# Simplifying Complexity, Maximizing **I**mpact Sustainability Report 2023 **KAMCO**



H.H. Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah

Amir of the State of Kuwait



H.H. Sheikh Sabah Al-Khaled Al-Hamad Al-Mubarak Al-Sabah

Crown Prince of the State of Kuwait

## **Table of Contents**

Favoured		4	Face areas 0 Maylantials as	
Foreword	4. Economy & Marketplace			
CFO/s Massace	5	4.1	Our Offerings	27
CEO's Message	6	4.2 4.3	Client Experience Operational Business Improvements,	31
		4.5	Innovation and Digitization	31
04		4.4	Catering to Our Investors	31
<b>0</b> 4		4.5	Our Economic Impact	33
		4.6	Procurement Practices at Kamco Invest	34
1. About Kamco Invest		_		
1.1 An overview of Kamco Invest	8	2	D	
1.2 Strategic Directions	8			
07		5.	Workforce & Local Communi	ty
		5.1	Our Workforce	37
		5.2	Our Local Community	42
<ul><li>2.2 Engaging our Stakeholders</li><li>2.3 Materiality Assessment</li></ul>	12 14	6	The Environment	
10				44
10		6.1 6.2	Material Consumption Water and Electricity Consumption	44
		6.3	Emissions	45
3. Governance at Kamco Inves	st	<u></u>	<u> </u>	
3.1 Governance Structure	17	4	<b>3</b>	
3.2 Managing Risk	21			
3.3 Ethical Business Conduct and Compliance	22	_	•	
4/			Annexure	
10		7.1	Annexure I - Companywide Trainings	47
		7.2	Appearure II (A) - ILO checklist assessment results	48
		7.3	Annexure II (B) - Business checklist for assessing compliance against forced labour	49
		7.4	Annexure III - Alignment with National and International frameworks	54
		7.5	Annexure IV - GRI Content Index	60

## **Foreword**

#### **Defining Report Content and Topic Boundaries**

This report emphasizes our commitment to the highest standards of transparent communication with our stakeholders especially regarding our impact, progress, issues and opportunities. The report addresses our operations considering ESG (Environmental, Social and Governance) issues and opportunities.

In this report, we will:

- 1. Describe our approach to sustainability, governance, and responsible business practices.
- Document our economic, social and environmental performance as outlined by the GRI reporting standards and within several frameworks including: ESG standards, KNDP, Boursa Kuwait ESG and UN SDGs.
- 3. Discuss any related initiatives that contribute to the future sustainability of Kamco Invest in Kuwait and the financial services sector in general.
- 4. Detail our strategic approach to sustainability and define how our sustainability initiatives are in alignment with global and national frameworks.

## Reporting Period, Date of Most Recent Report, and Reporting Cycle

This report covers the reporting period January 1 – December 31, 2023. The data provided describes operations of Kamco Invest in Kuwait only, unless otherwise stated.

#### Restatements of Information and Changes in Reporting

In our commitment to transparent and accurate reporting, we have made certain restatements and changes to the reported sustainability information in this year's report compared to our previous report. These changes are aimed at improving data quality, aligning with evolving industry standards, and enhancing the relevance and reliability of our sustainability disclosures. The following highlights the key aspects of these restatements and changes:

- 1. Metrics and Indicators:
  - Adjusted metrics to ensure more accurate and representative results and conclusions.
- 2. Stakeholder Engagement:
  - > Engaged stakeholders for feedback and insights.
  - Incorporated stakeholder input into reporting practices.
- 3. Future Outlook:
  - Committed to continuous improvement and minimizing future restatements.
  - Emphasized stakeholder consultations and transparency.

#### Claims of Reporting in Accordance with the GRI Standards

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines and reports the Company's sustainability activities with reference to the GRI Standards. The 2023 Kamco Invest Sustainability Report aims to follow the guidelines of the Global Reporting Initiative (GRI) standards: Core option. For more details, please refer to Annexure III pertaining to the GRI Content Index.

#### **Entities Included in the Consolidated Financial Statements**

The consolidated financial statements of Kamco Invest cover its subsidiaries including Kamco Investment Company (DIFC), Kamco Investment Company (Saudi), and its brokerage arm First Securities Brokerage Company (Oula Wasata).

#### **Environmental Consideration**

In consideration towards the environment, our reports are published as a downloadable PDF file from our website.

#### **Contact Point for Questions Regarding the Report**

As valued stakeholders, your opinion matters to us, and we welcome your feedback on this report and on any aspect of our sustainability performance. If you seek more information, please:

- 1. Visit our website www.kamcoinvest.com
- 2. Call us on +965 2233 6766
- 3. Send an e-mail to investors@kamcoinvest.com

## Chairman's Statement

#### Dear Stakeholders,

On behalf of Kamco Invest and the Board of Directors, it is with great pleasure that I present to you Kamco Invest's sustainability report for the year 2023. This report serves as a testament to our unwavering commitment to sustainability and responsible business practices, showcasing the progress we have made in implementing environmental, social, and governance principles into our operations.

Throughout the past year, we have remained steadfast in our pursuit of sustainable growth, guided by our core values of transparency, innovation, commitment, and value creation. As we celebrated our 25th anniversary in 2023, we marked a significant milestone in our journey, signaling a new era of innovation and transformation for Kamco Invest. This milestone not only reflects our dedication to excellence but also underscores our commitment to evolving with the changing landscape of the regional and international investment and asset management scene, where sustainability has emerged as a critical imperative.

In line with our position as the one of the largest asset managers in the MENA region, we recognize our responsibility to not only lead the charge towards a more sustainable business operation but also to serve as ambassadors of this change in Kuwait and the wider region.



We recognize our responsibility to not only lead the charge towards a more sustainable business operation but also to serve as ambassadors of this change in Kuwait and the wider region.

This year, our sustainability efforts have been centered around fostering inclusivity, supporting community well-being, and empowering future generations, reflecting our commitment to driving positive change and contributing to a more sustainable and inclusive future for all stakeholders.

As we navigate the complexities of today's global landscape, we understand the importance of sustainability in shaping the future of our business and the communities we serve. Our sustainability journey is not just about meeting regulatory requirements or achieving short-term goals; it is about embedding sustainability into the DNA of our organization and creating lasting value for generations to come.

Looking ahead, we remain firmly committed to advancing our sustainability agenda, guided by the principles of environmental stewardship, social responsibility, and corporate governance. By leveraging our collective expertise, resources, and partnerships, we will continue to drive meaningful progress towards our ESG goals and contribute to a more sustainable and prosperous future for all.

I would like to extend my heartfelt gratitude to our stakeholders for their unwavering support and partnership on this journey.

Sheikh Talal Ali Abdullah Al Jaber Al Sabah Chairman

## CEO's Message

#### Dear Stakeholders,

The sustainability report for the year 2023 underscores our continued dedication to integrating environmental, social, and governance (ESG) factors into the operations of Kamco Invest. It offers a comprehensive overview of our sustainability initiatives and accomplishments, highlighting our commitment to creating value for our stakeholders while advancing towards a more sustainable and inclusive future. The theme, "Simplifying Complexity, Maximizing Impact", highlights our conviction that consistent everyday actions pave the way for significant progress. By simplifying processes and focusing on continuous improvement, we aim to maximize our positive impact and demonstrate our unwavering commitment to becoming a more resilient and sustainable organization.



### By simplifying processes and focusing on continuous improvement, we aim to maximize our positive impact

In commemorating our 25th anniversary in 2023, we pause to reflect on our journey, acknowledging the many challenges and transformations we have encountered. Through these experiences, we have solidified our position as one of the largest asset managers in the region and one of the most active investment bankers. This significant milestone serves as a testament to our adaptability, resilience, and steadfast commitment to excellence, marking the beginning of a new chapter in our organizational evolution.

In 2023, our primary focus was on the social perspective, acknowledging the pivotal roles played by our employees, community, and the generations of tomorrow. Recognizing that they were the bedrock of our achievements and successes, we prioritized initiatives that placed our stakeholders at the center of our efforts and aimed at ensuring the continuity of our community and by extension, Kamco Invest.

Our partnership with the Kuwait Women's Economic Empowerment Platform (KWEEP) exemplified our commitment to gender equality and inclusive professional environments. This collaboration highlights our belief that empowering women is not only a moral imperative but also a strategic business decision.

Furthermore, our commitment to nurturing talent and fostering educational initiatives, including seminars and educational programs with educational entities, supported our mission to empower future leaders and invest in the youth of tomorrow.

