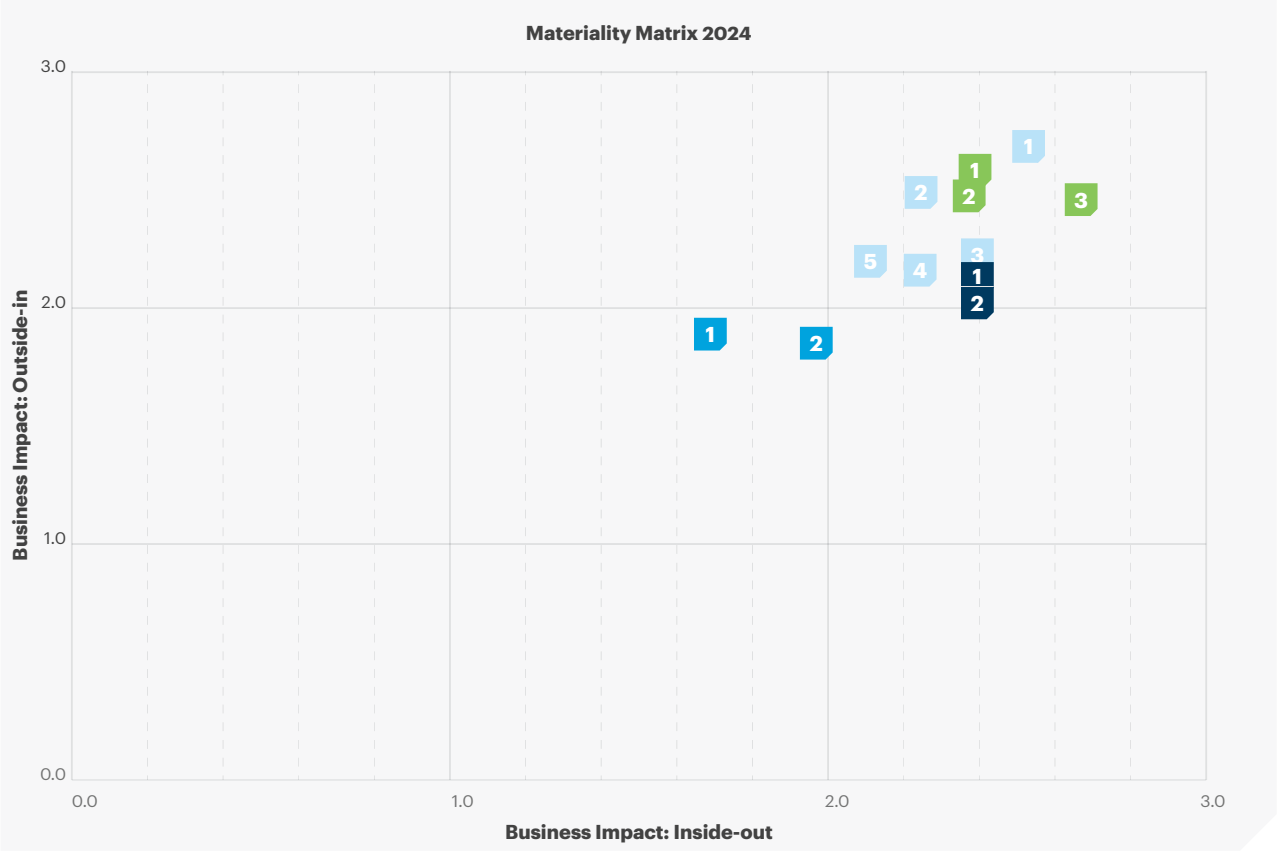
The materiality assessment typically begins with a thorough analysis of the ESG landscape informed by our ESG Strategy direction, internal and external stakeholder feedback, industry trends, regulatory requirements, and global sustainability standards and frameworks. Through this process, we identify and assess actual and potential impacts on the environment and stakeholders on one hand and on the other hand, potential financial impacts of the selected material topics. This approach enables us to subsequently evaluate the potential risks and opportunities associated with a wide range of sustainability factors, across KIPCO's value chain.

Following this, we engage with key internal and external stakeholders, comprising 38 internal and 7 external participants, to understand their perspectives on the most pertinent material topic, ensuring their voices are reflected in the prioritization of those topics and their associated impacts. The resulting materiality matrix helps us identify and assess the ESG topics that require focused attention, enabling us to integrate them into our strategic decision-making and reporting practices.

By adhering to the GRI guidelines, KIPCO ensures the materiality assessment is comprehensive, relevant, transparent, and aligned with globally recognized standards.

Materiality Matrix

The following diagram visually represents the results from our materiality assessment for increased clarity, mapping out key ESG topics that matter most to both KIPCO and our stakeholders. By evaluating each topic based on its significance and impact, the matrix helps guide our strategic priorities and ensures that we focus on areas where we can make the greatest impact. This tool is essential for informed decision-making, allowing us to align our ESG initiatives with both stakeholder expectations and organizational goals.



1 - Community Engagement

2 - Ethical Business Conduct

3 - Investor Relations

4 - Corporate Governance

5 - Data Privacy and Security

1 - Diversity and Equal Opportunity

2 - Employee Engagement

3 - Employee Training and Development

1 - Sustainable Finance and ESG Alignment

2 - ESG Risk Management

1 - Financed Emissions

2 - Operational GHG Emissions

Drawing from 12 various selected material topics covering several criteria and aligning with our ESG Strategy, the 2024 Materiality Matrix reflects a comprehensive assessment of what matters most to KIPCO and its stakeholders. This dual-lens analysis evaluating both internal priorities and external expectations enables us to distinguish the areas of greatest impact from both general and financial perspectives.

Positioned in the top-right region of the matrix, key topics such as Employee Engagement, Diversity and Equal Opportunity, Community Engagement, and Ethical Business Conduct emerge as top-tier priorities. These issues hold strong relevance across both internal operations and external stakeholders' expectations. Closely following are Employee Training and Development, Sustainable Finance and ESG Alignment, and ESG Risk Management, which also carry high significance across both axes.

Further across the matrix, topics such as Corporate Governance, Investor Relations, and Data Privacy and Security appear in the lower-right region, indicating continued importance, particularly in reinforcing transparency and governance strength but with slightly lower stakeholder emphasis.

In contrast, Operational GHG Emissions and Financed Emissions are located in the lower-left region of the matrix. While these remain integral to our long-term ESG performance, their current positioning suggests comparatively lower perceived impact or urgency from stakeholders at this stage in our ESG journey.

Accordingly, each of the 12 material topics are grouped as follows with their corresponding materiality rating levels, and we also show how they align with ESG pillars, our ESG strategy, and the UN Sustainable Development Goals (SDGs) to highlight their impacts.

List of Material Topics and Scores

Material Topics	Rating x-y	ESG Pillar Alignment	KIPCO's ESG Strategy Alignment	SDGs Alignment
Diversity and Equal Opportunity	High-High	Social	Attractive Workplace	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Employee Training and Development	High-High	Social	Attractive Workplace	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Employee Engagement	High-High	Social	Attractive Workplace	8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Community Engagement	High-High	Social	Responsible Community Engagement	8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Data Privacy and Security	High-High	Governance	Adaptive Governance	3 GOOD HEALTH AND WELL-BEING; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Corporate Governance	High-High	Governance	Adaptive Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Investor Relations	High-High	Governance	Adaptive Governance	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Material Topics	Rating x-y	ESG Pillar Alignment	KIPCO's ESG Strategy Alignment	SDGs Alignment
Ethical Business Conduct	High-High	Governance	Adaptive Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
ESG Risk Management	High-High	Governance	Adaptive Governance	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Sustainable Finance and ESG Alignment	High-High	Governance	Positive Environmental Outcome Attractive Workplace Responsible Community Engagement Adaptive Governance	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Financed Emissions	Medium-Medium	Environmental	Positive Environmental Outcome	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Operational GHG Emissions	High-Medium	Environmental	Positive Environmental Outcome	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

2

ENVIRONMENTAL STEWARDSHIP

As we advance in our sustainability journey, 2024 brought new opportunities for KIPCO to strengthen its environmental initiatives. This chapter delves into our commitment to become optimally efficient towards resource management, energy reduction, and waste mitigation, ensuring our operations continue to minimize their environmental impact. A major step forward was the inclusion of financed emissions in our greenhouse gas (GHG) emissions reporting, offering a first glance at how we assess the broader environmental impact of our investments. With this move, KIPCO is expanding its sustainability approach to include a holistic view of our impact, paving the way for a future where our business operations contribute to a more environmentally friendly ecosystem.

2.1 Resource Management

Given the nature of the Holding's activities, there is minimal exposure to energy-intensive processes, which mostly ensures a relatively low carbon footprint at the Holding level. We assess and seek to influence the carbon impact of our subsidiaries, engaging through BOD-level representation where applicable. Furthermore, our operations face negligible risks related to toxicity, carcinogenicity, and hazardous waste, classifying them under the low toxicity and low hazardous waste segments. Additionally, in the upcoming sections, we showcase the resources expended and the measures implemented to limit our emissions as much as possible, highlighting how we remain committed to sustainable resource management within our direct activities.

Responsible Practices

In pursuit of continuously lowering our GHG emissions, KIPCO continues to carry out measures and initiatives that aim to lessen environmental impacts. For example:

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 Awareness:
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.

Waste Minimization Efforts

In 2024, KIPCO continued to prioritize waste minimization through a series of employee engagement initiatives. The guidelines listed under Responsible Practices above aim to encourage those efforts on a day-to-day basis, and we continue to take meaningful steps towards reducing waste and enhancing overall environmental performance.

Office Supplies and Materials

KIPCO's office operations primarily use the following materials:

Selected List of Materials Consumed

- Paper
- Glass
- Plastic
- General Stationery

Furthermore, though KIPCO does not face significant challenges related to hazardous waste, we manage non-hazardous waste through recycling programs. Recycling bins and containers are strategically placed throughout the office, and collected materials are transferred to a recycling facility whenever volumes permit. Such an approach reduces the number of trips of transporting vehicles, which could lead to additional emissions via vehicles.

Waste Diversion (From or To Landfill)

KIPCO's waste management strategy, which prioritizes minimization and recycling, has resulted in only negligible amounts of waste being diverted to or from landfills.

Electricity Consumption

We managed to maintain our estimated electricity consumption at a stable level compared to the previous year. This consistent consumption reflects our ongoing efforts to manage energy use efficiently across our operations. While we continue to monitor and optimize our energy consumption, the focus remains on maintaining sustainability considerations in our office-based operations, with the goal of further reducing our resource consumption and, consequently, our environmental impact consistently in the future.

Total Electricity Consumption

2023	2024	
2.5 m kWh	2.5 m kWh	0%

Case Study: **One Vision: KIPCO's Portfolio Company JKB Finances Renewable Energy Projects**

JKB has entered into an agreement with Izzat Marji Group to provide financing for energy efficiency and renewable energy projects in Jordan. This initiative supports sustainability efforts and contributes to economic growth by facilitating the development of green energy projects in the region.

Water Consumption

Consistent with the previous year and mirroring the stability in electricity usage, this steady estimated consumption of water adds to our ongoing commitment to managing resources efficiently across our operations. We remain focused on sustainable water consumption, working towards further reductions where possible.

Total Water Consumption

2023	2024	
7.50 m^3	7.50 m^3	0% ÷

Paper Consumption

On par with the previous year, our estimated paper consumption data reflects efforts to balance operational needs with waste reduction goals. While paper usage is an area we continue to monitor, we preserve established practices such as double-sided printing and increased reliance on digital documentation to minimize consumption, among others. These efforts are part of our broader strategy to reduce waste and enhance resource efficiency. By maintaining stable paper use, we continue to align with our commitment to sustainable resource management, ensuring that our operations run efficiently, and reducing waste generation further when and where possible.

Total Paper Consumption

2023	2024	
1.375 tonnes	1.375 tonnes	0% ÷

Case Study:

One Vision: JKB Participates in the Green Caravan Initiative

Jordan Kuwait Bank (JKB) volunteers participated for the third time in the Green Caravan Initiative, planting 650 fruit-bearing trees in the Jerash – Souf area to support sustainability and combat desertification. They were joined by 100 students from the Marj Al-Hamam Guidance Group, while the initiative also supported local women-led businesses through catered meals. This reflects the Bank's commitment to social responsibility and fostering a culture of volunteerism.

Case Study:

One Vision: AUK Lead Climate Action at COP28

The American University of Kuwait (AUK) participated in COP28, emphasizing its role in the MENA Business Schools Alliance for Sustainability (MEBAS) and its efforts to integrate ESG principles into education. The University engaged in discussions on sustainability leadership and governance, promoting the role of academic institutions in climate action and responsible business practices. Its participation reinforced awareness among students and researchers about sustainability and climate leadership.

Case Study:

One Vision: UGB Backs "Forever Green" Initiative and Prioritizes the Environment

Portfolio company United Gulf Bank (UGB) collaborated with Bahrain's National Initiative for the Development of the Agricultural Sector (NIAD) and the Bahrain Association of Banks (BAB) to participate in the 'Forever Green' initiative. The initiative involved planting trees along two major streets near Manama's Financial Harbor, as part of Bahrain's national efforts to enhance green spaces. This participation aligns with UGB's commitment to ESG principles and environmental sustainability.

2.2 Emissions Quantification

With activities primarily centered on investment management, office-based functions, and business support, we believe that all of KIPCO's direct operations fall under the low carbon intensity category. Over the years, measuring our environmental impact has been a key priority as we strive for continuous progress in climate change mitigation, in order to reach our ESG Strategy goals. We are committed to accurately quantifying our GHG emissions year over year and enhancing our understanding of how our operations contribute to climate change. While we focus on maintaining transparency and accountability in our emissions data, our goal is to consistently refine our processes, assess emerging environmental impacts, and work towards meaningful reductions over time.

In our ongoing efforts to refine our ESG Strategy, particularly the environmental aspect, financed GHG emissions have been integrated into our material topics and included in the overall GHG emissions quantification. This integration marks a significant step forward, as it allows us to assess the broader environmental impact of our investments. It also serves as a key measure to gather stakeholder feedback and align with best practices. By including financed emissions, we are proactively expanding the scope of our GHG inventory, positioning ourselves to better understand and manage the indirect emissions linked to our portfolio companies.

Boundaries

For this year's GHG calculations, we applied the operational control consolidation approach to determine the accountable entities and sources of emissions encompassing our head office operations and associated office spaces under KIPCO and its direct subsidiaries.

Approach

Our approach to GHG emissions is in line with the established recommendations and guidelines outlined in the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard. This approach ensures that our emissions reporting is relevant, complete, consistent, transparent, and accurate. By adhering to these standards, we strive to provide clear and accurate data, reinforcing our commitment to transparency and accountability in managing our environmental impact.

Scope 1 GHG Emissions

We observed a notable increase in mobile combustion emissions, which are the sole contributor to our Scope 1 related activities. This shift is attributed to the expanded scope of emissions considered, as the 2023 data only accounted for owned vehicles, whilst for this year, we included leased cars operated by KIPCO. In 2024, the inclusion of additional emissions sources resulted in a more comprehensive assessment of our direct GHG emissions. While the difference

in emissions is significant, it is important to note that the scope of measurement has been broadened, making direct year-on-year comparisons not applicable. This adjustment allows for a more accurate and thorough understanding of a significant portion of KIPCO's environmental footprint moving forward.

GHG Scope 1 Emissions Quantification

Activity	2023	2024
Mobile Combustion Emissions (Gasoline) (tCO2e)	8.17	112.43
GHG Emissions (tCO2e)	8.17	112.43

Scope 2 GHG Emissions

Comprised of emissions generated from electricity consumption, and showcasing a modest reduction, it represents a step in the right direction toward reducing our environmental impact from electricity consumption. These improvements highlight our commitment to optimizing energy use and exploring ways to further reduce emissions as part of our broader sustainability goals.

GHG Scope 2 Emissions Quantification

Activity	2023	2024	Difference
Electricity Emissions (tCO2e)	1,575.00	1,559.90	**-1%**
GHG Emissions (tCO2e)	1,575.00	1,559.90	**-1%**

Scope 3 GHG Emissions

We recorded significant shifts across several emission categories (please refer to the later disclaimer). While water consumption emissions and paper emissions remained consistent, reflecting the stability of our resource management practices, we introduced employee commute emissions and our portfolio company Burgan Bank's emissions as a result of considering financed emissions into our reporting for the first time. We are now aligning with the following categories of the Greenhouse Gas Protocol shown in the following table:

GHG Scope 3 Emissions Quantification

Categories	Activity	2023	2024	Difference
Other upstream	Water Consumption Emissions	0.001	0.001	0%
Category 4: Upstream Transportation and Distribution	Courier Services Emissions	55.10	697.64	N/A*
Category 5: Waste Generated in Operations	Paper Emissions	1.601	1.601	0%*
Category 6: Business Travel	Business Travel Emissions	59.35	75.11	27%
Category 7: Employee Commuting	Employee Commute Emissions	N/A	67.32	N/A
Category 15: Financed Emissions	Burgan Bank (Portfolio company) Financed Emissions	N/A (This was not reported in the 2023 report)	2,011.47**	N/A
	GHG Emissions (tCO2e)	116.05	2,853.13	N/A

Disclaimers:

*The paper and courier services emissions data for 2024 include differences in reporting scope and availability of comparable data. For paper emissions, the updated data reflects a more comprehensive method. As for courier services emissions, the 2024 data include emissions from international courier services spanning multiple continents, whereas the 2023 data only accounted for services within the GCC region. As such, the scope and level of information available for each year are not directly comparable.