Our dedication to corporate social responsibility (CSR) has extended to collaborations aimed at enhancing community health and societal well-being. Through partnerships with Kuwait Hospital, URC, and Burgan Bank, we actively participated in initiatives such as the Breast Cancer Awareness Campaign, reflecting our commitment to making a meaningful impact beyond financial returns.

As industry thought leaders, we continuously contribute to the knowledge pool through reports, whitepapers, and events, enhancing the investment community's understanding of various sectors and asset classes. Kamco Invest organized an exclusive event focusing on artificial intelligence (AI) and its impact on investment strategies, reflecting our commitment to innovation and progress, which is integral to our technological advancement and digital transformation.

This year, which also marked the inauguration of Kamco Invest – London and our further expansion into alternative investments, particularly real estate operations, represented a strategic leap toward sustainable growth and value creation. This expansion into new markets strengthens our network, provides further competitiveness to our operations, and complements our long-term growth plan.

Looking ahead, we remain steadfast in advancing our sustainability agenda and driving positive impact across all facets of our business. Following 25 years of success, we are now entering a new era which marks a shift in our operations and the trajectory of our offerings with more integration of ESG values, adaptation to new technologies, and seizing emerging opportunities.

In closing, I would like to express my sincere gratitude to all our stakeholders for their trust and support that continues to inspire our future growth and success. I would also like to thank the Board of Directors for endorsing our sustainability strategy and the task force led by Marketing & Investor Relations for their efforts in leading this initiative and compiling this report.

#### Faisal Mansour Sarkhou

Chief Executive Officer



#### 1.1 An Overview of Kamco Invest

Kamco Invest, headquartered in Kuwait with regional offices, offers a wide range of investment services including asset management, investment banking, and brokerage. Since its establishment in 1998, Kamco Invest has been providing tailored investment solutions for high net worth and institutional clients, emphasizing ethical and proactive client relationships. Our offerings encompass asset management across equities, fixed income, private equity, and real estate. We leverage the latest in-house market research to develop innovative investment strategies tailored to each client's unique needs. Additionally, our investment banking specialists assist clients in successfully concluding M&A, debt capital market, and equity capital market mandates. Stemming from our understanding that clients seek to grow their wealth with the freedom to choose financial markets, our brokerage arm provides quick and reliable access to Boursa Kuwait and several regional and international markets. With over USD 14.9 billion\* in assets under management and USD 36.4 billion\* in investment banking credentials, Kamco Invest is committed to delivering value and innovation to clients globally.

\*As of December 31, 2023.

Figure 1.0: Track Record

USD **14.9**bn

Assets Under Management as of 31 December 2023

 The 6th largest in MENA Region, ranked by Forbes ME in 2023 (2022: 8th largest in MENA Region) USD **36.4**bn

Investment Banking Mandates since inception till 31 December 2023

- Managed / co-managed around USD10.6bn in equity finance
- > Arranged around USD15.9bn in Conventional & Islamic Debt
- > Advised M&A mandates worth USD9.8bn

#### 1.2 Strategic Directions



#### 1.2.1 Vision, Mission, Core Principles and Values

#### **OUR VISION**

To become the preferred pan-MENA nonbanking financial powerhouse

#### **OUR MISSION**

To maximize stakeholders' wealth guided by quality advice and sustained results

Figure 1.1: Core Values and Guiding Principles



9





Commitment



Value Creation

#### 1.2.2 Scale of the Organization, Operational Locations and Ownership Structure

At Kamco Invest- Kuwait, we have a total of 196 employees. Our headquarter is located in Kuwait and we operate in five locations as displayed in the figure below.

As of 31 December 2023, Group of Kuwait Projects Company and its subsideries (United Gulf Bank, Burgan Bank) owned around 62.92% of the company's share capital and was the only shareholder owning above 5%. Figure 1.3 illustrates the holdings by shareholder type.

Figure 1.2: Our Operational Locations

Figure 1.3: Holdings by Shareholder Type



#### 1.2.3 Business Offerings

Kamco Invest provides a variety of bespoke asset management, investment banking and brokerage solutions that cater to clients' investments needs. The below figure illustrates some of the services that fall under each of our main business offerings.

Figure 1.4: Business Offerings

## Asset Management > Fund Management > Portfolio Management > Advisory Service

## Investment Banking Equity Capital Markets Debt Capital Markets Mergers & Acquisitions





#### A Snapshot of Our Sustainability Progress in 2023

#### **Economy and Marketplace**

Assets Under Management



USD**14.9**bn

2022: USD13.8bn

Number of Investment Banking transactions



9

2022: 13

Value of Investment Banking transactions



USD**1.6**bn

2022: USD**5.6**bn

Published research reports



805

2022: 794

New client money raised



USD2.1bn

2022: USD**1.1**bn

Local procurement



**70**%

2022: 55%

Credit ratings (Short-term) - (Long-term)

A3 with a stable outlook



**BBB** 

#### Workforce

**Females** 



25%

2022: 23.6%

#### Females in executive role



**3** out of **8** 

2022: 2 out of 6

#### Female board members



**2** out of **5** 

2022: **2 out of 5** 

#### Man hours of training



1,525

2022: 1,715

#### Kuwaitization



50.9%

2022: **50.9** 

#### Kuwaiti new hires



40%

2022: **53**%

#### **Environment**

A4 paper packets used



590

2022: 1,000

#### Plastic bottles used



145,500

2022: **176,400** 

#### Tissue Boxes



5,000

2022: 2,500

#### Paper cups used



12,000

2022: **72,000** 

#### GHG



85.8t

2022: **45.87**t

#### **Workforce & Community**

#### Number of interns



**25** 

2022: 26

#### New hires from interns or trainees



5

2022: **2** 

#### 2.1 Sustainability Strategy and Pillars

Kamco Invest embeds sustainability into its core strategy, recognizing its dual role in strategic advancement and as an important end in itself. We merge economic value with social impact and responsibility, driven by unwavering commitment to ethics, transparency, and governance. This ensures long-term viability and creates value for our organization and communities. Guided by five key pillars, our initiatives aim to achieve future targets, enhance the Company's longevity and foster a sustainable future.

Figure 2.0: Sustainability Pillars

Pillars	Focus Areas	Target objectives
1. Clients and Investors	Serving clients	<ul> <li>Become the preferred pan-MENA non-banking financial powerhouse</li> <li>Improve client journey and experience</li> <li>Increase client satisfaction</li> <li>Innovate in product and service customization, introduce more sustainable investment solutions through responsible and ethical investing</li> </ul>
	Managing expectations of investors and shareholders	<ul><li>Maximize shareholders value</li><li>Commitment to transparency</li></ul>
2. Governance	Leading in Business and Governance	<ul> <li>Manage sustainability effectively</li> <li>Set and reach sustainability targets to promote sustainable growth</li> <li>Utilize technological innovation for better results</li> <li>Be at the forefront of applying leading corporate governance principles &amp; practices</li> <li>Support industry regulators</li> </ul>
3. Community	Giving Back to the Community	<ul> <li>&gt; Empower youth and women</li> <li>&gt; Invest in educational initiatives</li> <li>&gt; Increase financial and investment literacy</li> <li>&gt; Support the nation</li> </ul>
4. Talent	Developing talents	<ul> <li>Attract and retain the right talents</li> <li>Empower, train and develop employees</li> <li>Support national Kuwaitization plan</li> </ul>
5. Economic Value and Impact	Contributing to Sustainable Economic Development	<ul> <li>Attract investors and FDI</li> <li>Support Kuwait Vision 2035</li> <li>Increase sustainable and ethical investment</li> <li>Provide market insights to enhance investment decisions</li> </ul>

#### Measuring our Sustainability Impact

We are currently devising methods of measuring our sustainability impact which we will incorporate in the coming versions of our sustainability report.

#### 2.2 Engaging Our Stakeholders

At Kamco Invest, we rigorously implement an inclusivity process to guarantee maximum effective engagement of our stakeholders. We have long adopted this culture of inclusivity and collaboration whereby our strategic decision-making processes are built upon engaging with out different internal and external stakeholders.

Figure 2.1: Inclusivity Process

#### 01

## Stakeholder mapping and engagement channels

We map all stakeholders and their interest, influence, needs, and concerns. We then specify communication channels for maximum effective engagement

#### 02

### Feedback mechanisms and needs assessment

We conduct annual satisfaction surveys and utilize service/productbased feedback mechanisms to gather stakeholder input.