**The approach assumes a 62% KIPCO stake in Burgan Bank and does not include other portfolio companies for this year.

Total GHG Emissions

The following table illustrates our GHG emissions across Scope 1, Scope 2, and Scope 3 in 2023 and 2024, highlighting the changes in emissions sources and quantities. The comparison of Scope 2 emissions, which relate to electricity consumption, is the only valid one, showing a slight reduction in 2024. For Scope 1 and Scope 3 emissions, the comparison is not valid due to changes in the sources of emissions. In Scope 1, the inclusion of leased cars in 2024 alongside owned cars leads to an increase in emissions. For Scope 3, new sources such as financed emissions deriving from our portfolio company Burgan Bank, and employee commute emissions were introduced and accounted for in 2024, making year-on-year comparison inappropriate. The total GHG emissions reflect a notable increase due to these expanded sources.

Total GHG Emissions

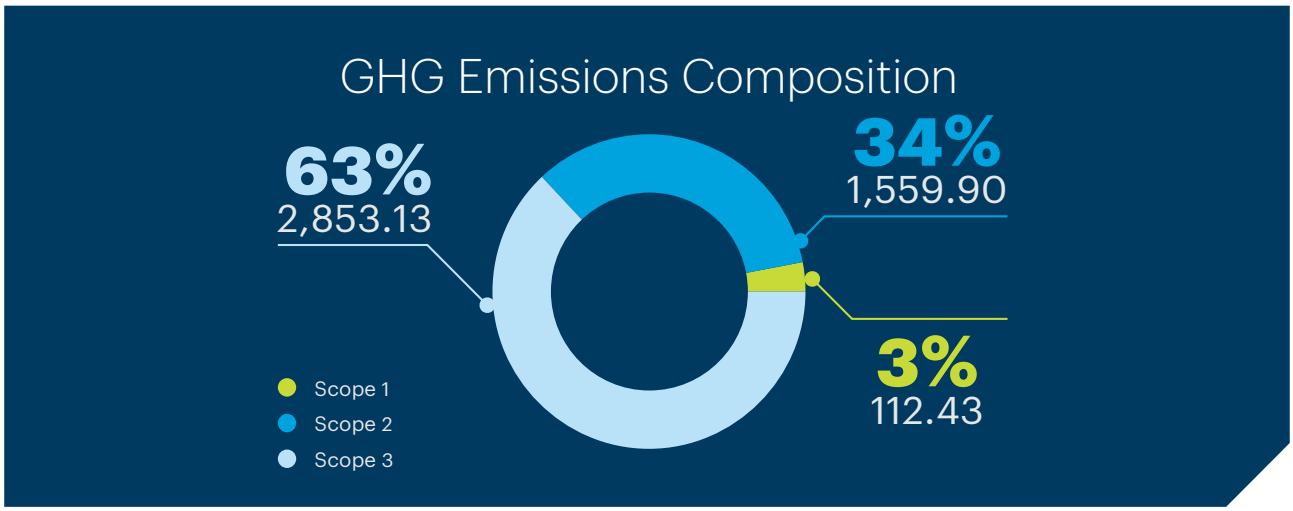
Activity	2023	2024	Difference	2023 Source of Emissions	2024 Source of Emissions
Scope 1 Emissions (tCO2e)	8.17	112.43	N/A	Owned cars	Owned cars, leased cars
Scope 2 Emissions (tCO2e)	1,575.00	1,559.90	-1%	Electricity	Electricity
Scope 3 Emissions (tCO2e)	116.05	2,853.13	N/A	Water, Paper, Courier, Business Travel	Water, Paper, Commute, ourier, Business Travel, Burgan Bank financed emissions
Total GHG Emissions (tCO2e)	1,699.22	4,525.47	166%	All the above	All the above

GHG Emissions Intensity

GHG Emissions Intensity	2023	2024	Difference	2023 Source of Emissions	2024 Source of Emissions
Scope 1	0.12	1.52	N/A	Owned cars	Owned cars, leased cars
Scope 2	22.83	21.08	-8%	Electricity	Electricity
Scope 3	1.68	38.56	N/A	Water, Paper, Courier, Business Travel	Water, Paper, Commute, Courier, Business Travel, Burgan Bank financed emissions
Total intensity	24.63	61.15	N/A	All the above	All the above

The following pie chart illustrates the GHG emissions per scope alongside their specific and overall weightage.

GHG Emissions per Scope % Breakdown



3

SOCIAL IMPACT

Essential to our ESG Strategy is making a meaningful difference in society. We are passionate about empowering our employees, engaging with the community, and driving positive change that extends beyond our business operations. From fostering employee well-being through tailored programs and leadership training to supporting education, health, and social related initiatives, KIPCO is dedicated to creating a lasting impact.

Our commitment to social responsibility shines through every initiative, as we work to build a more inclusive, sustainable, and thriving future for both our workforce and the wider community. By championing diversity, community development, and ethical practices, KIPCO is ambitious to continue leading with purpose.

3.1 Community Investment and Empowerment

KIPCO has been actively involved in a range of community-focused initiatives aimed at fostering empowerment, education, and development across different sectors. These initiatives span areas such as education, sports, digital literacy, and youth leadership, often in partnership with third-party organizations and NGOs. Notable programs include the ENBAT work readiness program, which equips graduates with workplace skills, and the LOYAC collaboration for supporting youth leadership development. Additionally, KIPCO sponsors initiatives like the NASA Space Apps Challenge, aimed at empowering young innovators, and the Women Leadership Conference, promoting women's empowerment in the workplace.

To ensure the effectiveness of our community programs, we conduct surveys tailored to specific initiatives. For example, at the ENBAT program, we run surveys at the end of each module to assess participant benefits, which has allowed us to fine-tune the program before launching the next cohort. These insights help us continually improve our initiatives and ensure that they meet the needs of the community.

Our involvement is down to the micro level, supported by employee volunteers who actively participate in these programs, contributing their time and expertise to enhance the impact of these initiatives. These efforts reflect KIPCO's ongoing commitment to making a positive social impact through long-term, sustainable community investments.

Selected Community Initiatives

Name of initiative	Brief description	Third-party partner or NGO	Number of employees participated as volunteers	Number of community attendees or beneficiaries	Initiative duration	Type of initiative
ENBAT Program (Cohort 1 - pilot)	Work readiness program in partnership with en.v, equips graduates with workplace skills to ease their transition into professional careers. This was the pilot, setting the stage for more sessions to come.	American University of Kuwait (AUK), American United School (AUS), en.v	4	20	8 weeks	Educational

Name of initiative	Brief description	Third-party partner or NGO	Number of employees participated as volunteers	Number of community attendees or beneficiaries	Initiative duration	Type of initiative
ENBAT Program (Cohort 2 - pilot)	Work readiness program in partnership with en.v, equips graduates with workplace skills to ease their transition into professional careers. This program ran from October to December, which will become the annual timing for the program.	AUK, AUS, en.v	4	29	8 weeks	Educational
ENBAT Alumni Meetup	The meetups are to take place every quarter, bringing together ENBAT graduates to discuss topics that they find relevant to their careers. For instance, one session was delivered by the Chief HR Officer at one of our portfolio companies, United Real Estate Company (URC) on writing a CV.	URC, en.v	1	20	Twice (each meeting lasting 3 hours)	Educational
KIPCO University Championship	Sports competition hosted with AUK, fostering teamwork among university students.	AUK	1	100	1 month	Sports
LOYAC Collaboration	Sponsoring "7 Habits for Highly Effective Teens & People" for youth leadership development. This includes Kuwait Association for the Care of Children in Hospital and Bayt Abdullah Children's Hospice (KACCH & BACCH) Training, which equips young people with leadership, goal-setting, and self-development skills. The Program benefits teenagers, university students, and community workers, with a renewed focus on women's leadership development, reinforcing KIPCO's commitment to youth empowerment	LOYAC	1	133	12 months	Educational
KIPCO Ibtkar Digital Transformation Series (1 & 2)	A knowledge-sharing initiative in collaboration with Ibtkar Consultancy, featuring industry leaders discussing digital transformation across various sectors.	Ibtkar	1	75	Twice (each session was 3 hours)	Digital literacy

Name of initiative	Brief description	Third-party partner or NGO	Number of employees participated as volunteers	Number of community attendees or beneficiaries	Initiative duration	Type of initiative
LOYAC UK Leadership Retreat	Sponsored leadership training for teenage girls in Nottinghamshire, UK.	LOYAC	1	14	7 days	Self-Leadership
NASA Space Apps Challenge	Sponsorship of AUK's hackathon empowering young innovators and promoting benefiting students and engineers Science, Technical, Engineering, and Mathematics (STEM) education, space innovation, and sustainability solutions.	AUK	4	200	3 days	Innovative & Collaborative
UNDP Kuwait Women Leadership Development Program	As part of efforts to support women leadership in the workplace, KIPCO sponsored the annual conference for graduates of the UNDP Kuwait Women Leadership Development Program. The conference, organized by Kuwait Compliance Co. was held under the title "Journeys of Success and Inspiration."	Women Leadership Development Program	2	60	1 day	Women Leadership
AUK Oral History Documentation Program (OHDP) & Voices from the Occupation	KIPCO is the sponsor of AUK's OHDP. As part of this, an exhibition was held focusing on personal narratives during the time of the Iraqi occupation of Kuwait, highlighting the importance of storytelling to preserve and document the history of Kuwait and its people.	The Oral History & Documentation (OHDP) Project	1	Open to the public	Continuous	Historical Documentation & Storytelling
Sponsorship for the 4th International Conference of the Institute of C.A of India	Gold Sponsorship for the 4th International Conference of the Institute of C.A of India - Kuwait Chapter.	Institute of C.A of India - Kuwait Chapter	1	425	1 day	Financial awareness
Asianet-News Education Excellence Award 2024	Held to honor the outstanding educational professionals and institutions that continue to devote their careers to empowering Kuwait's future generations.	FAIPS	4	200	1 day	Educational

Total Expenditure on Community Initiatives

Total Amount	**KD 151,153**

Case Study: Empowering and Preparing Students for the Future Through Enbat

The Enbat Program, KIPCO's work-readiness initiative, aims to bridge the gap between university education and the workplace by equipping participants with essential skills and exposure to various business sectors. Conducted in January and September in collaboration with en.v, each eight-week cycle featured workshops, panel discussions, and mentorship sessions led by KIPCO executives, subsidiary professionals, and industry experts. The Program helped participants develop critical thinking, communication, and adaptability skills, enhancing their employability and career readiness. It also provided networking opportunities with business leaders and facilitated internships or job placements within KIPCO Group and other leading organizations. The Program was piloted in January 2024 and ran again in October 2024. This is expected to be the fixed annual timing of the Program.

Case Study: One Vision: JKB Supports SMEs in Partnership with the International Finance Corporation (IFC)

JKB has partnered with the International Finance Corporation (IFC) to support Small and Medium-sized Enterprises (SMEs) and startups in the childcare sector in Jordan. The initiative, part of IFC's Care Arabia Program, aims to enhance childcare services and increase women's participation in the workforce. The agreement focuses on financing and capacity-building to sustain and grow businesses in this sector.

Case Study:

One Vision: JKB Gives Back to the Community

As part of its CSR Program, Jordan Kuwait Bank (JKB) launched various initiatives to support education, sports, and community well-being. The Bank partnered with the Arab Orphan Committee to fund scholarships for orphans and underprivileged students in Palestine, ensuring access to education. In collaboration with Waqf Thareed, JKB organized an Employee Volunteer Day, where staff participated in meal distribution efforts for those in need. The Bank also signed a three-year partnership with Amman United Club, focusing on developing local athletic talent. Additionally, JKB volunteers took part in the Jordan Trail Cleanup Campaign, reinforcing its commitment to environmental conservation. Through its Back-to-School campaign, the Bank supported students from underprivileged communities by providing them with essential school supplies.

Case Study:

One Vision: Burgan Bank Supports Team Kuwait at the Paris Olympics

Burgan Bank partnered with the Kuwait Olympic Committee (KOC) to support Team Kuwait at the Paris 2024 Olympics. This partnership aligns with Burgan's commitment to promoting sports culture and encouraging national representation, supporting Kuwaiti athletes competing at the international level. The sponsorship reflects the Bank's broader corporate social responsibility in fostering athletic excellence.

Giving Back

Philanthropy remains a cornerstone of KIPCO's corporate values, and we are committed to making a meaningful impact in our community. Each year, we donate 1% of our net profit to the Masharee Al Khair Charity Organization, contributing a total of 300,200 KWD for 2024. While the specific number of beneficiaries is not quantified, this support helps fund a range of charitable initiatives, including health and social aid, highlighting our commitment to giving back and fostering positive change.

3.2 Workforce Enrichment

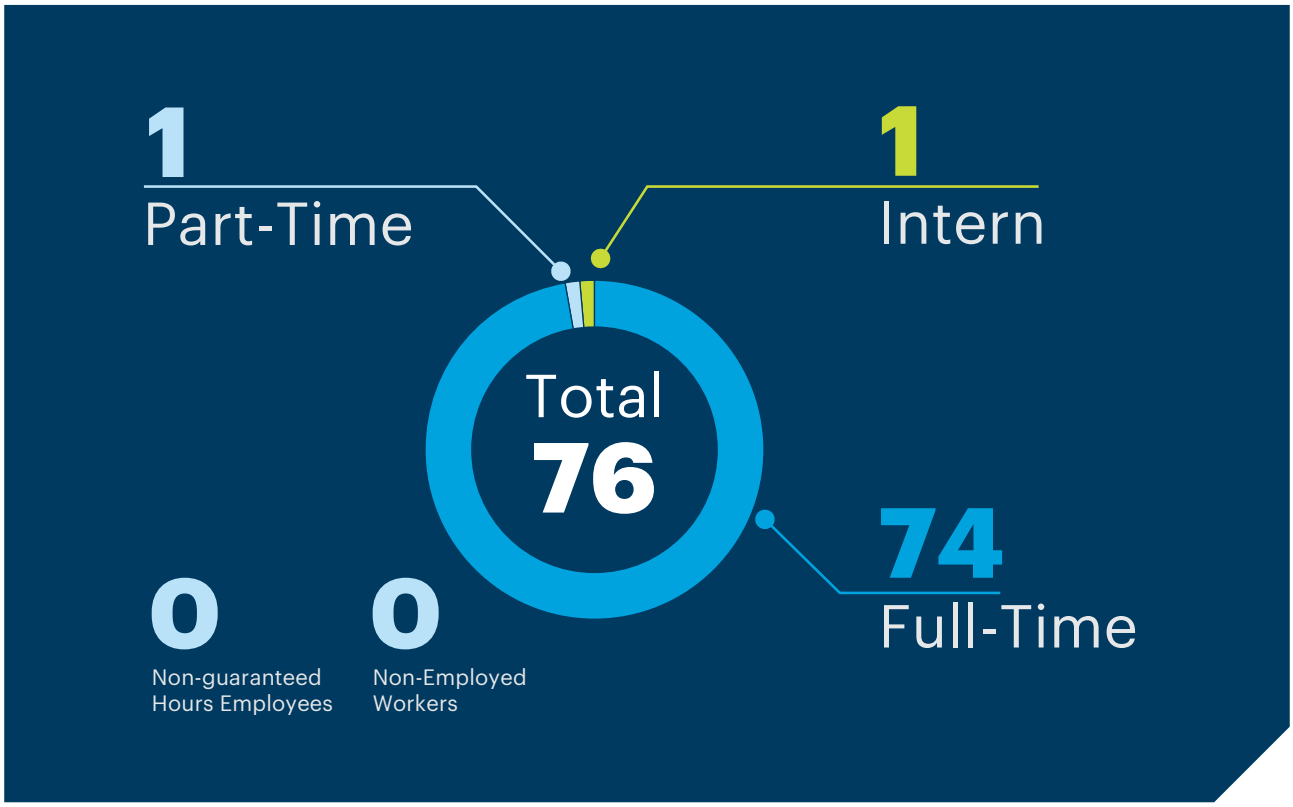
Employee Attraction and Retention

Given the nature of KIPCO, our talent development strategy emphasizes coaching, mentorship, and special assignments to cultivate internal expertise. We remain committed to promoting from within, ensuring continuity, cultural alignment, and leadership growth across our organization.

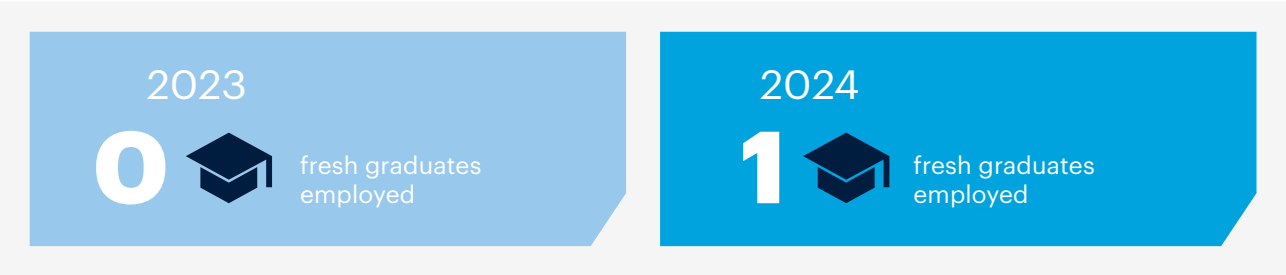
For key capabilities that require external hiring, we prioritize candidates with strong industry experience and verified credibility, leveraging trusted references to maintain our high standards of excellence. This balanced approach allows us to nurture internal talent while selectively acquiring external expertise, ensuring sustained organizational strength and adaptability.

Additionally, a strong focus on attracting and retaining top talent is essential to the ongoing success of the company. Our workforce consists of a balanced mix of full-time, part-time, and internship positions, offering flexibility while ensuring stability. By providing opportunities for fresh graduates and interns, we support the development of young professionals, equipping them with valuable experience and skills. This approach fosters a dynamic work environment where employees can thrive and contribute meaningfully to the organization's goals.

Employee Statistics Per Employment Type



Fresh Graduates

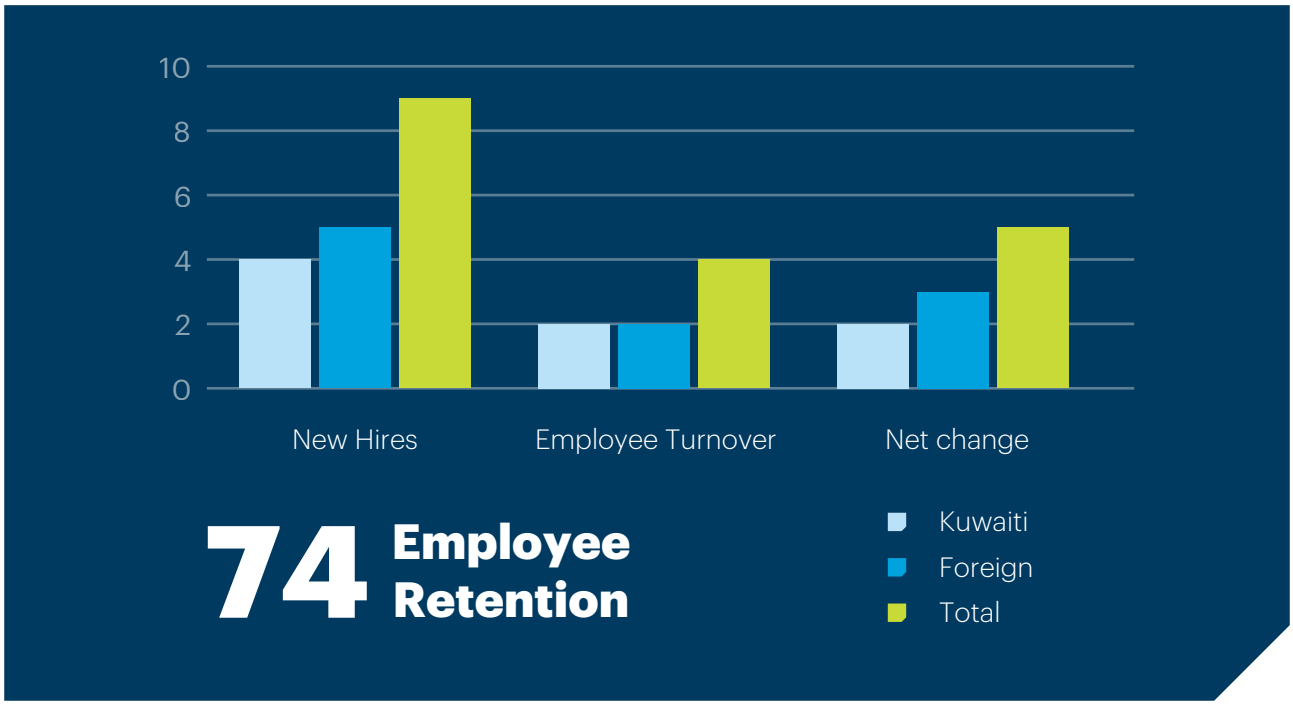


New Hires and Turnover

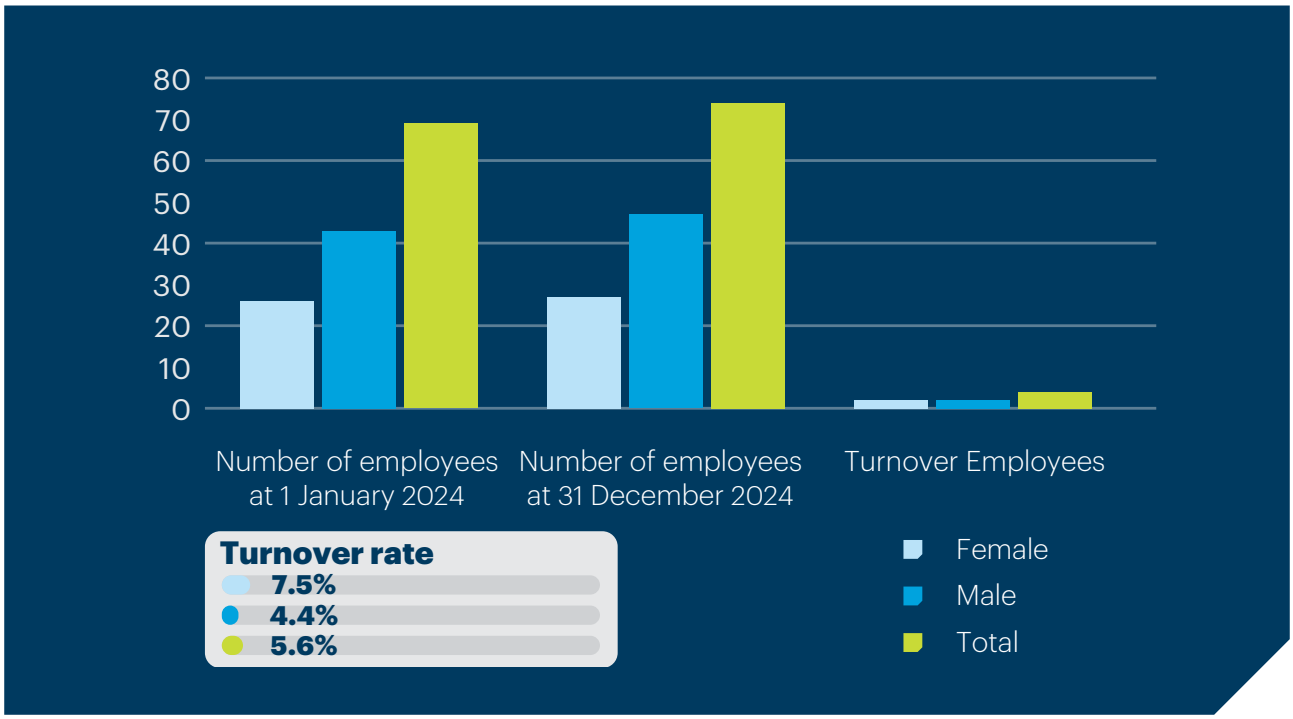
KIPCO's workforce experienced a steady balance between new hires and turnover in 2024, reflecting both growth and the natural transition of talent within the company. We carried on with our efforts to attract a diverse mix of employees, with an increase in staff contributing to overall workforce expansion. At the same time, employee turnover remained within a manageable range, showing the ongoing stability of the workforce. The net change in employees was positive, underlining the effectiveness of KIPCO's recruitment and human resource management strategy.

In terms of employee retention, the company's efforts to engage and support staff resulted in a strong retention rate. Despite some turnover, the overall turnover rate showed a slight decrease compared to the previous year. This drop highlights KIPCO's continued focus on improving employee satisfaction, fostering career growth, and maintaining a supportive work environment. This year's results demonstrate that KIPCO is successfully maintaining a steady and committed workforce while managing talent transitions effectively.

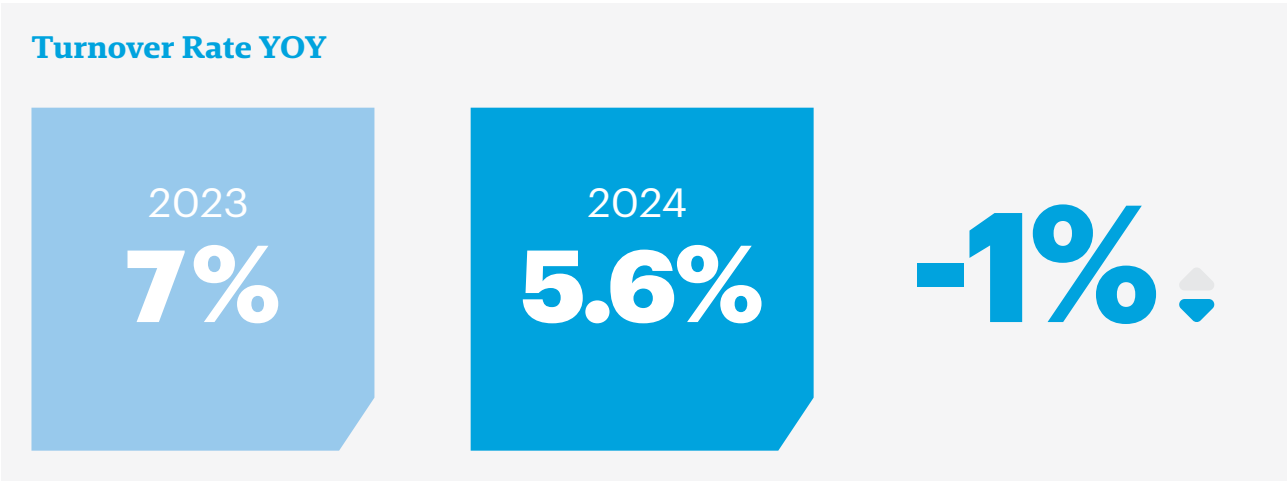
Employees per New Hires and Turnover



Employees Turnover Rate



Turnover Rate YOY



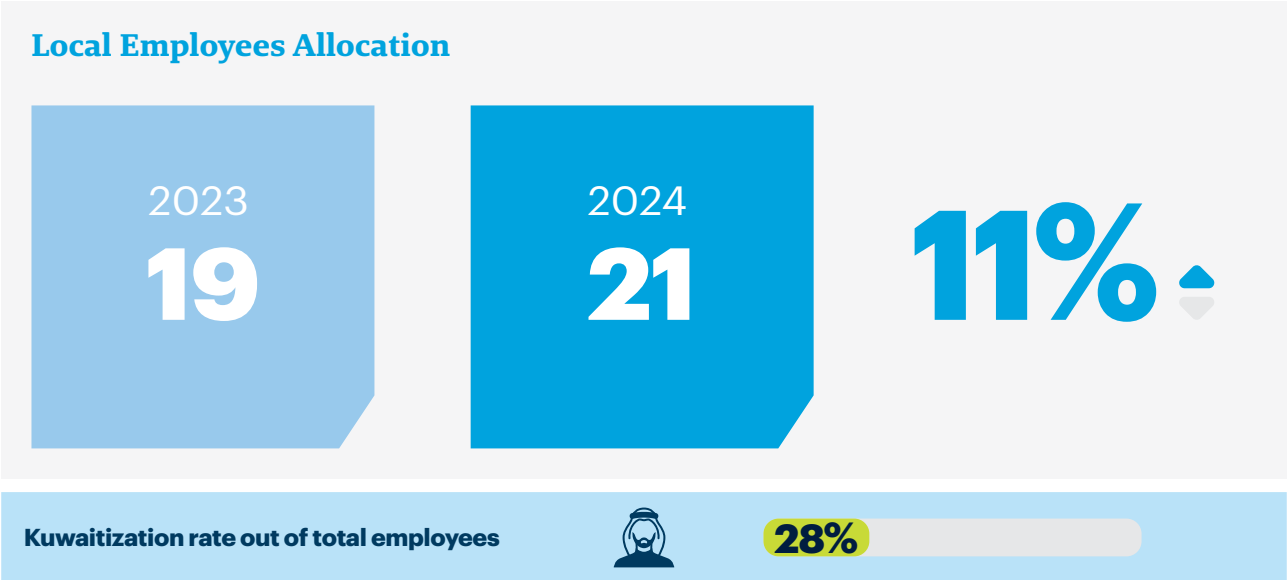
Kuwaitization

The focus on local talent continues to be an essential element of KIPCO's approach to workforce development. By increasing the representation of Kuwaiti nationals, the company contributes to national employment goals while benefiting from the skills and perspectives of local employees. This ongoing effort aligns with broader societal objectives and ensures that KIPCO maintains a workforce that reflects the community it operates within.

On the other hand, through targeted recruitment and retention efforts, the workforce reflects a growing representation of local employees, ensuring that we contribute meaningfully to the economic growth of Kuwait. This balanced approach, combining local expertise with global insights, aids our commitment to creating a sustainable and diverse workforce.

Number of Employees Per Nationality

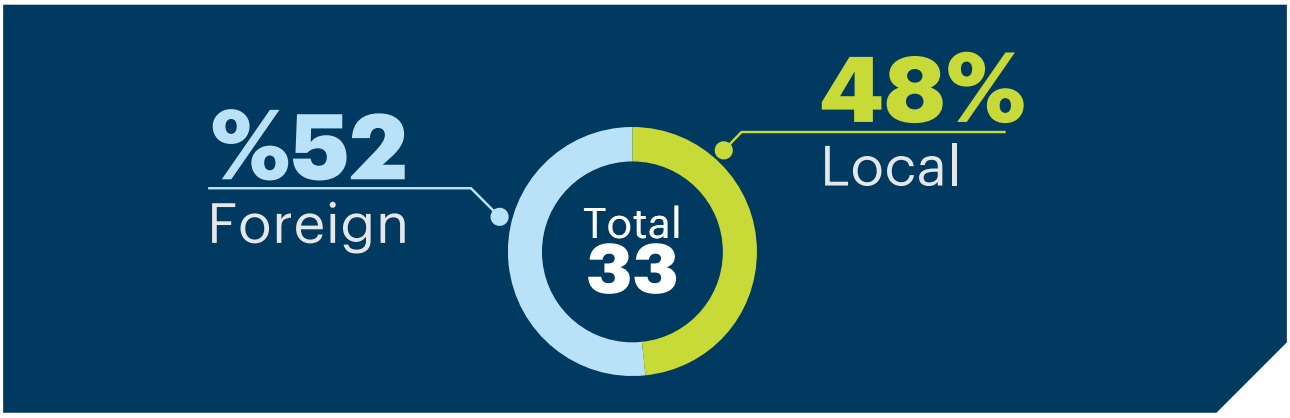
Local Employees Allocation



Kuwaitization rate out of total employees **28%**

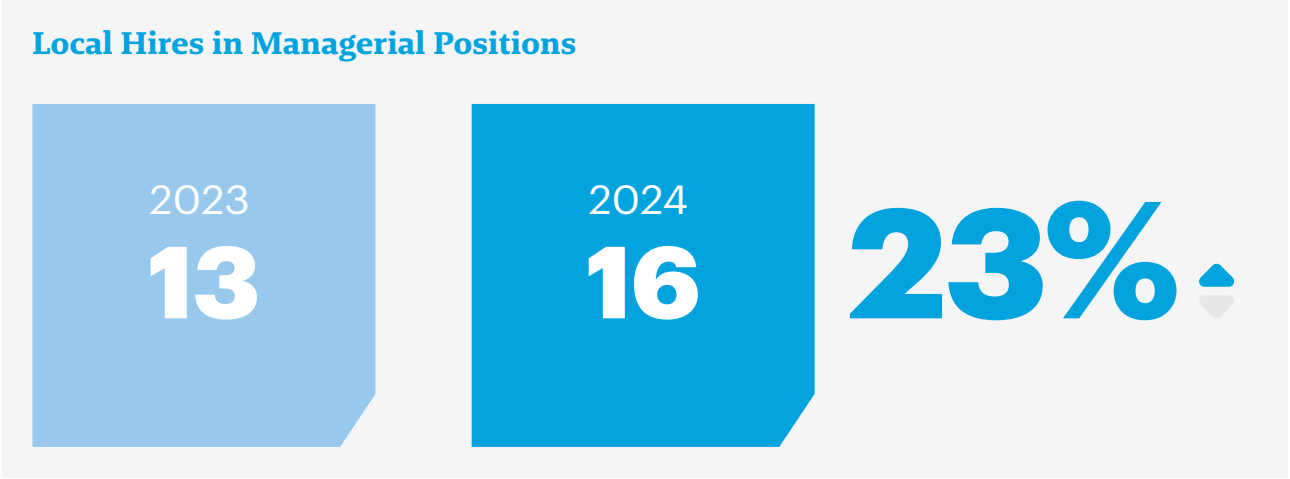
Local employees held a significant portion of KIPCO's managerial roles in the reporting period, maintaining a strong presence in national leadership across the company. The number of local hires in managerial positions saw an increase, highlighting our ongoing efforts to provide growth opportunities to Kuwaiti nationals within key leadership roles. This shift emphasizes our continued commitment to supporting the development of local talent, ensuring that leadership within is well-rounded and aligned with national workforce goals.

Number of Managers and Above Per Nationality out of Total Workforce



Senior Managers and Above

Local Hires in Managerial Positions



Gender Diversity

As an advocate for equal opportunities for all, KIPCO is committed to maintaining a balanced and inclusive workforce. By actively promoting gender equality, we strive to create an environment where all employees, regardless of gender, are empowered to succeed and advance. This commitment is reflected in the increasing number of women represented across all levels, particularly within leadership positions.

Number of Employees Per Gender

Females of the Workforce **36.49%**

While female employees continue to make up a significant portion of the workforce, the noticeable increase in the number of female managers observed in 2024 demonstrates the company's ongoing efforts to advance women into leadership roles. The progression of women into managerial positions highlights KIPCO's focus on empowering female talent and creating pathways for advancement within the company.

Additionally, a growing proportion of females are transitioning from junior roles to managerial positions, underscoring our equitable career growth opportunities and the positive trend towards greater gender equality in leadership.

Case Study:

One Vision: UGH Rings the Bell for Gender Equality

Portfolio company United Gulf Holding (UGH) participated in the "Ring the Bell for Gender Equality" event, hosted by Bahrain Bourse as part of a global initiative. The event promotes women's empowerment, gender inclusion, and workplace diversity, aligning with UGH's commitment to equality in financial markets. This participation reinforced UGH's role in supporting gender equality initiatives and advocating for female leadership in the financial sector.

Gender Representation at Managerial Positions

	Local	Foreign	Total
Number of Managers and Above Per Gender	25	8	33
Percentage of Managers and Above Per Gender out of total workforce	75.76%	24.24%	100%
Number of Board Members Per Gender	4	1	5
Percentage of Women on the Board	80%	20%	100%

Female Managers Allocation YOY

2023
18.75%

2024
24.24%

5.49% ▲

Employees Per Grade Level

	Junior up to before Manager	Manager and above	Total
Number of Employees	41	33	74
Number of Female Employees	19	8	27
Percentage of Workforce	26%	11%	1

Non-Discrimination and Human Rights

On joining KIPCO, all employees have to accept our Code of Conduct and must follow the guidelines mentioned below.