#### 03

#### Alignment with stakeholder feedback

We then align our business strategies and ESG impact with stakeholder feedback, prioritizing material topics based on their importance to stakeholders, impact on Kamco Invest's performance, and overall ESG/sustainability impact.

#### 2.2.1 Stakeholder mapping, engagement, key topics and concerns

Audits

Code of ethics and compliance

Direct interaction (calls, emails)

#### **Engagement Method** Areas of Stakeholder Focus **Employees** > Employee events > Safeguarding employee rights Acquiring and retaining talent Training Nurturing a healthy internal culture E-training Performance evaluation Competitive benefits Staff meetings Emphasizing on training programs, events & development Daily interactions (calls, emails) Transparent communication Code of Conduct Encouraging innovation Intranet Improving standards & professional competition in the private sector Gender equality and women empowerment in the workplace Job security Clients > Website > Enhancing client service Daily interactions (calls, emails, direct SMS) Diversified & innovative investment solutions Kamco Invest mobile app Transparent communication Improved digital solutions Social media channels Advertising and press releases Ongoing updates of news, information and new offerings Newspaper Data privacy Digital marketing Events > Surveying and feedback On-premise interaction Investors Annual General Meeting and Annual Report Stable & increased shareholder returns Investors roadshows Transparent disclosures & communication Developed corporate structure & governance Credit ratings Direct interaction (calls, emails) Board of Directors' meetings **Suppliers >** Contracts > Encouraging collaboration with local suppliers Meetings Raising awareness towards sustainable procurement Daily interaction (calls, emails) Fair & transparent bidding process Tenders and bidding Community Website > Empowering youth & women Social media channels Increasing financial & investment literacy Invest in educational & community initiatives Newspapers Events and campaigns Contributing to the industry's data pool Employee volunteering Encouraging a culture of employee volunteerism Meetings Association via KIPCO Group CSR activities Frequent interaction (calls, emails) Sponsorships Government, regulators and local authorities Annual reports > Adhering to & being at the forefront of applying business Public events governance Meetings Supporting industry regulators Compliance with international & national frameworks &

standards

#### 2.3 Materiality Assessment

#### 2.3.1 Methodology



1. Task Force Formation: We assembled a task force of internal stakeholders from different departments to ensure inclusivity, led by a project manager overseeing all communication and project execution. Stakeholders were chosen based on their extensive knowledge of our Company, key role in their function, and commitment to responsive action and transparent communication.



Identifying Material Topics: We conducted desk research to identify sustainability topics from media, industry trends, economic factors, community concerns, and insights from competitors. Internally, a workshop was held with Kamco Invest decision-makers and the internal task force to determine material topics relevant to operations and stakeholders. iFifteen key material topics aligned with our five sustainability pillars were selected for further assessment. We sent a survey to our internal and external stakeholders, including our employees, management, and board of directors internally, and our clients, investors, and third-party suppliers externally to gauge the impact of each of the material issues on the busienss from their perspective and how we are cureently performing in them.



5. Survey Analysis and Materiality Matrix:
Survey findings were plotted into a materiality matrix and classified into priority zones (moderate, high, very high importance and impact). The results were shared with our task force as part of our sustainability management approach.



**2. Stakeholder Mapping:** We mapped all stakeholders, assessing their needs, interests, and concerns.



4. Stakeholder Engagement: We distributed a survey to internal (Board of Directors, middle and upper management, Kamco Invest employees) and external stakeholders (clients, partners, third-party suppliers) to rank material topics and provide feedback on current performance. Stakeholders rated the importance of each topic from 1 (lowest) to 5 (highest) based on its impact on our business and sustainability.

In addition, stakeholders were asked to rate our current performance on each of the material topics.



6. Setting KPIs and Strategy Formulation:

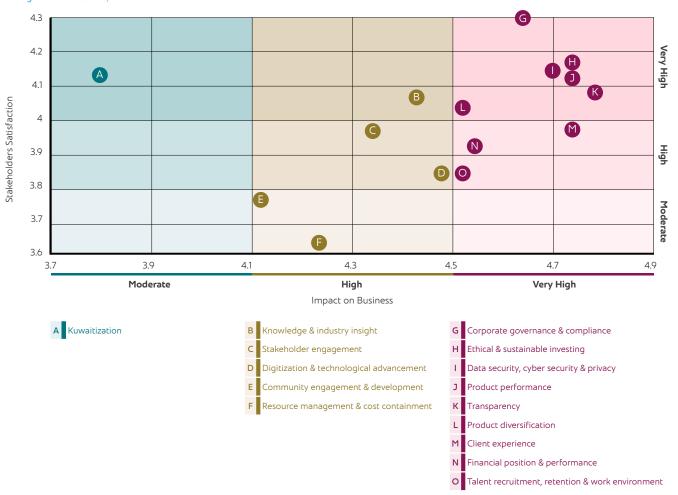
Material topics were aligned with
international and national sustainability
framework. The materiality matrix was
used to align key performance indicators
(KPIs) with identified topics and formulate
sustainability and operational strategies
based on assessment insights.



#### 2.3.2 Findings

- The top three critical material issues according to our stakeholders were Transparency (K), Client experience (M), Product performance (J), and Ethical & sustainable investing (H).
- > Transparency (K) has the highest impact on our business, and although it has a high stakeholder satisfaction score, it needs some more improvement for us to exceed our stakeholders' expectations.
- > Ethical & sustainable investing (H), Product performance (J), and Client experience (M) have the second-highest impact on our business, with Client experience (M) needing the highest degree of improvement to exceed stakeholder expectations. Both Ethical & sustainable investing (H) and Product performance (J), similar to Data security, cyber security & privacy (I), need some degree of improvement.
- Although Talent recruitment, retention & work environment (O), Financial position & performance (N), and Client experience (M) have a very high degree of impact on our business, they currently fall shorter than expected and need some improvements.
- > Resource management & cost containment (F) and Community engagement & development (E) have a high impact on our business but need major improvement. In contrast, Stakeholder engagement (C) and Digitization & technological advancement (D) have a high impact but require less improvement on our side.
- > Kuwaitization (A), although not very impactful to our business according to stakeholders, still achieved a high satisfaction score.
- > None of our material topics fall into the high impact, lower satisfaction category.













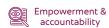
#### This chapter covers Kamco Invest's response to the following material topics:

- > Corporate governance & compliance
- Transparency
- Data security & privacy
- Cyber security
- Client experience
- > Talent recruitment, retention & work environment
- > Ethical and sustainable investing
- > Stakeholder engagement

Kamco Invest's corporate governance is aimed at aligning our activities with leading practices regarding internal processes, controls, ethical considerations as well as legal & regulatory requirements. Kamco Invest's corporate governance philosophy is centered around the following five areas:











Kamco Invest believes that the practice of each of these principles leads to the creation of the appropriate culture, behaviors and norms in the Company. As part of the corporate governance framework, members of the Board of Directors, Executive Management and all employees of Kamco Invest are committed to placing the interest of the Company, its shareholders, and other stakeholders at the forefront, without any bias, irrespective of the category, size or interests of the sub-groups. At Kamco Invest this translates into the conduct of adopting professional and ethical standards in business, ensuring transparency in disclosures, announcing key information in a timely manner, maintaining the Company's reputation, and continually enhancing shareholders and other stakeholders' confidence. In this section, we report on our governance framework and relevant structures, our risk management process, our compliance measures and finally provide an overview of how we conduct business ethically.

#### 3.1 Governance Structure

In line with our commitment towards implementing the rules of corporate governance, Kamco Invest, represented by its Board of Directors and Executive Management, has developed a governance system that synchronizes the Company's operations and defines the responsibilities of each member of the Board of Directors and Executive Management. In undertaking its corporate governance practices, Kamco Invest has remained compliant with the requirements of the Capital Markets Authority of Kuwait's Executive Bylaws pertaining to Corporate Governance.

#### 3.1.1 Governance bodies

The nomination and selection of the highest governance body is executed by the Board of Directors who are in turn elected for a period of three years by the Annual General Assembly of Shareholders of the Company. The highest governance body at Kamco Invest is the Board of Directors, which is led by Sheikh Talal Ali Abdullah Al Jaber Al Sabah, who is the Chairman of the Board of Directors.

#### I. Board of Directors

#### **Constructing a Balanced Board Composition**

Kamco Invest's Board of Directors comprises five members appointed during the Company's Annual General Assembly once every three years. The Board members have a strong educational background, professional experience, and extensive business knowledge both locally and regionally. The role of the Board is to govern the Company, whilst day to day management has been entrusted upon

the Company's Executive Management. Members of the Board of Directors exercise their duties collectively & independently, devote enough time to their responsibilities, and work in good faith towards the interests of the Company and its shareholders.