We emphasize the importance of preventing discrimination and harassment. We provide guidance on identifying and addressing discriminatory behaviors, promoting respect, and fostering an inclusive workplace culture. Employees have been informed about the available reporting mechanisms within the company, such as access to whistleblowing with anonymity or approaching the HR team for guidance and support over any matter of concern. Our policies include specific guidelines on discrimination and harassment as described below:

1. Any form of harassment or bullying is unacceptable and KIPCO does not tolerate or condone such behavior. All employees are expected to treat each other fairly, with respect and dignity, and to provide a supportive working environment.
2. Harassment is defined as unwelcome advances, requests for favors, and other verbal or physical conduct which results in an individual feeling threatened or compromised in some way, through but not limited to insulting, intimidating or discourteous conduct, as well as derogatory jokes or comments. Bullying is characterized as offensive, intimidating,

malicious or insulting behavior, an abuse or misuse of power through means intended to undermine, humiliate, denigrate or injure the recipient.

3. Management and all employees should be made aware by HR of their rights and responsibilities in relation to unlawful discrimination, workplace harassment and bullying.
4. After a full investigation, should an employee be found to be harassing or bullying a colleague, disciplinary measures will follow.

In extension, during the reporting period, no confirmed incidents of discrimination or violations involving the rights of national (Kuwaiti) people were reported. Additionally, no incidents were reviewed by the organization, and no remediation plans were required or implemented. All processes were carefully managed, ensuring that no incidents were left unresolved or subject to further action.

Incidents of Discrimination

Confirmed incidents of discrimination occurred during the reporting period	0
Confirmed incidents of violations involving rights of national people	0
Incidents reviewed by the organization	0
Remediation plans being implemented for confirmed incidents of discrimination	0
Remediation plans that have been fully implemented for confirmed incidents of discrimination, with results reviewed through routine internal management review processes	0
Incidents no longer subject to action	0

Upholding Human Rights

KIPCO is strongly committed to upholding human rights, with a spotless reputation in applying these standards where relevant. This commitment is embedded in our Code of Conduct, which is a guiding document for all employees and partners. By adhering to legal requirements and ethical guidelines, we ensure that human rights principles are upheld across our operations. This is supported by our continuous efforts to monitor and assess our practices, ensuring compliance and fostering a culture of respect for human rights.

In addition, KIPCO integrates human rights considerations into its contracts by including specific clauses in Request for Proposals (RFPs), mandating that suppliers and contractors adhere to our business code of conduct. This contractual obligation ensures that all partners share our commitment to fair and ethical business practices. We carefully select contractors with impeccable reputations who align with our values, ensuring that they follow human rights standards and operate transparently and responsibly.

Generational Diversity

With a workforce spanning multiple age groups, KIPCO benefits from the unique perspectives of employees at different points in their careers. The distribution shows a strong presence of employees within the 30 - 50 age range, bringing a wealth of experience and knowledge to the company. Additionally, there is a significant representation of both younger employees and those over 50, ensuring that a variety of viewpoints contribute to the company's growth and innovation. This composition strengthens KIPCO's ability to adapt and thrive in an ever-evolving market.

Employee Numbers Per Age Group

	Under 30	30 - 50	Over 50	Total
Number of Females per Age Group	0	20	7	27
Number of Males per Age Group	1	33	13	47
Proportion	1%	72%	27%	1
Total	1	53	20	74

Employee Engagement

We believe an important factor in maintaining employee satisfaction is engagement. We recognize that fostering a sense of belonging, teamwork, and personal development is crucial to a motivated workforce. As part of our efforts to enhance employee satisfaction, we organize a wide range of events designed to engage employees both professionally and socially.

Events such as the KIPCO League Football Tournament and Family Day promote teamwork, strengthen relationships across the organization, and encourage a culture of unity. These initiatives allow employees to bond outside of their usual work environment, reinforcing KIPCO's commitment to creating a positive and collaborative workplace culture. Other initiatives, like the Breast Cancer Awareness campaign and the Blood Donation Campaign, focus on employee well-being, showing our dedication to supporting employees' health and contributing to social causes.

In addition to these events, workshops such as the 7 Habits workshop for AUS staff and ESG awareness sessions provide employees with opportunities to grow professionally, expand their leadership skills, and increase awareness of important social and environmental issues. We also organize more formal events like the KIPCO Gala Dinner, celebrating the achievements of employees and recognizing their contributions to the company's success.

Through these diverse events, KIPCO creates an environment where employees feel valued, supported, and part of a larger community. Regular engagement through such initiatives not only drives employee satisfaction but also strengthens our corporate culture and commitment to long-term success.

Selected List of Employee Engagement Initiatives

Event title	Brief description of event	Event duration	Number of employee participants
KIPCO League Football Tournament	Intercompany sports event promoting team spirit and aimed at promoting teamwork and strengthening intercompany relationships	4 days	140
Family Day	A gathering for employees and their families, fostering corporate culture and engagement	1 day	8000
Breast Cancer Awareness	Screening campaign to promote cancer awareness and prevention to female employees	1 day	25
Blood Donation Campaign	Workplace initiative supporting blood donation and employee well-being	1 day	93
Ramadan Ghabga	A gathering that strengthens company culture and internal relations among employees	1 day	50
ESG awareness session - RSM	An awareness session on ESG	1 day	40
7 Habits workshop for AUS staff	Workshop for AUS staff focusing on leadership, goal setting, and self-awareness	3 days	9
KIPCO Media Dinner	Event enabling communication teams of KIPCO Group companies to actively engage with the media environment and strengthen collaboration	1 day	120
KIPCO Gala Dinner	Celebration recognizing the achievements of employees across KIPCO Group companies	1 day	350
KIPCO Strategy Offsite	Internal leadership event for long-term planning and investment strategy discussions	2 days	32
	Total Cost	**KD 137,174**	

The increase in employee engagement initiatives in the reporting period showed our dedication to the employee experience.

Total Amount Spent on Employee Engagement

2023	2024	
KD 119,500	KD 137,175	15% ▲

Total Expenditure on Community and Employee-Related Initiatives

2023	2024	
KD 635,145	KD 288,328	-55% ▼

Employee Satisfaction

We recognize that a motivated and content workforce is essential to the company's success. To monitor satisfaction, we regularly conduct surveys to gather feedback on specific services and aspects of the employee experience. These surveys provide valuable insights into areas of improvement and help guide our initiatives for enhancing the work environment.

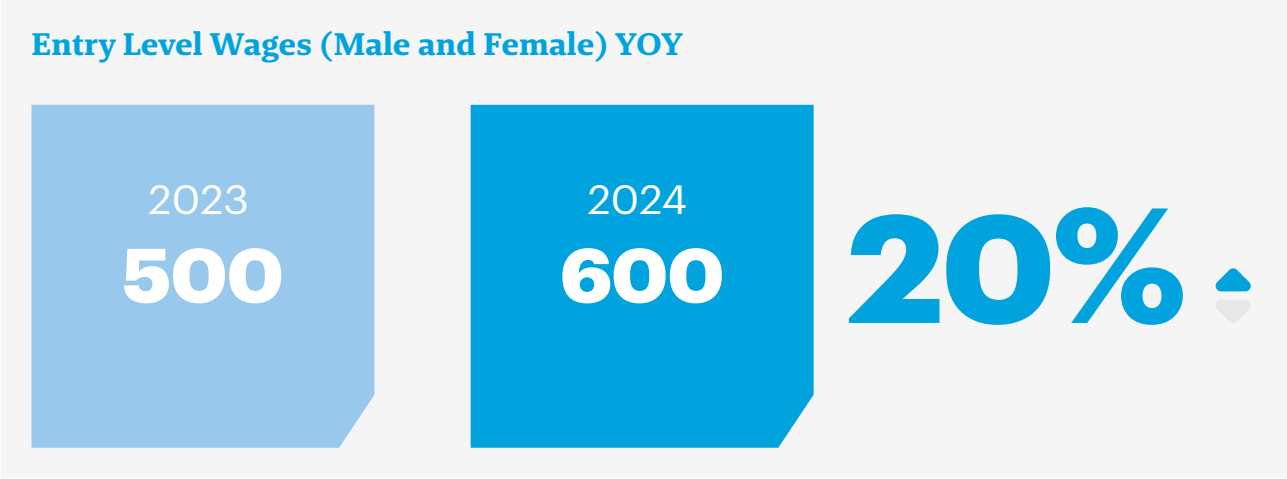
In addition to structured surveys, we foster a culture of openness through our open-door policy, which encourages employees to voice their concerns, ideas, and suggestions directly to management. This ensures that feedback is heard firsthand and allows us to address issues promptly, creating an environment where employees feel valued and heard.

Employee Wages

Our entry-level wage is structured to ensure that male and female employees receive equal pay for the same role, with a consistent 1:1 ratio in salaries. This commitment reflects KIPCO's ongoing focus on promoting gender equality and fairness within the workforce.

In 2024, the company saw an increase in entry-level wages, further demonstrating its commitment

to enhancing employee compensation. This adjustment not only ensures that the company remains competitive in attracting top talent but also strengthens its commitment to providing fair and equitable pay. By aligning wages with industry standards and continually evaluating compensation structures, KIPCO fosters an environment where all employees are valued and rewarded for their contributions, regardless of gender.



Employee Benefits

At KIPCO, employee well-being is a top priority, and a comprehensive range of non-compensation benefits has been designed to support both personal and professional aspects of employees' lives. These benefits include medical, dental, and vision coverage, ensuring employees have access to quality healthcare. In addition, paid vacation days, holidays, and personal leave allow employees to take time to recharge, attend to personal matters, and maintain a healthy work-life balance.

The company also encourages continuous learning by offering support for professional development, including reimbursement for relevant courses, workshops, or conferences. For new parents, paid time off is provided to care for a newborn or adopted child, reinforcing KIPCO's commitment to family-friendly policies.

To add further convenience, free parking is provided at all KIPCO locations, and employees enjoy discounts on company products and services, as well as exclusive offers through partnerships with external vendors. These benefits collectively aim to create a supportive, flexible environment where employees can thrive both personally and professionally.

Selected List of Employee Benefits and Related Expenditure

HEALTH INSURANCE
KD146,239

STAFF AIRFARE
KD130,063

BONUS
KD779,520

EDUCATION ALLOWANCE
KD 87,514

RETIREMENT AND INDEMNITY PAID
KD326,838

TOTAL
KD1,470,174

***Note:** These are contributions to employees apart from the normal salary.

Case Study: Our Tuition Reimbursement Policy – Advancing our Employees

Our Tuition Reimbursement Policy is a benefit that KIPCO offers to its staff to perform better in their role or to qualify them for career advancement within the organization. The benefit is offered only for employees with a strong record of performance and for job relevant professional programs. Only professional certifications earned from a recognized professional society/body or educational institution, including but not limited to the Project Management Institute (PMI), Society for Human Resource Management (SHRM), American Institute of Certified Public Accountants (AICPA), Institute of Internal Auditors (IIA), and the CFA Institute, will be considered.

Objectives

The following are the main objectives of the Tuition Reimbursement Policy:

- Motivate and retain high-performing staff.
- Increase staff's skills and broaden their capabilities for career growth within the organization.
- Integrate and align staff development programs with corporate development initiatives that support KIPCO's strategic objectives.

Eligibility

Employees eligible for Tuition Reimbursement and study leave must meet specific criteria, including:

- A minimum of three years' service with KIPCO or an associate company.
- A consistent record of strong performance.
- Alignment of the degree with the employee's career development plan within KIPCO.
- No prior Tuition Reimbursement or study leave, unless pursuing a higher-level degree.
- A demonstrated potential to contribute significantly to KIPCO upon program completion.

Application Process:

- Requests for Tuition Reimbursement and study leave must be submitted through the employee's Line Manager to the Group HR and Admin Division.
- Applications will be reviewed individually and approved by the Deputy Group CEO.

Study Leave Details:

- Study leave is approved on a case-by-case basis, generally for the day preceding an exam as well as the exam day itself.

Employment obligations:

- Employees benefiting from Tuition Reimbursement and study leave must commit to remain employed by KIPCO for a period specified by HR, which will be determined based on the program's cost and duration.

Reimbursement Details:

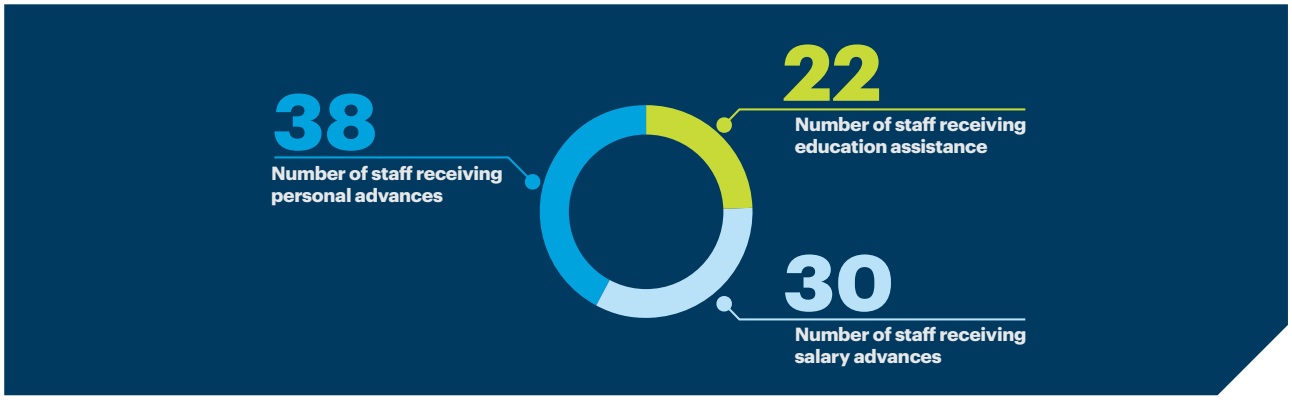
- Upon successfully passing the certification exam, employees will be reimbursed 100% of the total course cost. This cost includes expenses such as books, course fees, and examination fees.
- There is a reimbursement cap of KD 1,500 per year.

Upfront Payment Option:

- For employees requiring upfront payment of course-related expenses, KIPCO will treat this as a deferred loan until the employee provides proof of course completion and exam success.
- The employee must sign a letter of undertaking stating the amount of Tuition Reimbursement and agreeing to the relevant employment and financial obligations.

Additionally, we offer a variety of support options to assist employees with their personal and professional needs. In 2024, a number of employees benefited from our education assistance program, while others received salary and personal advances to manage immediate financial requirements. We strive to help provide employees with the resources they need to succeed both in their careers and personal lives.

Employee Advances Data



Parental Leave

We are always keen on supporting our employees and their families, and through our dedicated parental leave we aim to foster a family-friendly workplace. The company has seen positive outcomes in employee retention after parental leave, with all employees who took parental leave in the reporting year returning to work following their absence. This reflects KIPCO's commitment to creating an environment where employees feel supported in balancing family responsibilities and their professional careers.

The retention rate following parental leave remains at 100%, showing that employees who take leave feel confident and valued enough to return, further strengthening the company's workforce.

Parental Leave Count and Retention

	Male	Female	Total
Employees who took parental leave	2	0	2
Employees who returned after their parental leave	2	0	2
Employees due to return after their parental leave	0	0	0
Employees retained after 12 months following their parental leave	2	0	2
Retention to work rate	100%	100%	-
Retention rate	100%	100%	-

3.3 Workforce Development

Training and Development

We place great emphasis on continuous learning and professional development as key drivers of employee growth and organizational success. Recognizing the importance of staying current with industry trends and strengthening skills, we provide various training opportunities for our employees. This includes access to an online training initiative through LinkedIn Learning, with an annual investment that enables employees to enhance their capabilities at their own pace. This initiative complements on-the-job learning, where employees are encouraged to refine their skills through practical experience and coaching.

In addition to general skills development, KIPCO invests in industry-specific training and leadership development programs. These programs equip employees with the latest insights in their respective fields, while also focusing on leadership skills and people management to ensure that employees are prepared to excel in project leadership and team management.

Role-specific Training

We are committed to bringing about a culture of continuous learning and professional development. Beyond initial training programs, we provide employees with opportunities to pursue role-specific development that aligns with their career paths. Employees are encouraged to pursue additional certifications, attend conferences, and participate in workshops or professional networks that enhance their expertise in their job roles.

To further support this growth, we offer special leave for employees pursuing certifications that are directly relevant to their responsibilities, ensuring they have the time and resources needed to succeed. Additionally, we actively support employees in staying current with the latest industry trends and innovations by organizing and facilitating access to special seminars, masterclasses, and conferences. These opportunities allow employees to gain valuable insights, improve their skills, and stay competitive in an ever-evolving professional landscape.

Selected Training and Development Performance

Training Course	Hours per Employee	Number of Employees Trained	Total Training Hours per Course	Department	Employee Level	Virtual / Physical
Audit Conference	80	2	160	Audit	Management	Physical
HR Conference	24	1	24	HR & Admin	Management	Physical
Corporate Governance	4	10	40	Compliance	Management	Physical
General Online courses	4	60	240	All	All	Virtual
Digital Marketing / Corporate Comms	40	4	160	Corporate Comms	All	Physical
IFRS	2	20	40	Finance & Accounts	All	Physical
Dashboard	2	20	40	Finanace & Accounts	All	Physical
Total	156	N/A -due to double-counting	704			

In 2024, we made a notable targeted investment in employee training, reflecting our commitment to continuous learning and professional development. The total training hours for employees saw a substantial increase, more than doubling from the previous year. This growth showcases our dedication to enhancing the skills and capabilities of our workforce, with a marked expansion in both the number of employees receiving training and the overall training hours provided.