#### Kamco Invest's Board Members and Summary of BOD meetings

Collectively, the Board of Directors have over 150 years of professional experience. Board of Directors were elected/appointed, and Board Committees were reconstituted as well in April 2023. The Board of Directors has held 19 meetings during 2023.

Member Name	Classification of the Member	Qualification and Work Experience	Date of Election/ Appointment	Attendance
Sheikh Talal Ali Abdullah Al Jaber Al Sabah (Chairman) Representing First North Africa Real Estate Company WLL	Non – Executive Director	Diploma in Applied Business Sciences - Majoring in Banking Services [More than 21 years of experience]	11th April 2023	100%
Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (Vice Chairman) Representing United Gulf Bank B.S.C (C)	Non – Executive Director	BA – Business Administration [More than 17 years of experience]	11th April 2023	100%
Entisar Abdul Raheem Al-Suwaidi (Elected member)	Independent Director	BA – Accounting [More than 32 years of experience]	11th April 2023	100%
<b>Sheikha Dana Nasser Sabah Al-Ahmad Al Sabah</b> Representing AlDeyafa United Real Estate Co.	Non – Executive Director	BA – English Literature [More than 22 years of experience]	11th April 2023	84.2%
<b>Masaud Mahmoud Jawhar Hayat</b> Representing AlZad Real Estate Co.	Non – Executive Director	BA – Economics [More than 42 years of experience]	11th April 2023	100%
Farouq Al-Oumi * Head of Human Resources	Secretary of the Board of Directors	BA - Management [More than 24 years of experience]	11th April 2023	100%

<sup>\*</sup> The Board of Directors appointed Mr. Farouq Al-Oumi as the Secretary of the Board of Directors.

#### **Board's Roles and Responsibilities**

The Company identified the roles and responsibilities of the Board Members as follows:

- > Adopt the Charter of Board of Directors giving the Board the authority to exercise its role and responsibilities in overseeing the Company.
- > Form specialized Board Committees with set authorities and responsibilities to fulfill.
- > Establish Key Performance Indicators (KPIs) to evaluate the performance of the Board of Directors.
- > Establish Key Performance Indicators (KPIs) to evaluate the performance of the Executive Management in accordance with the Company's objectives and strategy.
- > Approve the delegation of authority matrix which identifies the authorities of the Board of Directors vis-à-vis Executive Management.
- > Form specialized management committees with set authorities and responsibilities for overseeing regular business & risk aspects of the Company.
- > Approve the Company's policies and charters as to achieve balance in distribution of authorities between the Board of Directors and Executive Management.
- > Develop a plan or policy for integrating sustainability factors in the Company's comprehensive strategy, main work plans, and the risk assessment and management process, if required.

Details of the Board of Directors roles & responsibilities are captured in the Board Charter. In addition, the Board of Directors work continuously on ensuring the importance of value creation with the employees of the Company through enforcing mechanisms that achieve the Company's strategic goals, improving performance level, abiding to the laws and regulations of corporate governance. These mechanisms include but are not limited to:

- > Setting annual budget and long-range plan for the Company; coupled with regular review of the Company's performance against the set targets and budgets.
- > Appropriately and clearly distributing authorities amongst management, management committees, Board Committees, and the Board of Directors.
- > Approving appropriate corporate governance policies, procedures & practices.
- > Institutionalizing appropriate policies related to compliance, anti-money laundering & countering terrorism financing, FATCA, and Common Reporting Standards (CRS) etc.

> Implementing appropriate mechanisms for internal governance to facilitate the value creation in the Company and effectively manage and enhance performance in a risk cognizant manner. The Board has also instituted several management committees, that comprise the Company's senior managerial personnel.

#### **Board Committees**

The Board has established specialized Committees to assist in performing key functions and responsibilities entrusted to it. The Board approves the charters governing the work of these Committees, specifying the terms, authorities, functions, rights and responsibilities of the Committees and the methods through which the Committees are supervised by the Board. The Committees are formed pursuant to a resolution issued by the Board of Directors which appoints the members, specifies the Committee chairperson, and the time from when the Committee should start performing its functions.

Figure 3.0: Summary of Board Committees at Kamco Invest

Committee Name	Members of the committee	Number of meetings held	Main responsibilities	
Board Audit Committee	Chairperson: > Entisar Abdul Raheem Al-Suwaidi Members: > Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah > Masaud Mahmoud Jawhar Hayat	7	The Committee assists the Board in providing oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.	
	Committee Secretary: > Ketan Kapoor			
Board Risk Committee	Chairperson: > Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah Members:	7	The Committee oversees the risk management practices including preparing, evaluating and constantly monitoring various types of risk and risk management systems and resources to ensure Company's viability and readiness.	
	<ul><li>&gt; Entisar Abdul Raheem Al-Suwaidi</li><li>&gt; Masaud Mahmoud Jawhar Hayat</li></ul>			
	Committee Secretary: > Ketan Kapoor			
Board Nomination &	Chairperson: > Sheikha Dana Nasser Sabah Al-Ahmad Al-Sabah	8	The Committee is responsible for assisting the Board of Directors in its responsibilities pertaining	
Remuneration Committee	<ul><li>Members:</li><li>Entisar Abdul Raheem Al-Suwaidi</li><li>Masaud Mahmoud Jawhar Hayat</li></ul>		to nomination and remuneration related to the members of the Board of Directors and Executive Management. The Committee assists the Board in reviewing the level of competence of the members	
	Committee Secretary: > Farouq Al Oumi		of the Board of Directors and Kamco Invest's Executive Management, set the remuneration framework and ensure its effectiveness in accordance with the approved remuneration policy. The Committee is also responsible for establishing criteri for Board and Executive Management remuneration.	

<sup>\*</sup> Formation date of all committees: The Board committees were reconstituted in April 2023.

<sup>\*\*</sup>A detailed list of responsibilities regarding the Board committees is available in the Company's annual report 2023.



#### II. Executive Management

#### **Expertise Leading Kamco Invest**



Faisal Mansour Sarkhou Chief Executive Officer



Abdullah M. AlSharekh Managing Director of Markets and Investment Banking



Nawal Mulla-Hussain Managing Director of Support Operations



Mohammed A. Al-Hubail Managing Director of Corporate Affairs & Admin



Hanaa Hasan Taha Managing Director, Chief Financial Officer



Salah Al Wuhaib Senior Executive Director of Equity and Fixed Income



Sana Al-Hadlaq Senior Executive Director of Wealth Management



Mohammed Al Othman Executive Director of Alternative Investments

#### Role of Executive Management in Corporate Governance at Kamco Invest

Kamco Invest has established management committees that ensure effective execution of various strategic, business, operational and risk- based mandates. A summary of these committees is given in the below figure:

Figure 3.1: Management Committees at Kamco Invest

Committee Name	Main responsibilities
Business Excellence & Strategic Transformation Committee	The committee provides strategic oversight to the performance of the Company and facilitates cooperation among various business units. The committee reviews all new products, services, and transactions offered by Kamco Invest, prior to launch among other matters.
Asset, Liability and Capital Management Committee	The committee provides oversight to the management of Kamco Invest's balance sheet and capitalization.
HR Committee	The committee provides general oversight of Kamco Invest's compensation structure including long-term rewards and benefits programs, to review and provide guidance on Kamco Invest's human resources programs, workforce programs, talent review and leadership development and best place to work initiatives. The outcomes of the committee's activities are presented to the Board Nomination and Remuneration Committee and/or Board of Directors for approval, as required under applicable regulations.
Credit Committee  The committee exercises due care, diligence, skill, and oversight towards credit risk management in portfolio of Kamco Invest, within Board approved authorities.	
Provisions Committee  This committee approves provisions on the individual loan accounts and on an omnibus basis on the loan to ensure accurate reflection of recoverability.	
Technology Oversight Committee  This committee oversees the Company's technology strategy, initiatives, and significant invests such strategy alongside associated operational considerations, operational risks, information risks.	

#### 3.1.2 Delegation of Authority

The Company's governance relies on an appropriate segregation of duties and authorities between the Board of Directors, various Board Committees, Executive Management and various management committees. The roles of the above stakeholders are captured in the approved Board of Directors Charter, various Board Committee charters, Delegation of Authority Matrix, and management committee charters.

#### 3.1.3 Evaluating Board Performance and Remuneration Policies

#### **Board Performance Evaluation**

Kamco Invest has a framework in place for evaluating the performance of individual Board members, various Board Committees and the Board of Directors. The framework relies on assessments to be completed by each member of the Board of Directors, the results of which are then aggregated and reviewed by the Board of Directors.

#### Board's & Management Remuneration Philosophy

The Board of Directors has formed a Board Nomination and Remuneration Committee, which is responsible for the nomination of members to the Board, Board Committees and Executive Management, in addition to setting policies, incentive schemes related to the Company, to the Board of Directors, and Executive Management remuneration. The remuneration policy at Kamco Invest aims to link remunerations and acceptable risk levels, to attract qualified candidates to the company and ensure transparency. The Policy was approved by the Board of Directors in March 2021. The remuneration for the Board of Directors and the Executive Management shall be recommended by the Board Nomination and Remuneration Committee to the Board of Directors, ensuring that it is:

- Consistent with the Company's strategy and objectives in the short and long-term objectives.
- > Linked with the pre-determined Key Performance Indicators (KPI's).
- > In line with the approved methodology for calculating the remuneration.
- > Determined in accordance with existing laws and regulations of Kuwait as well as the Company's internal rules and policies

#### **Board Members Remuneration**

- i. The Board remuneration consists of four main components:
  - a. Annual Board Membership Remuneration
  - b. Board Membership Seating Allowance
  - c. Committee Membership Seating Allowance
  - d. Special Reward for the Independent Board Members
- ii. Total Board Remuneration amounts is approved by the Annual General Assembly of shareholders, based on recommendation from Board Nomination and Remuneration Committe and endorsement by the Board of Directors.

The details of the Board remuneration and benefits are outlined in our Annual Report for 2023.

#### **Executive Management Remuneration**

- i. The Company operates a total reward philosophy considering two main components of financial remuneration, while ensuring that there is an appropriate balance between the two components:
  - a. Fixed remuneration: Fixed remuneration includes salaries, allowances and benefits set in Kamco Invest's salary and grading structure approved by the Company's Board of Directors and contractual agreements with employees.
  - b. Variable remuneration: Variable remuneration is designed to motivate and reward high performers within the organization. The variable remuneration is divided into annual cash bonus and long and/or short terms incentives when applicable.

Executive Management's remuneration are based on the Human Resources Committee's recommendations, and are approved by the Board Nomination and Remuneration Committee and the Board of Directors

The details of the Executive Management's remuneration and benefits are outlined in our Annual Report 2023.

#### 3.2 Managing Risk

#### 3.2.1 Applying Sound Systems of Risk & opportunity Management and Internal Audit

The Board of Directors and Executive management regard risk management as key to our business and outlines four main lines of defense.

#### 1. Board Risk Committee

The Board of Directors formed a Board Risk Committee that consists of three members, and its main responsibilities are to develop and monitor risk management policies & procedures and to assess risk profile of the Company.

#### 2. Risk Management Department

Risk Management is responsible for facilitating the implementation of effective risk management processes to ensure that Kamco Invest continuously manages its risk across all performance areas. The Risk Management department holds an independent status in the Company and reports to the Board Risk Committee. The Risk Management department is granted full authority to perform its role properly without being granted financial powers.

#### 3. Kamco Invest's Internal Controls Systems

The Company makes ongoing efforts to enhance its internal controls systems and while doing so, applies the "Four Eyes Principles" as follows:

- > Proper segregation of authorities between the Board and Executive Management, whilst ensuring appropriate checks and balance.
- > Segregation of duties to prevent conflicts of interest.
- > Maker-checker control and review.
- > Multi-layered approvals/authorizations.

#### 4. Internal Audit Department

The Company's approved organization structure also includes a fully independent Internal Audit department, reporting directly to the Company's Board Audit Committee. The Head of the Internal Audit Department is appointed at the recommendation of the Board Audit Committee. The Board Audit Committee endorses the Internal Audit Department's mandate, roles, and duties. The mission of the Internal Audit Department is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit department helps Kamco Invest accomplish its objectives by bringing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk-management, control and governance processes to achieve the following three objectives:

- > Promoting appropriate ethics and values within the organization.
- **>** Ensuring effective accountability and management of organizational performance.
- > Effectively communicating risk and control information to appropriate areas of the organization.

#### 3.2.2 Contingency Management Plan

The Company has institutionalized a suite of contingency plans such as the Business Continuity & Disaster Recovery Plan, the Contingency Funding Plan, Health protocols, and Information & Cyber Incident Response Plan, to address various potential crises. Hence, ensuring that Kamco Invest can continue serving its stakeholders during unexpected disruptions and challenges.

#### **Risk Mitigation Employee Training**

At Kamco Invest, stakeholders' involvement and engagement extend to our risk mitigation processes. Just like we ensure that our external stakeholders are kept well-informed in times of crisis, we are also adamant on enhancing our Board's, Management and employees' readiness to external risks or digital and cyber threats through annual trainings as mentioned in figure 3.2. Employee security awareness and readiness is also regularly tested through various surprise simulations. The results of these simulations are used to identify training and awareness priorities for the organization.

Figure 3.2: Employee risk-related trainings in 2023

Risk-related trainings

133.8 Man hours of training

#### 3.3 Ethical Business Conduct and Compliance

#### 3.3.1 A Code of Conduct

The Company has institutionalized a code of ethics and a code of conduct as part of its corporate governance policy that is approved by the Board of Directors and cascaded to all employees. The Corporate Governance Policy acts as a backbone of the Company's corporate governance framework as well as its business charter and includes extensive directives to address the below:

- > Related Party Transactions highlights how to manage transactions undertaken by Company with related parties.
- > Code of Conduct and Ethics emphasizes confidentiality of information, appropriate care of Kamco Invest's assets, financial responsibility and compliance with applicable laws & regulations.
- > Insider Information Management Prohibiting the unauthorized disclosure and misuse of sensitive / material information.
- > Whistle Blowing Establishes mechanisms for stakeholders to highlight any potential or alleged wrongdoings, breaches, financial crimes, fraud, theft, harassment, amongst other, with full confidentiality.
- > Conflicts of Interest Ensures conflicts of interest are appropriately identified, discussed, resolved & disclosed.
- > Chinese Walls Ensures segregation of information generated from various business units and minimize risks of information

Any breaches of the Corporate Governance Policy merit strictest of actions under the Company's Human Resources Policies and the Kuwait Labor Law, including but not limited to termination and legal action.

#### 3.3.2 Regulatory Compliance

The adherence and compliance to the regulations cycle starts with our Board of Directors, Executive Management, senior management and ends with all Kamco Invest employees. Such compliance applied internally provide reasonable assurance to our external stakeholders against unforeseen circumstances or in the event of unethical and financial violations. To this end, Kamco Invest has a well-defined and structured Legal and Compliance Department, in which it monitors and ensures the process of compliance with laws, regulations, and instructions issued by Capital Markets Authority, Central Bank of Kuwait, Boursa Kuwait and the Kuwait Ministry of Commerce and Industry. The Company has an institutionalized Compliance Manual to ensure compliance with applicable regulations. This manual serves as a guiding document for the various activities undertaken by the Compliance department, and it has been developed to enhance the compliance culture and standardize compliance processes across Kamco Invest.

Figure 3.2: Compliance Incidents



- > Critical Concern (including whistle blowing incidents)
- **>** Corruption
- > Anti-competitive behavior, anti-trust, and monopoly practices
- > Breaching customer privacy or losses of customer data
- Non-compliance with social, economic & environmental laws and regulations
- > Non-compliance concerning product and service information and labeling
- > Non-compliance concerning marketing communications

#### Information Privacy and Data security

At Kamco Invest, we have strict privacy and security mechanisms in place to prevent data leakage and safeguard our clients' information which are detailed in our Company-wide Information Security Policy for protection of customer privacy and data security. Additionally, we have allocated application security controls such as encryption and application access controls in place, to protect and safeguard every data stored or moved across the applications and databases. We have been successful in intercepting incidents of data leakage through potent digital solutions but most importantly through training our employees who act as the first line of defense against any attempted attacks. Our staff are regularly trained via a variety of relevant workshops, simulations and educational seminars on cybersecurity and data privacy and internal townhalls to gain a better insight on the topic. These mechanisms aim at enabling detection and reporting of any information misuse and cyber attacks to the relevant team.