Alongside this increase in training hours, we also achieved an increase in the total amount spent on employee training, reinforcing our focus on providing high-quality development opportunities. By investing more in our training programs, we ensure that our employees have access to the necessary resources to grow professionally and stay up to date with the latest industry trends and practices.

Total Amount Spent on Employee Training

2023	2024	
KD 20,000	KD 22,000	10% ▲

Total Training Hours for All Employees

2023	2024	
344	704	105% ▲

Other Training Related Indicators

Total Employees Receiving Training	64
Total Training Hours	704
Average Training Hours per Employee	11
Average Training Days per Employee	1.5
Percentage of Employees Receiving Training out of Total Employees	86%

Promoting Leadership

We believe that leadership training and talent management programs are essential for an organization's growth and success. They help identify and develop potential leaders and equip employees with the necessary skills to take on higher responsibilities. We often have targeted programs for senior-level executives to heighten their strategic thinking, decision-making skills, and understanding of global business trends. It usually involves a mix of executive training, workshops, networking events and conferences, and mentorship from top-level executives.

Case Study:

One Vision: Burgan Bank Concludes Ro'Ya 2 Talent Program

Our portfolio company Burgan Bank successfully completed the second edition of the Ro'Ya 2 Talent Development Program, which aims to develop future banking leaders through specialized career training, mentorship, and leadership development. Conducted in collaboration with AUK, Harvard Business School, and London Business School, the Program graduated 37 participants, equipping them with industry-relevant skills for professional advancement.

Performance, Progress, and Recognition

We view performance appraisals as a vital tool for continuous improvement and employee growth. Regular evaluations by managers provide valuable insights into employees' performance, which are then forwarded to HR or the Deputy Group CEO for further review and multidimensional assessment. This feedback is systematically integrated into our reward system, ensuring that exceptional performance is recognized and appropriately rewarded.

In addition to formal annual reviews, KIPCO emphasizes the importance of ongoing verbal feedback, fostering a more dynamic and responsive approach to performance management. This combination of structured and informal feedback creates an environment where employees can continuously refine their skills and contribute more effectively to the organization's goals. Moreover, career development reviews are conducted to align individual growth with the company's broader strategic objectives, ensuring that both employees and the organization thrive together.

As a result of these efforts, the majority of KIPCO employees receive regular performance feedback, with both executive and non-executive employees benefiting from comprehensive performance evaluations.

Employee Performance Reviews

Frequency of conducting performance appraisals	Yearly formal review. Regular verbal feedback.
Total employees who received performance appraisals	60
Total number of executive level employees who received feedback on their performance evaluation	10
Total number of non-executive level employees who received feedback on their performance evaluation	50
Employees who received regular performance and career development reviews	81%

Employee Specialization and Compensation

Having various business needs, the workforce spans operations with varying levels of specialization and compensation to satisfy our goals, and further indicators of these aspects are illustrated in the following:

Business Segments

Operations in business segments with high/moderate/low levels of employee specialization, education and qualification needs	• Operations with high levels of specialization, education, and qualifications 40% • Operations with moderate levels of specialization 35% • Operations with low levels of specialization 25%
Operations in business segments with high/moderate/low levels of compensation per employee	• Operations with high compensation per employee 30% • Operations with moderate compensation per employee 50% • Operations with low compensation per employee 20%

Grievances

KIPCO maintains formal grievance reporting and escalation procedures to ensure that employee concerns and complaints are handled effectively and fairly. These procedures are designed to provide a safe and confidential channel for employees to raise grievances, with the assurance that appropriate action will be taken to resolve them. To further ensure safety, under the provisions of this policy, no employee shall suffer any detriment because of the fact that he/she has presented a grievance or complaint.

Employees can submit complaints related to the work environment, performance reviews, or interactions with fellow employees directly to HR. Upon receipt, HR reviews the issue and, if necessary, refers it to the relevant party for investigation. Confidentiality is a core principle of the process, ensuring that grievances are not disclosed beyond those directly involved.

In cases where a grievance remains unresolved, employees have the right to escalate the matter to an ad-hoc Grievance Committee, which includes senior management such as the Group Chief HR & Admin Officer, Legal or Internal Audit, and the concerned Department Head. This structured process ensures that all grievances are addressed promptly and thoroughly, safeguarding employees from any detrimental effects of raising a concern.

Received Complaints

0 Number of received employee-related complaints

Occupational Health and Safety (OHS)

Ensuring a safe and healthy work environment has always been a priority at KIPCO. By attaining the acknowledgment of all employees by each year, and our established Occupational Health and Safety (OHS) Policy, we continue operations safely. Our responsibility towards protecting employees is reinforced through regular updates on safety practices, policy changes, and industry standards, ensuring everyone is informed and aware. This commitment is further supported by an insurance plan that covers occupational accidents.

With 100% of employees covered by the OHS management system, KIPCO's efforts to promote workplace safety have proven effective, as the company has sustained no incidents related to health, safety, or injuries in the workplace. This track record reflects the ongoing success of our proactive approach to occupational health and safety.

OHS Incidents

Incidents reviewed by KIPCO	0
Incidents no longer subject to action	0
Please provide the number of employees trained in occupational health and safety.	0
Percentage of workers covered by an occupational health and safety management system	100%
Number of incidents with respect to injuries that occurred in the workplace	0
Number of incidents and information with respect to ill-health that occurred in the workplace	0

Case Study: Spotlight on our OHS Policy

Providing a safe and healthy work environment, adhering to both legal and ethical responsibilities, is of high importance at KIPCO. Through our comprehensive OHS policies, we aim to ensure that all work locations are maintained to high safety standards, promoting well-being for employees, contractors, and visitors alike.

Integral parts of our OHS Policy include but are not limited to the following:

KIPCO recognizes its moral and legal responsibility to provide a safe and healthy working environment for its employees, contractors, part-time employees, clients, and visitors.

KIPCO is committed to:

1. Complying with all relevant legislation and other requirements pertaining to health and safety.
2. Maintaining work locations in a clean and hygienic condition, providing suitable lighting, and supplying potable water and adequate toilet facilities.
3. Making available sufficient first aid cabinets supplied with the necessary resources at work locations.
4. Eliminating smoking from all work areas.
5. Circulating OHS instructions in Arabic and English as deemed necessary.

6. Making available and maintaining safe systems of work and safe work premises, including: implementing systems to adequately manage emergency response and ensuring an adequate supply of fire extinguishers and fire detectors.

3.4 Sustainable Procurement

Our supply chain includes key partners such as Ooredoo for telecom services, DHL for courier services, Al Maha for stationery, United Legacy for travel, and KUFUMA for furniture. These suppliers provide essential services that support KIPCO's operations, even though the company does not directly engage with product-based activities.

Additionally, environmental criteria are key factors when it comes to KIPCO's supplier screening process. Suppliers are evaluated based on their alignment with the company's sustainability objectives, with specific environmental criteria considered during selection. The process assigns relevant weights to sustainability factors, ensuring they are prioritized where applicable.

In parallel, social criteria also play a critical role in procurement decisions. KIPCO conducts a thorough evaluation to identify reputable suppliers known for their commitment to ethical practices and social responsibility. This dual focus on environmental and social criteria ensures that only suppliers who align with the company's values are selected.

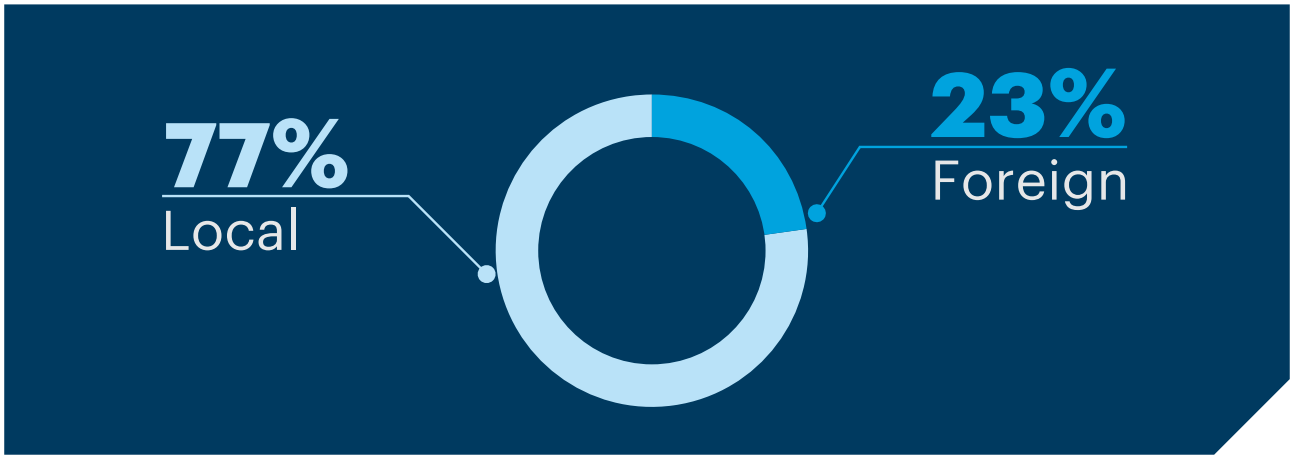
We are pleased to say that no material negative environmental or social impacts have been identified, demonstrating that our due diligence process is effective. To stay ahead, KIPCO actively collaborates with NGOs, industry associations, and government bodies to mitigate potential environmental risks and promote sustainability in Kuwait. Additionally, human rights standards are consistently applied throughout the supply chain, reinforcing the company's ethical approach to procurement.

Procurement Activities

In alignment with our commitment to the local economy in Kuwait and as an ongoing priority, KIPCO has strategically directed resources to local suppliers, partnering with 15 local and 7 foreign suppliers, making a total of 22 suppliers with the majority of our expenditure going to local suppliers. These numbers remain unchanged from the previous year. The distribution of suppliers, in percentage terms, is as follows:

Allocation of Number of Suppliers

Allocation of Procurement Expenditure



4

GOVERNANCE EXCELLENCE

4.1 Holding Resilience

Organizational Structure

Board of Directors (BOD) Oversight

The BOD has a crucial role in overseeing management of the Holding's ESG impacts, alongside multiple other aspects. The specific ESG-related responsibility is supported by the ESG Committee, led by an independent board member, which provides regular updates to the BOD on the progress and developments of the company's sustainability initiatives. Subsequently, the BOD regularly reviews the ESG Committee's reports, ensuring that the effectiveness of KIPCO's processes in managing its sustainability goals is on track. This ongoing evaluation process enables KIPCO to make informed decisions, refine strategies, and maintain a clear path towards the established ESG objective goals. Notably, in 2024, the BOD approved significant policy amendments that aligned KIPCO's operations with the objectives of the updated ESG Strategy, marking a major milestone in our journey.

In addition to ESG oversight, the BOD is responsible for defining the company's purpose, mission, and core values, alongside approving all policies and reports provided by all committees. An important step this year was the BOD's endorsement of a revised mission, vision, and values, reaffirming the Holding's long-term commitment to sustainability and ethical business practices.

Corporate Direction and Reporting

The structure of KIPCO's leadership ensures clear separation between governance and day-to-day management. With the Chairman of the BOD being distinct from senior executive roles, preserving independent oversight and enabling the BOD to fulfill its duties without interference.

When it comes to sustainability reporting, the responsibility for reviewing and approving the information in the report lies with the BOD. However, the Group CEO plays a key role in enabling the process by overseeing specific operational matters and decisions related to subsidiaries. The Authority Matrix grants the Group CEO financial, operational, and administrative authority, ensuring that the Group CEO can implement the strategies necessary for effective reporting and operational alignment. This dual responsibility allows for a seamless integration of both strategic oversight and operational execution.

BOD Composition

Comprised of independent and non-independent members with a strong balance of industry expertise and leadership experience, the BOD is composed of non-executive and executive roles, with members bringing diverse perspectives to drive the company's strategic direction. All members have a proven track record of high attendance and long tenures, demonstrating their commitment, strong leadership, and valuable contribution to KIPCO's governance.

BOD Members and Details

Name	Board position	Independent / Non-Independent	Executive / Non-Executive	Industry expertise	Non-Industry expertise	Any ESG experience / credentials	Attendance rate	Nationality	Age	Gender	Years tenure
Sheikh Hamad Sabah Al Ahmad Al Sabah	Chairman	Non-Independent	Non-Executive	Yes	Yes	N/A	100%	Kuwait	77	Male	Since 1996
Sheikh Abdullah Naser Sabah Al Ahmad Al Sabah	Vice chairman	Non-Independent	Non-Executive	Yes	Yes	N/A	100%	Kuwait	49	Male	Since 2005
Sheikha Dana Naser Sabah Al Ahmad Al Sabah	Board Director	Non-Independent	Executive.	Yes	Yes	Yes	100%	Kuwait	54	Female	Since 2020
H.E. Abdullah Yacoub Bishara	Board Director	Independent	Non-Executive	Yes	Yes	Yes	100%	Kuwait	90	Male	Since 1997
Mr. Faisal Hamad Al Ayyar	Board Director	Non-Independent	Non-Executive	Yes	Yes	N/A	100%	Kuwait	71	Male	Since 1990

Board Committees

Positioned to play a crucial role in overseeing governance, four committees form the backbone of KIPCO's governance structure, ensuring business continuity and effective decision-making. Led by key representatives of various committees, these bodies meet regularly to discuss and address issues of various topics. Each committee maintained a consistent number of meetings throughout the year, with 100% attendance, demonstrating active engagement and optimal governance performance.

List of Board Committees

Committee name	Description of committee main responsibilities	Committee representatives	Independence status of representative	Number of meetings this year	Attendance rate per committee
Audit Committee	Charter	Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	Not Independent	7	100%
Nomination & Remuneration Committee	Charter	Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	Not Independent	2	100%
Risk Management Committee	Charter	Sheikh Abdullah Nasser Sabah Al Ahmad Al Sabah	Not Independent	6	100%
ESG Committee	Charter	Abdullah Bishara	Independent	2	100%

BOD Nomination and Selection

The process for nominating and selecting the highest governance bodies at KIPCO, including the Chairman and BOD members, is guided by a transparent and structured approach. In compliance with the law, an advertisement is issued to invite nominations, ensuring that the selection process is open and inclusive. The Nomination & Remuneration Committee then reviews the nominees' CVs, taking into account various important factors such as stakeholder views, diversity, independence, and competencies relevant to the organization's needs and impacts. The Committee's findings and recommendations are presented, and the final decision is made through a voting procedure at the Annual General Meeting (AGM).

In line with best practices, the Nomination & Remuneration Committee includes both independent and non-independent directors. The chair of the Committee is a non-executive director, ensuring that the process remains impartial and free from conflicts of interest. This structure allows for balanced decision-making and ensures that the perspectives of all stakeholders, including shareholders, are reflected in the nominations and decisions regarding governance.

BOD Development and Evaluation

Performance assessment of KIPCO's highest governance bodies, including the Chairman and the BODs, is evaluated annually through a comprehensive self-assessment process. In addition to individual self-assessments, peer evaluations are conducted, allowing BOD members to assess one another's contributions and performance. This evaluation process extends to the committees, ensuring a holistic review of governance effectiveness.

The evaluations are conducted independently, ensuring objectivity and transparency. Although no significant changes have been made to the composition of the BOD or organizational practices based on the evaluations so far, the process provides valuable insights to ensure the BOD's continuous effectiveness.

In relation to development and to further enhance the BOD's collective knowledge, KIPCO prioritizes ongoing training and development. Each year, the BOD undergoes training sessions on topics relevant to their governance role. In 2024, a key focus was an awareness session on ESG and sustainability reporting, helping to equip BOD members with the knowledge and tools to effectively oversee the company's ESG responsibilities.

Executive Management (EM)

The EM is composed of a diverse group of leaders with deep expertise across a wide spectrum of industries. This collective expertise in the management level drives the company's strategic initiatives and operational efficiency, ensuring that KIPCO remains competitive in a dynamic market environment.

Leadership within the team is characterized by a blend of industry knowledge and operational experience, enabling KIPCO to meet the challenges of various sectors.

By leveraging this broad skill set, the EMs work collaboratively to implement strategies that promote innovation, sustainability, and profitability.

Executive Management

Name	Position / Title	Industry expertise	Other Non-industry expertise	ESG experience / credentials	Nationality	Age	Gender	Years tenure
Sheikha Dana Naser Sabah Al Ahmad Al Sabah	Group CEO	Investment, Banking and Financing, Real Estate, Manufacturing, Education, Oil and Gas, Logistics	N/A	Yes	Kuwait	54	Female	5
Samer Khanachet	Deputy Group CEO	Investment, Banking and Financing, Real Estate, Manufacturing, Education, Oil and Gas, Logistics	N/A	Yes	United States of America	73	Male	35
Sunny Bhatia	Group CFO	Investment, Financing, Liability Management	N/A	No	India	60	Male	4
Sheikh Sabah Mohammad Abdulaziz Al Sabah	Group Chief Strategic Projects Officer	Investment, Financing, Manufacturing, Oil and Gas, Logistics	N/A	No	Kuwait	42	Male	3
Khaled Abdul Jabbar Al Sharrad	Group Chief HR & Admin Officer, Board Secretary	HR, Business Development, Organizational Optimization	Investment Holding, Industrial, Logistics	No	Kuwait	60	Male	30
Moustapha Chami	Deputy Group CFO	Investment, Financing, Banking, Manufacturing, Accounting	Corporate Governance, Compliance	No	Lebanon	43	Male	26
Adel Jasem Al Waqayan	Group Treasurer - SVP	Investment, Financing, Banking	N/A	No	Kuwait	63	Male	30

Name	Position / Title	Industry expertise	Other Non-industry expertise	ESG experience / credentials	Nationality	Age	Gender	Years tenure
Ghada Khalaf	Group SVP – Investments	Education, Investment, Oil Services	N/A	No	Kuwait	50	Female	3
Mohammad Abdullah Al Hubail	Deputy Group Chief of HR & Admin Officer	HR, Corporate affairs and administration, Accounting and settlements	Investment and Holdings	No	Kuwait	57	Male	15
Samer Abbouchi	Group SVP – Investments	Investments, Financial, Banks, Real Estate	N/A	No	Lebanon	42	Male	2
Eman Mohammad Al Awadhi	Group SVP – Corporate Communications & IR	Media and Communication, Investor Relations, Sustainability, CSR	N/A	Yes	Kuwait	46	Female	15
Riyad Mohammed Hanbali	Group VP – Internal Audit	Investment, Financing, Real Estate, Manufacturing, Oil and Gas, Logistics	N/A	No	Australia	58	Male	21

Shareholder Matters

KIPCO upholds the law and government regulations regarding the rights and governance of its shareholders, ensuring that ownership structure and governance arrangements do not create any special disadvantages for minority public shareholders. Shareholders are not restricted in their ability to make changes to the Holding, as the laws and regulations clearly provides them with the right to call an Extraordinary General Meeting (EGM) when necessary.