#### Anti-Money Laundering (AML) and Fraud Risk

AML practices are governed by the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy of Kamco Invest. The objective of said policy is to prevent the use of Kamco Invest products and services for money laundering or terrorist financing. Kamco Invest complies with all relevant laws and regulations in the State of Kuwait designed to combat money laundering and terrorist financing and is committed to cooperating with the appropriate authorities in that regard. The Company manages its fraud risk through a robust system of internal controls relying on principles such as segregation of duties, dual control, control over privileged access and others. Kamco Invest has also instated a zero-tolerance policy for financial crime, which include acts of money laundering, fraud, bribery, and corruption. Since the Company recognizes its responsibility towards working against such violations, it has mandated AML trainings as highlighted in the figure below, for its employee who are committed to assisting the regulatory authorities in preventing such acts.

Figure 3.3: AML Trainings

187 Man hours of training

#### Corruption

The Company has defined policies to forbid corruption and bribes through its Anti-Bribery & Corruption Policies which is available for access to all employees via the Company's intranet (K-HUB). The policy entails that all Board members and employees are prohibited from giving, offering, or promising, directly or indirectly, anything of value to corruptly influence any government official, including any officer of a political party or a candidate for political office, for the purpose of obtaining or retaining business or to secure an improper advantage. Further, Board members and employees are forbidden from offering or paying such remuneration indirectly, through any intermediaries.

#### **Human Rights**

Kamco Invest follows and adheres to all local Kuwaiti regulations that are related to human rights and ethical practices. Although Kamco Invest does not have a specific policy that directly addresses this topic, it fully endorses the protection of human rights for all its employees and ensures fairness and full compliance with human rights law, through our Code of Ethics which is available and is circulated to employees via the Company's intranet (K-HUB). In addition, our business discards any investment opportunity that transgresses on any national or international human rights.



#### **Political Contributions**

The Company's policies prohibit members of the Board of Directors or other employees from using the Company's funds and assets for political purposes or encouraging other members or the Company to make such contributions or reimbursements for political contributions.

#### **Ethical Products, Services and Investments**

Our offerings and investment strategy are rooted in a responsible and ethical decision-making matrix that govern our investment direction in which we pay close consideration to a sound and fair approach to socio-economic and socio-environmental factors. All the investment products and services developed by Kamco Invest are subject to rigorous governance where the Business Excellence and Strategic Transformation Committee only approves products and services after the required legal, compliance and risk assessments are carried out by the respective departments. With a long-term value creation mindset, our product and service planning approach is based on creating offerings that are yield-producing for the long-term, research-driven, flexible and adaptive, progressive in nature, diverse, conservative and aims to mitigate risks especially during turbulent market conditions and are tailor-made for specific client needs in order to eliminate wastage of resources. A prospectus and a memorandum of association for each of our offerings are available on our website (unless restricted by the regulators) and incorporate all product-relevant information to ensure full disclosure and transparency to clients. In addition, all offerings follow a strict governance regulation including legal, compliance and AML frameworks to maintain quality control and high standards of delivery.

Figure 3.4: Investments Decision-making Matrix

#### **Economic**

- > Value-creation
- > Long-term
- > High yield- lower risk
- > Research driven
- > Flexible
- Diversified

#### **Environmental**

- Minimal wastage products/services/ investments
- Minimal emissions
- Minimal energy, water and material wastage
- Compliant with environmental regulations

#### Social

- Compliant with local & international human rights
- No investments involving tobacco, alcohol, child labor, weaponry

#### Governance

In line with legal, AML and compliance regulations

Figure 3.5: Compliance Incidents



- > Non-compliance concerning the health and safety impacts of products and services
- > Non-compliance concerning product and service information and labeling

#### 3.3.3 Transparency

Transparency stands at the core of all Kamco Invest's Business operations, both from an internal and an external aspect. Our utmost concern is to maintain the trust and goodwill of all our stakeholders to safeguard the firm's reputation and ensure its sustainability for the long run.

- > For our clients, we maintain a two-way communication approach through one-on-one meetings, frequent calls, emails, and meetups, ensuring their needs and concerns are addressed promptly. Additionally, we conduct annual client satisfaction surveys and occasional questionnaires to gather feedback and improve our services.
- > For our investors, we conduct analyst meetings upon the announcement of financial results, offering valuable insights into our operations and performance, reinforcing our commitment to transparent shareholder communication. The Company also regularly updates its website with material information for all stakeholders and has a dedicated section for corporate governance and financials, where all governance and finance related information and data that shareholders and potential investors might need is available.
- > For our suppliers, our adherence to a robust Disclosure & Transparency policy ensures clarity in our business dealings, fostering trust and reliability in our relationships.
- > For our employees, we foster an open-door policy, encouraging meaningful conversations and feedback among teams, promoting transparency and collaboration within the organization. Our Ongoing investment in IT infrastructure and website updates, including K-HUB-our employee intranet, ensures employees and all stakeholders are well-informed.
- > For regulators/local authorities and other stakeholders, the Company has established a Disclosure & Transparency policy setting forth the details of disclosure requirements and corporate responsibilities, which includes all the required information that should be disclosed in a timely manner and in the manner set out by law, regulations, resolutions, and CMA's instructions.

#### 3.3.4 Stakeholders' Rights

#### **Respecting the Rights of Shareholders**

The governance system at the Company ensures that all shareholders are fairly treated, and that they are protected against any breach of rights and/or misuse of their capital. Furthermore, the Company's Articles of Association also include procedures and controls required to ensure fairness and equality amongst all shareholders. In addition, the Company has a policy that guarantees shareholders ability to exercise their rights which are detailed in our Annual Report - Corporate Governance Section. The Company has created a special register at Kuwait Clearing Company (Clearing Agency), where shareholders' names, nationalities and number of shares held by them are recorded. The Shareholders and Bondholders can review this register and verify that their data is maintained confidentially. The Company has incorporated an Investors Relations Unit, which is responsible for providing data and reports to investors. This Unit is reasonably independent, in a manner that allows it to provide accurate data and reports in a timely manner. There is a dedicated section on the Company's website for Investor Relations, which also contains the contact information for the Unit. Furthermore, the Investor Relations Unit maintains a copy of the Shareholders' Register and Bondholders' Register. The Investor Relations Unit is also responsible for responding to queries of shareholders and bondholders. Kamco Invest encourages its shareholders to participate and vote in the Company's General Assembly Meeting. The mechanism for participation is also outlined in our Annual Report - Corporate Governance Section.

#### Recognizing the Role of Stakeholders

Kamco Invest acknowledges stakeholder rights and works on encouraging the cooperation between the Company and stakeholders in various areas. Moreover, stakeholders' contributions represent a crucial resource for building the Company's competitiveness and for supporting its performance. The Company's Corporate Governance Policy has captured the rules and procedures that ensure acknowledgment and protection of the stakeholders' rights which are outlined in our Annual Report - Corporate Governance Section. Further to this, the Company allows various stakeholders to have access to information and data related to the activities relevant to them in a timely and regular manner and continuously publishes all announcements and press releases of important events and information on its website. The Company has also set mechanisms and channels, as per client complaints, policies & procedures and whistleblowing policies & procedures, that allow stakeholders to communicate any grievances or report unfair, improper, unethical, or illegal practices.











#### This chapter covers Kamco Invest's response to the following material topics:

- > Client experience
- > Product diversification
- > Financial position & Performance
- > Knowledge & industry insight
- > Ethical & sustainable investing
- > Digitization & technological advancement
- > Product performance
- > Data security, cyber security & privacy
- > Corporate governance & compliance
- Transparency
- > Resource management & cost containment
- > Stakeholder engagement

Contributing to the growth of our economy and marketplace is at the core of what we do at Kamco Invest. We serve our clients through tailoring investment solutions that cater to their investment needs while enhancing their experience at every step. This section details our offerings in addition to our role and impact towards our clients, economy, and our marketplace.

#### 4.1 Our Offerings

Kamco Invest is committed to providing its clients with innovative investment solutions including managed products and services that enable the sustainable growth of their wealth and meet their individual investment needs.

#### **Innovative Products and Services**

We take a personal approach to clients' investments by offering innovative, tailor-made solutions through our certified wealth managers. We serve an extensive client base including Sovereign Wealth Funds, Governmental Entities, Corporate, Family Offices and HWI, foster strong relationships, leverage diversified expertise, and arrange loans to enhance investment exposure.