As regards director elections, all shareholder-elected directors are eligible for re-election at three-year intervals, in accordance with legal terms. Shareholders also retain the right to nominate directors for election at the Annual General Meeting (AGM).

In terms of director removal, shareholders holding at least 25% of the shares have the right to call an assembly to vote on the removal of the Chairman or any BOD member. A majority of 51% in the assembly is required to pass such a decision, and the law does not mandate the need for cause in these instances. This structure ensures transparency and shareholder rights in the governance process.

Investor Relations (IR) Activities

With regards to meeting the needs of our investors, particularly in relation to ESG factors, no concerns have been raised by investors regarding ESG issues. Nonetheless, a significant portion of KIPCO's investor base remains engaged with and conscious of ESG matters. Approximately 50% of KIPCO investors actively seek ESG data, highlighting the growing demand for transparency in these areas. Furthermore, around 70% of KIPCO investors are aware of and take into account ESG considerations when making investment decisions. This reflects our own emphasis on ESG considerations in investments, which we strive to maintain and elevate year over year.

We also ensure that investors are provided with all relevant information and basic facts about the company, particularly securities issuance and post-issuance activities. There have been no allegations regarding restricted access to information or breaches of investor protection requirements, reflecting our commitment to maintaining strong and transparent investor relations.

Strengthening Investor Engagement

In 2024, the IR team continued to strengthen its engagement with investors by maintaining its regular quarterly investor calls following each quarterly announcement. These calls have become an essential platform for analysts and investors from both regional and global markets to stay updated on KIPCO's performance and strategies. In the reporting year, the IR team took an important step in highlighting the company's ESG efforts, aligning with the publication of the 2023 Sustainability Report.

As part of this effort, KIPCO produced a series of short videos to showcase the different pillars of the report and highlight key achievements in various sustainability areas. These videos featured representatives from relevant teams, underscoring the collaborative nature of KIPCO's sustainability initiatives. The goal was not only to present the data in an engaging and accessible format for the public but also to emphasize that sustainability is a collective effort, with contributions from multiple departments driving the company's progress in this critical area.

Regulatory Compliance Activities

Ensuring regulatory compliance is a priority, and internal audits and regulatory updates are routinely carried out and reviewed to detect any discrepancies or breaches in policies. When significant instances of non-compliance are identified, they are flagged for further investigation and discussed in Audit Committee meetings for resolution.

Consequently, there have been no cases of internal investigations into accounting practices, nor has the company faced any regulatory scrutiny, fines, settlements, or convictions. In fact, neither fines nor significant instances of non-compliance with laws or regulations have occurred. Additionally, there have been no issues concerning product or service information, labeling, or marketing communications, attesting to KIPCO's meticulous and thorough auditing procedure in detecting breaches against internal policies and regulatory regulations.

Case Study: Compliance Awareness Programs

The primary objective of this initiative was to enhance compliance awareness across the organization, ensuring that all employees are not only familiar with internal policies but also understand the critical importance of adhering to external regulations. The program aimed to foster a culture of accountability and responsibility, empowering employees to take ownership of compliance within their respective roles.

As a result, the initiative led to a noticeable improvement in employees' understanding of compliance and a reinforced commitment to CMA law and its associated Executive bylaws. This shift has created a more vigilant organizational culture where compliance is viewed as a collective responsibility, resulting in enhanced alignment with both local regulatory standards and internal governance frameworks.

The Program featured a combination of training sessions, interactive workshops, and regular updates on evolving compliance requirements. These efforts helped ensure that employees remained informed about key changes in regulations. Moving forward, KIPCO plans to expand the Program further, with an emphasis on providing more targeted training for senior teams, such as the BOD and EM.

Audit Activities

We adhere to strict governance principles when it comes to our Audit Committee structure. In line with our charter, the Chairman is excluded from membership, and the Committee comprises two non-executive directors and one independent BOD member. This structure ensures that the Audit Committee operates with impartiality, independent oversight, and effective scrutiny of financial and operational matters.

To further strengthen governance, KIPCO is committed to the regular rotation of auditors and audit partners, in compliance with CMA regulations. This policy ensures that the auditing process remains objective and transparent, reducing the risk of conflicts of interest and reinforcing the integrity of financial reporting.

Our selection method can be deemed to be effective since the independent auditor has maintained a clean track record, with no investigations or concerns raised regarding its work. The auditor has also not issued any qualified, adverse, or disclaimer of opinion, and there has been no emphasis of matter paragraphs expressed. This further reinforces confidence in KIPCO's robust financial practices and transparent reporting.

Remuneration

KIPCO's remuneration policy for the highest governance bodies and senior executives is aligned with both local labor laws and industry standards, ensuring fairness and compliance across the Holding. The policy covers a range of compensation components, including but not limited to; fixed pay, variable pay, sign-on bonuses, recruitment incentives, termination payments, clawbacks, and retirement benefits. In 2023, KIPCO introduced both Long-Term Incentive Plans (LTIP) and Short-Term Incentive Plans (STIP), which were fully implemented in 2024, aiming to better align executive compensation with the company's performance and long-term goals.

The LTIP and STIP plans directly link remuneration to individual performance and company performance. Specifically, one-third of the incentive is based on company-wide performance, while two-thirds is tied to the individual's performance against set Key Performance Indicators (KPIs). For the most senior executives, a portion of their remuneration includes a vesting element (one-third), with a vesting spread over three years to promote long-term commitment and alignment with the company's sustained success. The KPIs used to measure performance encompass a variety of financial and non-financial targets, including the successful execution of transactions, debt management, and liability control, as well as non-financial aspects.

KIPCO adopts a measured approach to developing its remuneration policies, balancing competitiveness with internal fairness. The Deputy Group CEO is empowered by the Group

CEO to recommend remuneration packages, which are then approved by the Group CEO. The salary policy is established on a grade basis, ensuring consistency across the organization. The BOD has also authorized the Group CEO to establish incentive plans, which are subject to Remuneration Committee approval before being presented to the BOD for final ratification.

While shareholders' views on remuneration are not directly solicited during the policy design, the remuneration structure is primarily based on market averages and performance metrics. This ensures that the compensation remains competitive and motivates the achievement of organizational goals.

In determining STIP and LTIP, KIPCO engages independent remuneration consultants. These consultants help evaluate the appropriateness of the incentive schemes, ensuring they are aligned with industry standards. Furthermore, KIPCO conducts market surveys periodically, assessing compensation for senior executives to ensure the remuneration remains competitive within the industry and aligned with market trends.

In terms of shareholder involvement, KIPCO has a Say-On-Pay Policy, where the BOD recommends remuneration, and shareholders have the final approval through voting at the General Assembly. This policy ensures that shareholders have a voice in the compensation decisions, reinforcing transparency and accountability.

4.2 Ethical Conduct

Anti-Corruption

Given KIPCO's nature as a holding company, it does not engage in direct operational activities like manufacturing, retail, or providing services. Instead, KIPCO's role is focused on managing its investments across subsidiaries in various sectors, amongst other responsibilities. As such, the Holding's day-to-day operations are primarily centered around overseeing the performance and governance of its portfolio companies. This structure means that KIPCO does not directly engage in activities where risks related to corruption or business ethics would typically arise, such as direct product manufacturing or service provision.

Despite the absence of direct operations, KIPCO remains committed to upholding the highest standards of ethical conduct across the Group. Anti-corruption and business ethics audits are embedded within the broader audit processes of its portfolio companies. The Board Audit Committee (BAC) ensures that KIPCO's governance practices remain in line with international standards, best practices, and applicable regulations, providing oversight and ensuring that ethical practices are maintained throughout the Group. By focusing on internal audits and governance structures, KIPCO continues to drive transparency and accountability across its holdings, reinforcing its dedication to business ethics and integrity.

Case Study: Advancements in Internal Audit and Compliance

In 2024, significant strides were made in enhancing the internal audit functions at KIPCO and its subsidiaries. The oversight of these functions was strengthened, ensuring that each subsidiary adhered to rigorous audit standards and practices. A key milestone was the overhaul of the internal audit policies and procedures manual, aligning it with the new Global Internal Audit standards, which are set to take effect in January 2025. This process is expected to enhance the consistency and reliability of audits across all subsidiaries.

Notably, the team also successfully incorporated newly merged entities into the audit plan, ensuring that these additions were seamlessly integrated into the Holding's existing audit structure. Additionally, control audits were conducted for multiple subsidiaries, further reinforcing the company's commitment to strong governance and risk management.

In terms of knowledge-sharing and development, KIPCO organized the Group Internal Audit Conference covering various related topics including emerging risks, GRC transformation, AI and technology, Compliance risks and trends and the new Global Internal Audit Standards, which brought together key figures, such as Internal Audit Heads, Risk Managers, and Compliance Managers. This event provided an opportunity to share best practices and align on critical strategies to drive continuous improvement in KIPCO's internal audit processes.

Anti-Corruption Indicators

0
Confirmed incidents of corruption

0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption or any incidents linked to financial ethics non-compliance

N/A
Total number of incidents of non-compliance concerning product and service information and labeling

Conflict of Interest

We established clear processes to manage conflicts of interest and ensure that potential issues are both prevented and mitigated. When a conflict arises at the BOD member level, the concerned individual is required to disclose the conflict and refrain from voting on any decision related to the matter. This practice extends to executives as well, maintaining a consistent approach across all levels of leadership.

Furthermore, to maintain transparency, KIPCO ensures that conflicts of interest are disclosed to stakeholders, as required by law. This includes, at a minimum, disclosures related to cross-board membership (for example, Executive Management members serving on other companies' boards), cross-shareholding with suppliers and other stakeholders, and the presence of any controlling shareholders. Additionally, the Holding ensures that any related-party transactions—including relationships, transactions, and outstanding balances—are fully disclosed.

In line with legal requirements, the independent board member signs an annual disclosure of conflicts, which is then included in the Corporate Governance Report, ensuring that stakeholders are aware of any potential conflicts. KIPCO also maintains an updated insider list on Boursa Kuwait, further reinforcing commitment to transparency and governance best practices.

Critical Concerns

At KIPCO, any critical concern is communicated to the BOD, through the BOD Secretary. This ensures that the BOD is promptly informed of significant issues, such as changes in law or new regulatory requirements, enabling them to take appropriate action and provide oversight.

Notably, during the reporting period, no critical concerns were raised to the BOD, reflecting the effectiveness of KIPCO's governance and compliance systems in managing potential risks and challenges.

Whistleblowing

KIPCO's Whistleblowing Policy is publicly available on our website, ensuring transparency and accessibility for anyone wishing to report concerns related to misconduct, unethical behavior, or violations of company policy. The policy is designed to provide a clear and safe pathway for employees, stakeholders, and the public to report any issues of concern, without fear of retaliation.

Within the policy, we outline the procedure for reporting any potential violations of the law, company guidelines, or ethical standards. It ensures that reports are treated with the utmost confidentiality, protecting the identity of the whistleblower at all stages of the process. Whistleblowers are encouraged to report concerns, whether they are related to financial fraud, corruption, health and safety violations, or any other matter that may impact the integrity of KIPCO or its operations.

Accordingly, in line with our commitment to integrity and accountability, the policy guarantees that reports will be investigated fairly and thoroughly. It also outlines the protections available to whistleblowers, including safeguards against retaliation, ensuring that those who report in good faith are not subject to adverse treatment or job insecurity.

For more detailed information, the full policy can be accessed directly through the following link:

https://kipco.com/corporate-governance/whistleblowing-policy/

4.3 Risk Management

Our risk management practices are built on a process of ongoing identification, measurement, and monitoring of risks, all within the framework of defined risk limits and control mechanisms. Each subsidiary of the Group is responsible for managing its own risks, supported by its own Board committees such as the Audit and Executive Committees, along with other relevant management committees. This decentralized approach ensures that risks are managed effectively at all levels of the Holding.

In 2024, KIPCO's Risk Management Department achieved significant success by preventing any financial, operational, or reputational incidents. This was accomplished through the implementation of proactive risk management strategies and constant monitoring of potential threats. A key milestone was the update of the Risk Management Policy and Procedures Manual, ensuring that KIPCO remains resilient, compliant, and prepared to address evolving risks in an ever-changing business environment.

Case Study: **Navigating Bond Repayment**

In 2024, the Risk Management Department actively supported the Treasury Department in repayment of KIPCO's seven-year KD 66.5 million (US$ 215 million) bond.

In December 2024, KIPCO fully repaid the remaining portion of its seven-year KD bond due on December 28, 2024, amounting to KD 66.5 million (US$ 215 million).

In collaboration with senior management, Risk Management evaluated relevant regulatory aspects involved in the repayment of the bond and the related liquidity and financial risks. The repayment was aligned with the company's strategic goals to reduce leverage, supporting future growth opportunities.

The repayment contributed to a stronger credit profile, positioning the company for more favorable financing conditions.

Business Continuity

We proactively assess our services and activities for risks related to corruption and fraudulent activities, such as bribes, kickbacks, and influence payments. To mitigate these risks, KIPCO has established comprehensive policies and controls, including strong corporate governance practices. This ensures that employees can report any misconduct by management without fear of

retaliation. Additionally, all employees are bound by the Code of Conduct, and third-party service providers are required to sign legally binding agreements to further uphold ethical standards.

From the business continuity aspect, KIPCO has robust contingency plans and mitigation control systems in place. These plans are designed to ensure that the company can continue to operate as a going concern, even in the face of significant disruptions. By preparing for potential risks, KIPCO is committed to minimizing losses and maintaining operational resilience during challenging circumstances.

ESG Related Risks

At KIPCO, we integrate ESG factors into our risk management approach through the guidance of our dedicated ESG Committee. This Committee plays a key role in ensuring our sustainability initiatives are aligned with global best practices, driving long-term value while effectively managing ESG risks. We oversee ESG-related risks primarily in relation to regulatory compliance, ensuring we meet all relevant legal and ethical standards.

As an investment holding company, our direct environmental risk is relatively low. However, we actively encourage climate-conscious practices within our investment portfolio and implement sustainable initiatives across our operations. We monitor KPIs related to energy consumption, waste reduction, and responsible sourcing within our portfolio companies. This approach helps mitigate climate-related risks while fostering sustainability throughout our business.

While climate change is not considered a material risk for us, we remain committed to minimizing our environmental impact. We adhere to the principles of reduce, reuse, and recycle in our waste management practices, ensuring our operations have a minimal negative impact on the environment.

Responsible Public Communications

In view of our business model, we do not engage in significant marketing activities. However, we ensure that any material we post on social media or repost from our portfolio companies is carefully screened to ensure it is non-offensive and free from bias. This helps us maintain our commitment to responsible public communications while promoting our values and upholding our corporate image.

Additionally, while a formalized marketing code is not in place, we regularly hold internal meetings to discuss the latest trends and developments in the market. In these meetings, we evaluate whether these trends align with KIPCO's values and brand image before deciding to adopt them. This process ensures that any marketing or public communication efforts remain consistent with our standards for responsible engagement.

Case Study: **Connecting KIPCO with the stakeholders**

The KIPCO Annual Media Dinner is a key initiative that enhances transparency and collaboration between KIPCO and media stakeholders while recognizing the media's role in covering business and industry developments. Held in an informal setting, the event fosters direct communication, networking, and meaningful connections between journalists and KIPCO's corporate communications team, reinforcing future engagement and mutual understanding. It also serves as a platform to strengthen KIPCO's position as a leading investment holding company. The event has contributed to building long-term media relationships, encouraging positive media coverage of KIPCO's initiatives, and increasing awareness of its activities. Additionally, it ensures journalists have direct access to KIPCO's leadership and insights on industry trends, further reinforcing the Holding's commitment to openness and engagement with the media sector.

4.4 Data Privacy and Security

Throughout the 2024 reporting period, KIPCO maintained a strong track record in data privacy and security, with no incidents of data leaks or breaches reported. Our commitment to safeguarding information remains unwavering, supported by robust data protection practices.

As a result, there were no substantiated complaints related to breaches of customer privacy or losses of customer data, demonstrating the reliability of our security measures in protecting sensitive data.

Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

0	0
Breaches	Losses

4.5 Digital Tools

We acknowledge that digitization is a necessity. Our efforts to enhance operational efficiency and optimize business processes remain consistent, yielding positive results, underscoring our commitment to innovation and cost-effectiveness.

One of the standout accomplishments was the implementation of SAP B1 Financial System for an additional subsidiary. This system upgrade not only streamlined operations but also introduced new automated procedures and enhanced functionality within the SAP system, further optimizing business capabilities. As a result, we achieved substantial cost reductions in areas such as software licenses, hardware maintenance, and server administration, all while benefiting from centralized reporting, consolidation, and improved productivity.

In another key development, we integrated a new Workflow process for Settlements and Invoice Payments, fully aligned with SAP B1. This in-house workflow system, developed using the latest Microsoft Power BI and Power Automate, integrated seamlessly with Office 365 and Active Directory. The implementation of this system led to a significant reduction in invoice processing time, while enabling us to more effectively track supplier balances, further streamlining our operations.