Our services are based on an extensive risk management framework, evidence based financial advice, and access to vast internal and external resources such as:

- > Product customization
- > Strategic wealth planning
- Latest market trend analysis yielding research-based solutions to clients
- > Monthly portfolio reporting
- > Client support in third-party managed products
- Access to Kamco Invest's professional network

#### 4.1.1 Asset Management

#### **Equity and Fixed Income**

We develop and manage investment strategies and products that focus on listed equities in the MENA region with country specific and pan-regional mandates. Through our rigorous risk management framework, unique investment philosophy and extensive in-house research, we make our own investment decisions to maximize client returns and minimize risk. Our valuation-driven investment process offers over 80% market cap coverage and our investment philosophy is built upon discipline, analyzing the latest market trends and long-term approach to value-oriented investing thus looking beyond short-term market volatility.

Figure 4.0: Business Offerings

#### Fund Management

- > Managing an array of funds with different strategies
- A distinguished track record with highly ranked funds amongst their peers
- Flagship funds include: Kamco Investment Fund Kamco Premier Market Index Fund, Al-Durra Islamic Fund, Kamco GCC Large Cap Fund, Kamco Saudi Equity Fund

#### Portfolio Management

Portfolio

Advisory

- > Risk adjusted returns and options to invest in cash or in-kind
- > Services include investment advice, existing portfolio restructuring, analysis of securities, trading ideas and developing investment policy statement, risk management & asset allocation frameworks



#### 4.1.2 Alternative Investments

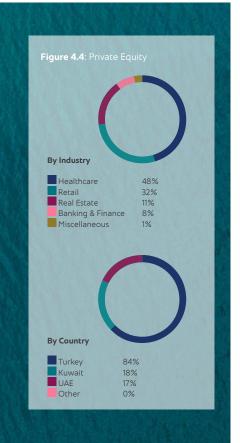
During the last quarter of 2023, the company consolidated its extensive experience in real estate, private equity, and venture capital, bringing them together under the overarching umbrella of Alternative Investments. Throughout the year, the team distributed a substantial sum of USD73.9mn to its clients while actively evaluating fresh investment prospects.

Figure 4.2: Alternative Investments Sector

USD 2.2<sub>bn</sub>

Advising portfolios with total AUM of approximately





#### Venture Capital - The JEDI Fund

A unique and innovative fund launched by Kamco Invest to serve as a platform connecting GCC investors with the world's top international tech opportunities

Figure 4.5: JEDI fund Highlights

USD **45**mn

17.4%

1.3<sub>x</sub>

MOIC (as of 31 December 2023)

USD **29.7**mn

Deployed across 25 opportunities

USD 26.1<sub>mn</sub>

committed to 17 emerging managers

USD **3.6**mn Invested in 8 direct deals Real Estate

Our Real Estate Investments offer regional and international off-market opportunities through "Real Estate Investment Programs" focusing on core, core plus and grade A income generating assets with long term steady income stream. We focus on developed and transparent markets, namely the United States, United Kingdom and Europe, with an opportunistic approach to the MENA markets. Our goal is to generate steady returns for our clients while protecting them against downside risk. Through our strategic alliances and partnerships with several regional and international professionals, we offer investors exclusive off market opportunities with favorable terms in comparison to market trends. Our services cover portfolio management through sourcing, structuring, and executing transactions in addition to undertaking asset management services post investment and execution of exit

The Alternative Investments team broadened its real estate portfolio by incorporating private debt investments in real estate projects, making a significant foray into a new asset class. They disbursed USD47.0mn to real estate investors, resulting in an annualized cash yield of 7% on invested capital.

Figure 4.6: Real Estate Track Record

Grade A commercial properties acquired in the USA, UK & Europe\*

Fully realized exits

USD

under management\*

Net Cash Yield

cash distribution

Equity IRR

#### **International Investment Services**

We custom tailor portfolios and other investment solutions for Institutional and Individual clients. Through this service, we manage each client's portfolio according to their risk/ return objectives, disciplines (Sharia or Conventional) and asset classes (equities and/or Fixed Income). By utilizing our resources, we take into consideration each client's financial goals, risk appetite and time horizon to meet their needs. We also assist our clients in developing the mandated guidelines that steer the investment strategy towards achieving each objective outlined by the client.

**Figure 4.7**: Business Offerings



Portfolio Construction



Asset Allocation



Managers' Assessment



Reporting

Investment professionals are regularly hosted at our offices to discuss global markets updates and latest investment opportunities and trends.

In addition to our strong relationships with international fund managers, we rely on multiple financial sources in our financial screening process and execution.

Figure 4.8: Track Record



#### 4.1.3 Investment Banking

Our Investment Banking services are distinguished by its strong and experienced management team who have developed a successful track record over the years in Mergers & Acquisitions (M&A), Equity Capital Markets, and Debt Capital Markets across the Middle East and North Africa. We distinguish ourselves by developing client-oriented solutions and targeting deals that contribute to the expansion of regional capital markets. We aim to assist our clients in realizing value by matching investors with suitable investment opportunities across the GCC and wider MENA region. In this role, we connect business entities and entrepreneurs seeking capital with institutional and private investors. Our broad regional presence, combined with our experienced Investment Banking professionals, has solidified our position as one of the preferred investment banks in the region.

Figure 4.9: Business Offerings



Equity Capital Market



Debt Capital Market



Mergers & Acquisitions



#### 4.1.4 Brokerage

Through Oula Wasata, the brokerage arm of Kamco Invest, our clients benefit from timely market information, valuable trading opportunities and insight into market trends. Supplemented by our research capabilities, our brokerage offering, shown in the figure below, continuously evolves as we strive to meet the ever-changing requirements of our clients and the markets that we cover.

Figure 4.11: Business Offerings



Institutional Desk



Trading Desk



Online Trading

#### 4.2 Client Experience

At Kamco Invest, we apply a client-centered approach to address our clients' most complex investment goals, helping them plan and preserve their wealth for future generations. In doing so, it is our uttermost priority to keep our clients satisfied and exceed their expectations whilst ensuring they experience a seamless and effortless investment journey throughout the whole process.

#### 4.2.1 Client Satisfaction

In our pursuit of transparency, we have intensified efforts in client communication and engagement to align our strategies with their needs and assess our performance against their expectations. We conduct an annual engagement and satisfaction survey, measuring overall satisfaction and satisfaction with various aspects of our service, experience, statements, offerings, and wealth managers. The survey also covers the frequency of contact, awareness and feedback on our digitization services, and ranks our performance against expectations and competitors. This survey helps us understand client sentiment, identify strengths, and pinpoint areas for improvement and business opportunities.

#### 4.2.2 Client Complaints

Kamco Invest established a Client Complaints Unit with the objective of addressing and resolving complaints received from clients in a timely manner. Due to the importance of handling complaints, Kamco Invest has ensured the independency of the Complaints Unit by handling the client complaints through the Compliance Officer of Kamco Invest. Clients wishing to submit a complain can download the 'Complaint Form' available on the Clients Complaint Section on our website or obtain printed forms available at our Client Complaints Unit on the 12th Floor of Al-Shaheed Tower. The form is then addressed to the Head of the Client Complaints Unit and delivered to the Complaints Box in our Headquarters or via courier or email. In 2023, there were no client complains reported.

#### 4.3 Operational Business Improvements, Innovation & Digitization

Throughout our years of operation, our strategy has been progressive and constantly attuned to all that is new and innovative. Since then, we have undergone a multilayered digital transformation to better serve our valued clients and stakeholders. Strategically, we hold a vision to attain a leading role in the digital investment services and solutions landscape so that we can continue to enhance our clients' experience and cope with their expectations whilst leveraging on digitization and its positive effect on our business and the financial industry. As part of our digitization plan, we have introduced multiple tools detailed below to improve our clients' experience.

**Figure 4.12:** Our Engagement Platforms

(*)	Website	To access Company's news, research, financials, products and services, and other stakeholder related concerns.
<b>(D)</b>	Whatsapp	To provide client support and enquiry line.
<b>O</b>	Zoom	To hold public webinars for our invstors and other stakeholders about lastest market trends and updates.
X	Social Media	To communicate corporate updates, daily news, research and announcements with our clients and stakeholders.
<b>©</b>	YouTube	Featuring all our interviews, webinars and other videos.
<b>O</b>	Instagram	To raise awareness on social and community issues.