Additionally, we successfully migrated the AEPC Office 365 tenant to KIPCO (Headquarters), including email accounts, OneDrive, and SharePoint data. As part of this migration, we also implemented the Settlements Workflow system for AEPC, improving the efficiency and oversight of their financial processes.

These initiatives mark a successful year for KIPCO's IT systems and highlight our ongoing commitment to leveraging digital tools to enhance operational excellence and deliver long-term value to the Holding.

Case Study: Automated Settlement Form System Integrated with the ERP System

In 2024, we successfully implemented an Automated Settlement Form System fully integrated with our SAP B1 ERP system. This initiative has significantly streamlined the process of settlement form creation, approval, and invoice generation, while ensuring enhanced compliance, efficiency, and transparency across our financial operations.

Key objectives of this project included:

- Automation & Efficiency: Eliminating the need for manual settlement processing, thereby reducing the risk of errors and delays.
- Control & Compliance: Ensuring all settlements follow the correct approval flow, based on the type and amount, maintaining strict adherence to internal policies.

- Accessibility: Allowing users to access the system seamlessly across devices, including PCs, iPads, and mobiles, offering flexibility for users on the go.
- Paperless Operations & Digital Archiving: Moving towards a paperless environment, enhancing document storage and retrieval while reducing our environmental footprint.
- Cost & Resource Optimization: By leveraging an API-based approach, we reduced the number of ERP user licenses needed, driving down costs and optimizing resources.
- Process Flow: Streamlined and efficient.

The system follows a structured workflow designed for simplicity and clarity:

1. The initiator enters the settlement request into the system, pulling pre-configured data from SAP B1 (e.g., vendors, expense items, cost centers).
2. The reviewer receives an email notification to assess the details and provide feedback.
3. The approver is notified via email and grants final approval in line with company policies.
4. Accountant validation follows, where the finance team verifies allocations before submitting final approval.
5. Upon approval, the invoice is automatically created in the SAP B1 ERP system, streamlining the invoicing process.
6. A merged PDF is generated, combining the settlement cover page and supporting attachments for audit and record-keeping.

Outcomes and Impact

This initiative has delivered measurable improvements across multiple areas:

- Improved Control: All payments are now processed through a well-defined approval process, maintaining data consistency with SAP B1 selections (e.g., vendor, cost center, items).
- Faster Processing: The system eliminates the need for manual signatures and inter-office document transfers, speeding up approval cycles.
- Paperless Environment: The introduction of digital archiving allows for the easy retrieval of settlement forms and attachments, supporting greater operational efficiency.
- Reduced ERP Licensing Costs: By leveraging API integration, we have reduced the number of direct ERP users required for settlement processing, resulting in significant cost savings.
- Enhanced Reporting Capabilities: The system provides real-time reporting on expenditures, broken down by department, vendor, or expense item, empowering data-driven decision-making.

Additional Features and Future Growth

The system supports multi-level approval workflows based on predefined financial thresholds and ensures timely approvals through email notifications and reminders. Advanced search and filtering capabilities allow users to easily track settlement requests, improving transparency.

The system is also scalable, making it adaptable for future ERP module integrations, ensuring long-term flexibility.

With the successful implementation of the Automated Settlement Form System, we have greatly improved operational efficiency, strengthened financial oversight, and enhanced data-driven decision-making. This initiative is a key milestone in our digital transformation journey, aligning with our ongoing commitment to improving our financial processes and fostering a more agile and accountable Holding.

Case Study: One Vision: JKB Enhances SME Financing Tools

JKB partnered with CRIF Information Technology Solutions (CRIF ITS) to improve its SME financing portal, making it easier and faster for small businesses to access funding.

We continued to invest strategically in IT and digital initiatives to enhance operational efficiency and maintain the stability of our technological infrastructure. A significant portion of the expenditure was allocated to Microsoft license fees and hardware maintenance, ensuring that our systems remained up-to-date and fully operational. In addition, we invested in SAP implementation services for the Accounting and Finance system, supporting streamlined processes and improved financial reporting across the organization.

Our investment also included services provided by B. Online, which contributed to the continued performance and security of our digital infrastructure. Moreover, the purchase of additional hardware has further strengthened the company's stability and productivity, equipping the team with the necessary tools to continue delivering high-quality services.

Overall, there was a reduction in IT and digital expenditure compared to the previous year, as KIPCO focused on optimizing its existing systems and resources. This decrease reflects our commitment to balancing cost-efficiency with ongoing investment in technology that drives innovation and operational excellence.

Selected IT and Digital Initiatives and Expenditure

Name of initiative	Description	Cost (KD)
Microsoft	License fees	21,708
Hardware	Maintenance	17,459
SAP (Seidor)	Implementation / Service (Accounting and Finance system)	15,161
B. Online Services	Services	5,512
Hardware	Purchases (Stability and productivity)	20,700
	Total	**KD 80,540**

Case Study: Enhancing Internal Systems

The migration of Office 365 for Chairman's Club Kuwait and Alternative Energy Projects Company (AEPC) to KIPCO (Headquarters) was a complex and critical task. The challenge stemmed from the fact that Microsoft did not provide any direct migration tools, requiring us to rely on third-party tools. This necessitated meticulous configurations and rigorous testing to ensure a smooth transition.

As an important step in integrating various internal systems, including SAP and Workflow systems, it facilitated improved collaboration and communication across teams.

E-Waste Management

We took significant steps toward improving our e-waste management by replacing outdated PCs and printers, ensuring that the Holding's equipment remains efficient and aligned with technological advancements. The reduction in e-waste was a direct result of our ongoing efforts to optimize resource use while minimizing environmental impact.

This year, the overall e-waste generated was significantly lower compared to the previous year, reflecting our commitment to sustainable practices and responsible resource management. By updating and replacing essential electronic equipment, we not only improved operational efficiency but also contributed to reducing our environmental footprint.

Type of E-Waste

14
Replaced old printers

20
Replaced old pcs

Amount of E-Waste YOY

2023	2024	
60	34	-43%

Case Study: One Vision: Burgan Turkey Releases New Digital Service

Burgan Turkey has revolutionized its digital offerings with the introduction of "Fund Universe", a platform that provides clients with exclusive access to a variety of investment funds. It also equips them with advanced analytical tools to evaluate and compare fund performance, empowering investors to make more informed financial decisions. This service is a testament to Burgan Turkey's commitment to enhancing the investment experience through technology.

Another breakthrough offering, "BurganRobo", leverages artificial intelligence to analyze market conditions and provide personalized fund allocation recommendations. This AI-driven advisory tool is designed to simplify investment strategies, giving clients the tools they need to navigate complex financial markets with confidence.

Additionally, Burgan Turkey's "ON" digital banking platform further reinforces its leadership in digital innovation, earning multiple global awards for its cutting-edge services. This recognition highlights the platform's user-friendly design and its ability to meet the evolving needs of today's digitally savvy consumers.

Case Study:	One Vision: FIMBank Upgrades its Digital Platform

FIMBANK
Your trade finance and corporate banking partner

FIMBank enhanced its digital banking platform, FIMBank Direct, introducing advanced features for a smoother and more secure banking experience. The upgrade improves accessibility across devices and includes a secure authentication application. A new integrated dashboard enhances account management for corporate clients.

4.6 Economic Prosperity

We remain independent of financial assistance from the government. In 2024, the Investment Department at KIPCO continued to build on the foundations laid by its restructuring and expansion in 2023, in pursuit of unwavering economic prosperity. These strategic improvements allowed the department to enhance its governance and investment monitoring processes, ensuring stronger investment reporting, improved oversight, and more effective decision-making at every level.

As part of these ongoing efforts, the department also ensured that ESG metrics were fully integrated into its investment decision-making process, aligning investment strategies with KIPCO's long-term sustainability goals.

Our approach to economic stability and prosperity goes beyond internal improvements; it extends to maintaining a strong relationship with the market and customers. To stay aligned with industry standards and customer expectations, we conduct regular surveys evaluating the quality versus pricing of our products and services, typically every two to three years. These assessments provide valuable insights into market trends, enabling us to optimize our offerings, enhance competitiveness, and ensure that our pricing strategies remain consistent with both quality expectations and market demand.

ESG and Investments

KIPCO persevered with its commitment to ensuring that investment activities remain free from controversial investments, as it has done consistently over the years. We prioritize investments that align with responsible and sustainable business practices, as evidenced by our portfolio companies that operate in sectors contributing positively to society and the economy. These include United Education Company (UEC) in the education sector, which plays a pivotal role

in improving local education quality and access, EPSCO Global International Trading in tire recycling, contributing to reducing waste and promoting a circular economy, and Advanced ATC in the healthcare sector, which enhances access to quality medical services and drives health-related innovation in the region.

As a parent company operating in Kuwait, KIPCO's various portfolio companies primarily operate in Kuwait as well, contributing significantly to the local economy through job creation, infrastructure development, and the promotion of key sectors such as education, healthcare, and sustainability. Our investments also extend into other jurisdictions with significant interests, including KSA in dairy products, where we support the local agricultural economy and help address food security issues, UAE in entertainment, contributing to the region's cultural and tourism industries, and Bahrain, Jordan, and Turkey in banking, where we bolster the financial services sector, enabling growth and financial inclusion. This broad geographical footprint places us in countries with varying degrees of regulatory frameworks surrounding GHG emissions. However, we continue to monitor and adapt to evolving regulations to ensure compliance and alignment with global sustainability standards.

Additionally, KIPCO integrates ESG factors across a variety of asset classes. We assess ESG considerations at each stage of the investment process to ensure that our portfolio aligns with our commitment to long-term, sustainable growth.

APPENDICES

91 › Global Reporting Initiative (GRI) Index
112 › ESG Disclosures
119 › Boursa Kuwait Index
123 › GCC Stock Exchange Index
129 › ESG Disclosures

5.1. Global Reporting Initiative GRI Index

Statement of use	KIPCO has reported in accordance with GRI Sustainability Reporting Standards for the period starting from January 1st, 2024, to December 31st, 2024
GRI 1 used	**GRI 1: Foundation 2021**
Applicable GRI Sector Standards(s)	Not Applicable

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2 used	GRI 2: General Disclosures 2021				
	2- 1: Organizational details	a. Kuwait Projects Company (Holding) (K.S.C.P) is the main focus of the report, while performance of other portfolio companies is displayed in case studies. b. Listed company (Boursa Kuwait) c. Headquartered in Kuwait d. Subsidiaries operate across the MENA region in addition to Turkey and Malta			
	2- 2: Entities included in the organization's sustainability reporting	Refer to Sections: About the Report			
	2- 3: Reporting period, frequency and contact point	For a., b., c., and d. Refer to Sections: About the Report, Reporting Boundaries, and Contact us			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2 - General Disclosures 2021	2- 4: Restatements of information	Refer to Section 2.2 In relation to paper consumption			
	2- 5: External assurance		External Assurance	Not applicable	Not applicable 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 3.1 biii. Located in Section 1.1. and 3.4 c. No other business relationship apart from the above d. No significant changes in the above material to report here			
	2- 7: Employees	a. Located in Section 3.2 bi. Located in Section 3.2 bii. Located in Section 3.2 biii. Located in Section 3.2 c. Located in Section 3.2 d. Located in Section 3.2 e. Located in Section 3.2			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
	2- 8: Workers who are not employees	Located in Section 3.2			
GRI 2 - General Disclosures 2021	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, approval, 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.			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2 - General Disclosures 2021	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 BOD			
	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 via our Corporate Governance report, and controlling stakeholders are listed on KIPCO's page on the Kuwait Boursa. As for transactions, they are disclosed as per the CMA. More information related to the above is Located in Section 4.2.			
	2- 16: Communication of critical concerns	Located in Section 4.2.			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2 - General Disclosures 2021	2- 17: Collective knowledge of the highest governance body	Located in Section 4.1			
	2- 18: Evaluation of the performance of the highest governance body	Located in Section 4.1			
	2- 19: Remuneration policies	Located in Section 4.1			
	2- 20: Process to determine remuneration	a. Located in Section 4.1	b. 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		Annual total compensation ratio	Confidential	The information required is confidential
	2- 22: Statement on sustainable development strategy	KIPCO formed an ESG Committee alongside an ESG Working Group Committee building on our ESG Strategy			
	2- 23: Policy commitments	a. Located in Section 3.2 b. Located in Section 3.2 c. Information is not available d., e., f. The policy commitment described in the report does not include this information or activities referenced in those requirements, and were not conducted	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

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2 - General Disclosures 2021	2- 24: Embedding policy commitments		Embedding policy commitments	Not applicable	Embedding policy commitments is not applicable to KIPCO
	2- 25: Processes to remediate negative impacts	Located in Section 3.3			
	2- 26: Mechanisms for seeking advice and raising concerns	Located in Section 4.2			
	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 c. Located in Section 4.1 d. Located in Section 4.1 More information is located in Section 4.1			
	2- 28: Membership associations	KIPCO is a signatory of WEP For additional details, refer to Section(s) 1.1 and 1.2			
	STAKEHOLDER ENGAGEMENT				

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 3 - Material Topics 2021	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 Section 1.4.			
	3- 2: List of material topics	Located in Section 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 33-)”			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 201: ECONOMIC PERFORMANCE 2016					
201- 1	Direct economic value generated and distributed	a.i. Refer to the 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. Information unavailable	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 received zero 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			

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 203: INDIRECT ECONOMIC					
203- 1	Infrastructure investments and services supported	Located in Section(s) 1.1, 3.1, and 4.6			
203- 2	Significant indirect economic impacts	Located across the report depending on the various stakeholders impacted. Moreover, throughout the report, several initiatives and practices carry a significant indirect economic impact			
GRI 204: PROCUREMENT PRACTICES 2016					
204- 1	Proportion of spending on local suppliers	Located in Section 3.4			
GRI 205: ANTI CORRUPTION 2016					
205- 1	Operations assessed for risks related to corruption	Located in Section(s) 4.1 and 4.2			
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 Further details are Located in Section 4.2.			
GRI 206: ANTI COMPETITIVE BEHAVIOR 2016					
206	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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, because there are no major tax laws and regulations applicable to KIPCO having major impacts on KIPCO operations
GRI 301: ENVIRONMENTAL MATERIALS 2016					
301- 1	Materials used by weight or volume		Materials used by weight or volume	N/A	Materials used by weight or volume is not applicable to KIPCO, since we do not sell tangible products that require material use. Despite that, we use certain material such as paper glass and plastic throughout our internal operations
301- 2	Recycled input materials used		Recycled input materials used	N/A	Recycled input materials used is not applicable to KIPCO

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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		Energy consumption outside of the organization	Information unavailable	Information on energy consumption outside of the organization is not available at the moment and has not been included.
302- 3	Energy intensity	Located in Section 2.2			
302- 4	Reduction of energy consumption	There were no energy consumption reductions measured Refer to Section 2.1 for further details			
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 Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 303: WATER AND EFFLUENTS 2018					
303- 1	Interactions with water as a shared resource	a. KIPCO interaction with water is limited to consumption within its office, where water is withdrawn from landlord-managed municipal supplies and discharged into the public sewage system	b., c., and d. Interactions with water as a shared resource	Information unavailable	Information on KIPCO's interactions with water as a shared resource is not available.
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 due to the nature of its operations
303- 3	Water withdrawal		Water withdrawal	N/A	Water withdrawal is not applicable to KIPCO since it does not directly withdraw water but rather rely on government supplied water.
303- 4	Water discharge		Water discharge	N/A	Water discharge is not applicable to KIPCO since it does not directly discharge water but rather rely on existing public water infrastructure for water discharge.
303- 5	Water consumption	Located in Section 2.1			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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	This requirement is not applicable to KIPCO since it does not own or operate operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
304- 2	Significant impacts of activities, products, and services on biodiversity		Significant impacts of activities, products, and services on biodiversity	N/A	The requirement is not applicable to KIPCO since it does not have any activities, products, and services on biodiversity, therefore no significant impacts of any sort.
304- 3	Habitats protected or restored		Habitats protected or restored	N/A	KIPCO was not involved in the protection or restoration of any habitats for the reporting year, there deeming it not applicable.
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	This requirement is not applicable, since none of KIPCO's operations materially affect the IUCN Red List species and national conservation list species with habitats.

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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 2.2			
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)	Information unavailable	Information on emissions of ozone-depleting substances (ODS) is unavailable
305- 7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Information unavailable	Information on nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions is not available

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016					
308- 1	New suppliers that were screened usingenvironmental criteria	Located in Section 3.4			
308- 2	Negative environmental impacts in the supply chain and actions taken		Negative environmental impacts in the supply chain and actions taken	Information unavailable	Information on the negative environmental impacts in the supply chain and the actions taken are not available
GRI 401: EMPLOYMENT 2016					
401- 1	New employee hires and employee turnover	Located in Section 3.2			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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 due to the nature of its business operations 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			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
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			
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 3.3			
404- 2	Programs for upgrading employee skills and transition assistance programs	Located in Section 3.3			
404- 3	Percentage of employees receiving regular performance and career development reviews	Located in Section 3.3			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
405- 1	Diversity of governance bodies and employee	Located in Section(s) 3.2. and 4.1			
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	N/A	This requirement is not applicable in Kuwait, therefore not applicable to KIPCO since operations are based in Kuwait.
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 is not applicable to KIPCO since it is a holding company			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 410: SECURITY PRACTICES 2016					
410- 1	Security personnel trained in human rights policies or procedures	While we do not have a dedicated security personnel, KIPCO ensures all employees are aware of and trained on upholding and practicing corporate values, fair business practices, and harassment prevention			
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016					
411- 1	Incidents of violations involving rights of indigenous peoples	Located in Section 3.2			
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	None			

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
414- 1	New suppliers that were screened using social criteria	Located in Section 3.4			
414- 2	Negative social impacts in the supply chain and actions taken	None			
GRI 415: PUBLIC POLICY 2016					
415- 1	Political contributions	None			
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 and do not have products and services per se.
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 and we do not have products and services per se.

GRI Standard/ Other Source	Disclosure	Location / Direct Answer	Omission		
			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 and do not have products and services per se.
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 4.4.			

5.2. ESG Disclosures

ESG Pillar	Disclosure
Social	KIPCO does not conduct a certification program for suppliers across Tier 1 (direct), Tier 2 (indirect), or Tier 3 (raw material).
Social	KIPCO is not a member of any industry-wide partnership on supply-chain risk mitigation.
Social	KIPCO does not conduct supplier training on quality assurance.
Social	KIPCO does not conduct supplier training on quality assurance in terms of scope or frequency.
Environmental	KIPCO does not have a dedicated policy to address environmental impact, but it is being considered as part of the ESG Strategy.
Environmental	KIPCO does not have regular environmental impact audits that cover the full geographic scope of operations and occur on an annual basis.
Environmental	KIPCO does not certify its operations to independent quality standards (e.g., HACCP, ISO 9001 or equivalent), or to an internally developed standard.
Environmental	KIPCO's carbon or energy efficiency improvement targets are defined in Sections 2.1 and 2.2 of the ESG Strategy.
Environmental	The aggressiveness of KIPCO's carbon or energy efficiency targets is defined in their ESG Strategy, which is not publicly available.
Environmental	KIPCO's track record of achieving carbon reduction targets is defined in their ESG Strategy, which is not publicly available. Carbon reduction numbers are available in Sections 2.1 and 2.2.
Environmental	KIPCO has programs or actions in place to reduce emissions intensity in core operations, including use of cleaner energy, GHG emissions capture, energy management, operational efficiency, and carbon offsets, as detailed in Sections 2.1 and 2.2.
Environmental	KIPCO does not have any sites with HAZWOPER certification or ISO 14001.
Environmental	KIPCO does not currently have a dedicated policy to address environmental impact, but it is being considered as part of its ESG Strategy.
Environmental	KIPCO does not have regular environmental impact audits that cover the full geographic scope of operations and occur on an annual basis.
Environmental	KIPCO does not certify its operations to independent quality standards (e.g., HACCP, ISO 9001 or equivalent), or to an internally developed standard.
Environmental	KIPCO has not received any regulatory warnings.

ESG Pillar	Disclosure
Governance	KIPCO's Board of Directors (BOD) does not have long-tenured, aging directors that suggest a problem with board entrenchment.
Governance	KIPCO does not have a combined CEO and chair.
Governance	The Chairman of KIPCO represents the majority owners.
Governance	The Chairman of KIPCO is not classified as an executive or non-executive director.
Governance	KIPCO has one independent non-executive director out of the five members of its board.
Governance	The majority of KIPCO's directors are independent of management.
Governance	KIPCO has less than a majority of directors independent of other interests.
Governance	KIPCO's Board is composed of no more than 30% executive directors.
Governance	KIPCO does not have a management board with eight or more executive directors.
Governance	KIPCO's board does not consist entirely of directors who are not independent of management.
Governance	KIPCO reports related-party transactions (RPTs) in its year-end financial statements.
Governance	None of KIPCO's board members are flagged directors.
Governance	KIPCO's Chairman, Vice Chairman, and Faisal Al Ayyar serve on the boards of three or more additional issuers.
Governance	KIPCO's GCEO serves on the boards of two or more additional issuers.
Governance	KIPCO's board does not have a high number of directors that suggests obstacles to effective oversight and decision-making.
Governance	KIPCO's board has more than four directors.
Governance	All members of KIPCO's board attended at least 75% of all board and committee meetings during the last reported period.

ESG Pillar	Disclosure
Governance	KIPCO has less than 30% of its board composed of currently active corporate CEOs from other companies.
Governance	KIPCO's board includes female directors, but does not have 30% female directors.
Governance	KIPCO's board includes at least one non-executive director with general expertise in risk management.
Governance	KIPCO does not have executives serving on the audit committee or audit board.
Governance	KIPCO's audit committee includes at least one non-executive member with expertise in accounting or financial management.
Governance	KIPCO's audit committee includes at least one non-executive member with substantial industry knowledge.
Governance	None of KIPCO's independent members of the audit committee serve on the boards of three or more additional companies.
Governance	KIPCO's non-independent members of the audit committee serve on the boards of two or more additional companies.
Governance	KIPCO does not have executives serving on the pay committee.
Governance	KIPCO has a standing pay committee.
Governance	KIPCO's pay committee does not raise concerns regarding active CEOs on the committee or in relation to the past record of the pay committee chair.
Governance	KIPCO has a standing nomination committee, referred to as the Nomination & Remuneration Committee.
Governance	KIPCO's nomination committee has a majority of members independent of management and other interests.
Governance	KIPCO has not faced any issues regarding the honesty, integrity, or criminal actions of board members or senior executives.
Governance	KIPCO has not faced situations that may distract the board from focusing on business operations and strategic matters.
Governance	KIPCO has not raised major questions regarding the quality of past board decisions.
Governance	KIPCO has not experienced evidence of governance failures.

ESG Pillar	Disclosure
Governance	The number of shares held by the CEO has not decreased year over year by 10% or more.
Governance	KIPCO's potential dilution in traded shares is less than 10%.
Governance	KIPCO is not currently experiencing a reporting delay or late filing of quarterly, half-year, or annual reports.
Governance	KIPCO's majority shareholder, Al Futtouh Holding, holds 31.9% of voting shares, with the ability to elect all board members if other shareholders do not cooperate.
Governance	KIPCO is not so widely held that it lacks principal shareholders or large-block holders.
Governance	KIPCO does not have 5% or more of revenue from Variable Interest Entities (VIEs) where the company has no voting stake.
Governance	KIPCO has not issued more than one class of equity shares with unequal voting rights.
Governance	KIPCO does not have a capital structure with a share class that grants extra voting rights through "loyalty shares."
Governance	KIPCO does not have capped voting rights based on the number of shares an investor owns.
Governance	KIPCO does not have voting rights that differ for foreign or non-resident shareholders.
Governance	KIPCO does not have a "golden share" provision or an equivalent provision in national or state laws.
Governance	KIPCO has not adopted a takeover defense such as a poison pill or shareholder rights plan.
Governance	KIPCO does not have the unilateral right to amend its bylaws or Articles of Association without shareholder approval.
Governance	KIPCO shareholders have the right to requisition an extraordinary general meeting (EGM) with a 10% threshold, as required by law.
Governance	KIPCO has implemented regular say-on-pay votes.
Governance	KIPCO has implemented confidential voting, barring reasonable exceptions.
Governance	KIPCO does not have a classified or staggered board that limits shareholders' ability to affect the makeup of the board.

ESG Pillar	Disclosure
Governance	KIPCO uses binding majority voting in the election of directors, with immediate resignation if a director does not receive a majority of votes.
Governance	KIPCO's controlling shareholder does not use a plurality vote standard for director elections without allowing cumulative voting.
Governance	KIPCO does not have directors who received a negative or withheld shareholder vote in excess of 10% in the most recently reported election.
Governance	KIPCO's CEO's equity pay reflects the company's total shareholder return (TSR) performance over the last three and five years.
Governance	KIPCO's CEO's equity pay reflects the company's total shareholder return (TSR) performance relative to its pay peer group over the last three and five years.
Governance	KIPCO has no exposure to business activities or geographies facing a higher incidence of corruption or ongoing corruption-related controversies.
Governance	KIPCO is not involved in anticompetitive or business ethics controversies.
Governance	KIPCO does not have a «Bribery and Anti-corruption» policy or commitment statement.
Governance	KIPCO conducts employee training on anti-corruption and business ethics standards for managerial positions as of 2024.
Governance	KIPCO has not received any regulatory warnings.
Governance	KIPCO has not adopted either effective stock ownership guidelines or an equity retention policy for the CEO.
Governance	KIPCO has not adopted specific stock ownership guidelines for non-executive directors.
Governance	KIPCO has not experienced evidence of material weakness in its internal control systems.
Governance	KIPCO does not have a constituency provision or are subject to constituency protection under applicable law.
Governance	KIPCO does not have a business combination provision in place or are subject to business combination protection under applicable law.
Governance	KIPCO does not have a fair price provision with a mandatory bid requirement exceeding 33.3% in place, and does not have fair price protection under applicable law.
Governance	KIPCO does not allow unvested equity awards to vest when the CEO's employment is terminated.

ESG Pillar	Disclosure
Governance	KIPCO's composition of total investment assets (including owned and managed assets) is disclosed in their financial statements.
Governance	KIPCO has not experienced concerns in respect of auditor independence or has changed the auditor in a manner that raises concerns for investors.
Governance	KIPCO has not had to restate previously published financial statements due to fraud, error, or misapplication of accounting standards.
Governance	KIPCO has not announced or reported special charges or write-offs that might raise questions as to the stewardship of the company by the board.
Governance	KIPCO has not been involved in any ongoing tax-related controversies.
Governance	KIPCO did not pay its external audit firm less for audit and audit-related services than for other services in the last fiscal year.
Governance	There were no major employee layoffs affecting 10% of staff, or over 1,000 employees.
Governance	KIPCO does not have a clawback policy applicable to both annual and long-term incentives.
Governance	KIPCO's CEO holds shares with a value below 5x salary.
Governance	The CEO's annual incentives rose or fell in line with annual performance for the last reported period.
Governance	KIPCO has not incorporated links to sustainability performance in its current executive pay policies.
Governance	KIPCO has not faced public criticism from stakeholders regarding golden hellos provided to its CEO or senior executives.
Governance	KIPCO's pay practices or policies have not attracted adverse public comments from stakeholders.
Governance	KIPCO did not receive a negative vote exceeding 10% on pay policies and practices in the most recently reported period.
Governance	KIPCO has not disclosed specific pay totals for its top executives, including the CEO, but the amount for 2023 was KD 2,190,000.
Governance	The most recently reported total realized CEO pay figure does not fall into an extreme range relative to KIPCO's pay peer group.

ESG Pillar	Disclosure
Governance	The most recently reported total awarded CEO pay figure does not fall into an extreme range relative to KIPCO's pay peer group.
Governance	The most recently reported total fixed CEO pay figure does not fall into an extreme range relative to KIPCO's pay peer group.
Governance	The pension contribution rate made by KIPCO on behalf of the CEO is not excessive relative to KIPCO's pay peer group.
Governance	The most recently reported CEO accumulated pension figure is not excessive relative to KIPCO's pay peer group.
Governance	The CEO's total awarded pay for the last reported period does 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 does not offer or develop any investment products or funds focused on clean tech, microfinance, global health, or other ESG opportunities.
Governance	KIPCO's composition of total investment assets (including owned and managed assets) is available in published financials.
Governance	KIPCO's companies are involved in cross-shareholdings with other related or unrelated companies.
Governance	KIPCO is not in breach of its continuing obligations that apply to the listing of its securities, which may threaten its continued listing or trading.
Governance	No concerns have been raised about the treatment of security holders in relation to the raising and/or return of capital.

5.3. Boursa Kuwait Index

Metric	Calculation	Disclosure / Section Number
Environmental		
GHG Emissions	E1.1) Total amount, in CO_2 equivalents, for Scope 1 (if applicable)	**Section 2.2**
	E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable)	**Section 2.2**
	E1.3) Total amount, in CO_2 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	**Information is unavailable**
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 polices? Yes/No	**No**
	E7.3) Does your company use a recognized energy management system? Yes/No	**No**
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	**Yes, through the ESG Committee**

Metric	Calculation	Disclosure / Section Number
Environmental		
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	**Not available**
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 and Section 4.1**
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**

Metric	Calculation	Disclosure / Section Number
Social		
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	**Yes**
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**

Metric	Calculation	Disclosure / Section Number
Governance		
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 CO_2 equivalents, for Scope 1 E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO_2 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) Information is unavailable
	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.	Information is unavailable

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Environment	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).	E6.1) Section 2.2 E6.2) Information is unavailable
	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 polices? 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) No E7.3) No
	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 Section 4.1
	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) Information is unavailable 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.	Confidential
	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) Section 3.4

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) Yes

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) N/A** **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.	**No**
	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) No**
	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**

Material Topics Management (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 organization's operational policies and procedures
Financed GHG emissions	Not measured at this time but is being assessed	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2
Operational GHG emissions	Measured and reported on in the Sustainability Report	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2	Refer to Section 2.1 and 2.2
Diversity and Equal Opportunity	Positive impacts through inclusive practices	Promotes diversity among suppliers	Diversity and Inclusion Policy	Bias-free recruitment processes, inclusive workplace culture	Encourage leaders to take part in dialogues around the topic	Monitor practices	Effective	As mandated by law	On track	Strengthening inclusive hiring and supplier diversity
Employee Training and Development	Positive impacts through upskilling employees	Enhanced partnerships with external training providers	General Learning and Development Framework	Skill gap analysis, self-driven training	Established e-learning and leadership programs	Offered paid training opportunities	Workforce skill improvement	Continuous monitoring of any skill gaps to address them swiftly	In progress	Integrate Learning Management System to better control and monitor training
Employee Engagement	Positive impacts on organizational culture and productivity	Strengthened collaboration through feedback mechanisms	Employee Engagement Policy	Discussions, open-door policies	Launched employee well-being session with GIG	Recognition programs e.g. employee of the year.	Increased employee satisfaction	Maintain high engagement rate	Achieved	Expand feedback loops and well-being initiatives

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 organization's operational policies and procedures
Community Engagement	Positive impacts on social and economic development	Partnered with local organizations	Corporate Social Responsibility Policy	Engaged in needs assessments, community input	Hosted community development programs	Volunteered employee time	Improved community satisfaction	Generate feedback and conduct impact assessments	On track	Scale up community partnerships
Data Privacy and Security	Positive impacts from data breaches Additionally, our Risk Management department ensures that adequate IT security policies and procedures are developed and implemented	Ensured suppliers meet security standards	IT and data privacy related policies	Conducted regular security audits	Strengthened IT infrastructure	Continued to inform employees of any potential data privacy and security breaches	Very controlled data breaches and secured environment	The goals of these actions are to enhance data protection, ensuring compliance, minimize security incidents, etc.	In progress	Use third-party service providers to ensure full compliance is achieved
Ethical Business Conduct	Positive Impact In FY 2024, no instance of unethical business conduct or practices were recorded	Held a positive impact on the stakeholders	Our Code of Conduct Policy, Compliance Policy, and Whistleblowing policy	KIPCO proactively addresses potential issues through due diligence processes, training and awareness programs and robust risk management. Further, we have well-defined and comprehensive internal Policies and Procedures	Not applicable. No reported or confirmed instances of unethical business practices in FY 2024.	Highlight s to the EM and concern committee	Leading to improved compliance awareness, reduced violations, and stronger adherence to regulations across the organization.	Yes, we set clear goals such as increasing compliance awareness and improving training completion rates. KPIs include monitoring compliance audit results, employee feedback, and training participation.	Effective, as the goals and targets were met	Going forward, we plan to enhance our training programs with more targeted content and leverage data analytics for better tracking of compliance performance.

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 organization's operational policies and procedures
Corporate Governance	Positive impacts on decision making and long-term sustainability	Held a positive impact on the stakeholders through strengthened transparency practices	Corporate Governance Manual and our Compliance Policy	Monitoring the compliance with regulatory requirements and regular board evaluations and independent reviews	N/A	Highlight to the EM and concerned committee	Leading to improved compliance awareness, reduced violations, and stronger adherence to regulations across the Group.	Yes, we set clear goals such as increasing compliance awareness and improving training completion rates. KPIs include monitoring compliance audit results, employee feedback, and training participation.	Effective, as the goals and targets were met	Going forward, we plan to enhance our training programs with more targeted content and leverage data analytics for better tracking of compliance performance.
Investor Relations	Positive impacts on investor confidence	Improved communication transparency	Investor Relations Policy	Published timely disclosures	Increased reporting frequency	Engaged through investor communications	Increased investor satisfaction	Work closely with the GCFO and Deputy GCFO to maintain open communication channels with investors and provide them with the information they need accurately and transparently, within the lines of our disclosures.	On track	Continuing and expanding our ESG reporting endeavor and scope.

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 organization's operational policies and procedures
Sustainable Finance and ESG Alignment	Not measured at this time but is being assessed.	N/A	Several policies were amended with Sustainable Finance considerations alongside indicators derived from our ESG Strategy	N/A	N/A	N/A	N/A	As per our ESG Strategy	On track	N/A
ESG Risk Management	Reported on in the Sustainability Report - no action is being taken beyond this since ESG risks lie with the portfolio companies. We believe the Group ESG Committee will contribute to monitoring this. However, our Risk management department supports the ESG Committee by identifying, assessing, and mitigating ESG risks	We urge stakeholders in our value chain to also have strong ESG risk management, to avoid potential negative impacts	ESG Policy Framework and related policies	Negative aspects can be prevented by strengthening ESG governance & compliance. Although ESG reporting is optional locally, KIPCO has developed an ESG charter and formed an ESG committee, which oversees the development and publication of the ESG/ sustainability reports and guides portfolio companies in their reporting efforts	No reported or confirmed instances of ESG risk complications in FY 2024.	KIPCO has developed an ESG charter and formed an ESG committee, which oversees the development and publication of the ESG/ sustainability reports and guides portfolio companies in their reporting efforts	No reported or confirmed instances of ESG risk complications in FY 2024.	Reduce environmental impact, enhance social responsibility & community impact, and improve governance	KIPCO and its portfolio companies have made significant strides in reducing their environmental impact and enhancing their social responsibility by implementing energy-efficient technologies, community-based initiatives, and volunteering programs	Our Risk department can support the ESG committee via enhancing the data collection process, reporting, and transparency; as well as increasing training and awareness on ESG risk.

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