#### 4.4 Catering to Our Investors

Our investors and shareholders are of immense value to Kamco Invest because it is they who have placed their trust in our vision and continuously lend their support to the way we do business. As such, it is our priority to meet and exceed their expectations by constantly enhancing our corporate value and maximizing their returns. We realize that incorporating ESG principles in our daily operations improve our business performance and impact our future competitiveness and longevity which in turn benefits our current investors and appeal to prospect investors. As leading contributors to the economy of Kuwait, our Investor Relations and Research teams are vital in contributing to Kamco Invest's role in transforming the country into a financial hub that appeals to local and international investors. Their function is embodied through two focus points: Communication & transparency, and Industry insight.

Figure 4.13: 2023 Performance Highlights

0.7mn

59.7mn

KWD 18.0<sub>mn</sub> KWD 128.8mr

#### 4.4.1 Communication and Transparency

Our aim is to establish and maintain investor confidence through frequent and transparent two-way-communication. We institute the latter through the following:

- > Quarterly virtual analyst meetings: Held following our interim results announcements to discuss our performance and handle any investor inquiries.
- > Annual General Meetings (AGM): Where we present our business achievements, review our performance and allow shareholders to approve certain important resolutions.
- **Website:** We have a dedicated Investor Relations section on our website where we disclose and communicate material information, updates and reports including our annual reports, investor presentations and interim financial statements.
- > Investor Conferences and Meetings: This is an ongoing process where we engage one-to-one with our existing and potential investors.
- **Email:** We have a dedicated "Investor Relations" email, where investors (existing or potential), analysts and rating agencies can communicate with our Investor Relations team directly regarding any inquiries or concerns they might have.

#### 4.4.2 Industry Insight

We continue to strengthen our position as one of the region's recognized thought leaders emphasizing the importance of datadriven investment decisions and enhancing the financial and investment knowledge and awareness of the public to garner informed investment communities. Over the years, we have successfully achieved the latter through the following means:

#### **Our Research**

Our timely insightful valuations, latest market trends, financial analysis and outlook reports play a key role in facilitating investment decisions. During 2023, the Investment Strategy and Research team remained committed to serving the investor community and continued producing all periodic reports on timely basis covering multiple sectors and proposing multi-asset strategy through fundamental, technical, and economic research as shown in the figure btelow. Furthermore, the team issued whitepapers and reports to cover major events.

Figure 4.14: Research Reports Published in 2023

GCC Earnings Reports
GCC Banking Sector Update
Direct Investment Valuation
GCC Projects Market Update
Technical Analysis
GCC Fixed Income Reports
GCC Real Estate Reports
Commentary

805 Published reports (in 2023) GCC Corporate Earnings Updates
Equity Research Updates
Natural Gas Market Update
Special Reports and Ad-hoc Analysis
Local & GCC Markets reports
Oil Market Reports
MENA Market updates
TV Interviews

#### Webinars

As a market-thought leader, we have reached an understanding that a financially educated population is a community asset. Due to that, Kamco Invest has taken the responsibility upon itself to become a financial guide and partner to the public by effectively contributing towards enhancing the financial literacy of our communities. Our goal is to enable our stakeholders including our investors and other individuals to better navigate through economic landscapes and make better, financially responsible, and informed decisions.

On a larger scale, we have taken profound leaps in enhancing the local and regional investment community by contributing to developing knowledge platforms and participating in global discussions that touch on vital topics and recent economic trends. Through supporting and hosting such informative events, we collaborate with industry experts to amplify the financial knowledge pool and exchange vital knowledge that helps educate the investment community while shedding light on key developments in the

region. These events forge pathways that allow our Company to disperse valuable information about the region's booming economy, international investment themes, unique value proposition and financial capabilities that exist within the region and hence attract global investors. In 2023, we hosted multiple virtual webinars and live events spanning topics regarding VC, Trends shaping the e-commerce industry in the region in DIFC and discussion on Al.

#### Leveraging AI for Interactive Insights

At Kamco Invest, we leverage Al technology to produce engaging video summaries of our research reports. This innovative approach not only enhances accessibility and interactivity for our stakeholders but also aligns with our commitment to sustainability. By optimizing resources and reducing costs, we demonstrate our dedication to cutting-edge trends and responsible management.

#### **Scientific-based Investment Decisions**

Our Investment Strategy and Research team offers valuable insights on the latest market trends while providing forward looking data-centric and qualitative analyses. These offerings have assisted our business teams in unearthing market gaps and opportunities that we can capitalize on. In addition, it continues to be a valuable tool in presenting the latest reports and updates to our valued stakeholders, assisting them in making the right investment decisions to reach their personal and financial goals.

#### 4.4.3 Credit Ratings

The incorporation of ESG principles in our daily operations backed up by our adherence to all corporate governance and ethical business practices required by regulatory bodies as well as the strategic relationship management of investors, credit rating agencies and others all contributed to Kamco Invest's strong credit ratings. The Company enjoys a strong financial position with a "BBB" long-term credit rating and an "A3" short-term rating with a stable outlook by Capital Intelligence.

#### 4.5 Our Economic Impact

Our economic impact is derived by our efforts to create a stable economic added value to all our stakeholders so that we can continue to have a long-term positive contribution to our economy. At Kamco Invest this economic impact is achieved through various contributions and investments that target different stakeholders, such as:

- National Labor Support Tax (NLST)
- > Employee compensation and remuneration
- > Shareholder dividends
- > Local procurement
- > Supporting local institutions that promote education and innovation such as The Kuwait Foundation for the Advancement of Sciences (KFAS)
- > Contribute 1% of our yearly net profit to charitable organizations through Masharie Al Khair
- Zakat
- Money Tech Event
- > Euromoney Event
- > GUST live your major
- > Formula 1 STC Saudi Arabian Grand Prix
- > Tmkeen

#### 4.5.1 Direct Economic Impact and Financial Performance

The Company reported a net profit of KWD748 thousand in 2023, an EPS of 2.19 fils, and distributed 5 fils cash dividends. Our Annual Report 2023 summarizes our accomplishments for the year as well as our financial performance and includes detailed financials of our operating costs, employee wages, and any community investments made. Our employee benefits are outlined in this report in our 'Workforce and Local Community' section.

Aside from our financial performance, Kamco Invest continues to participate in the United Nations Global Compact initiative, a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. As part of the initiative, the Company is required to a submit a Communication on Progress (CoP) report annually on its ESG related activities. We have also started looking into the principles of responsible investing.

#### 4.5.2 Indirect Economic Impact

The value of incorporating ESG criteria in our business lies in allowing our stakeholders to understand and examine the value of our institution not only in financial dimensions but also in terms of its indirect economic impact as well as its influence and participating in non-financial aspects of the community. Throughout this report, we cover in more detail multiple facets that relate to our indirect economic impact as shown in the following figure.

Figure 4.15: Local Vs. Foreign Procurement

What? Aspect	How? Tools	Why? Result
Digitization	Adopting technological tools as part of our Company-wide digitization transformation plan	<ul> <li>Improve efficiency, productivity, accessibility, and experience for our stakeholders</li> <li>Leverage on new technological opportunities and create digital investment services and solutions</li> <li>Transform into a paperless organization to reduce our negative environmental impact and contribute to achieving the United Nation's Sustainable Development Goals (specifically 12 and 13)</li> </ul>
Knowledge	Improving financial literacy through our webinars, research reports, community events and participation with local NGOs and educational institutions	Form a financially aware community who can make better investment and financial decisions to improve their life and wellbeing and reach their goals
Youth empowerment	Empowering youth by training new graduates and encouraging entrepreneurship through programs like protégées and Tmkeen	<ul> <li>Foster a generation of innovators and creators</li> <li>Leverage on the talent and fresh ideas of the young</li> </ul>
Kuwaitization and job creation	Training, retaining, and attracting local talent and expertise	<ul> <li>Create job opportunities for nationals</li> <li>Nurture a community of local professionals with skillsets that contribute to national economic growth</li> </ul>
National economic growth	Enhancing our performance and offerings, adopting international best practices and investing in local suppliers	<ul> <li>Enhance economic growth</li> <li>Encourage nationalization and contribute to the Amiri Vision</li> <li>Attract foreign investment for economic growth</li> </ul>

#### 4.6 Procurement Practices at Kamco Invest

Throughout decades of operations, Kamco Invest has meticulously selected its supply chain through a standardized process that ensures maximum quality and efficiency in both cost and time. We realize that our procurement practices have a direct impact on our performance, reputation as well as the overall national economic growth. Which is why, we are committed to investing in responsible procurement and more so encouraging local suppliers as a reflection of our social responsibility towards our community.

Figure 4.16: Local Vs. Foreign Procurement

 KWD2.48mn
 70%
 KWD1.08mn
 30%

Figure 4.17: Procurement Selection Criteria

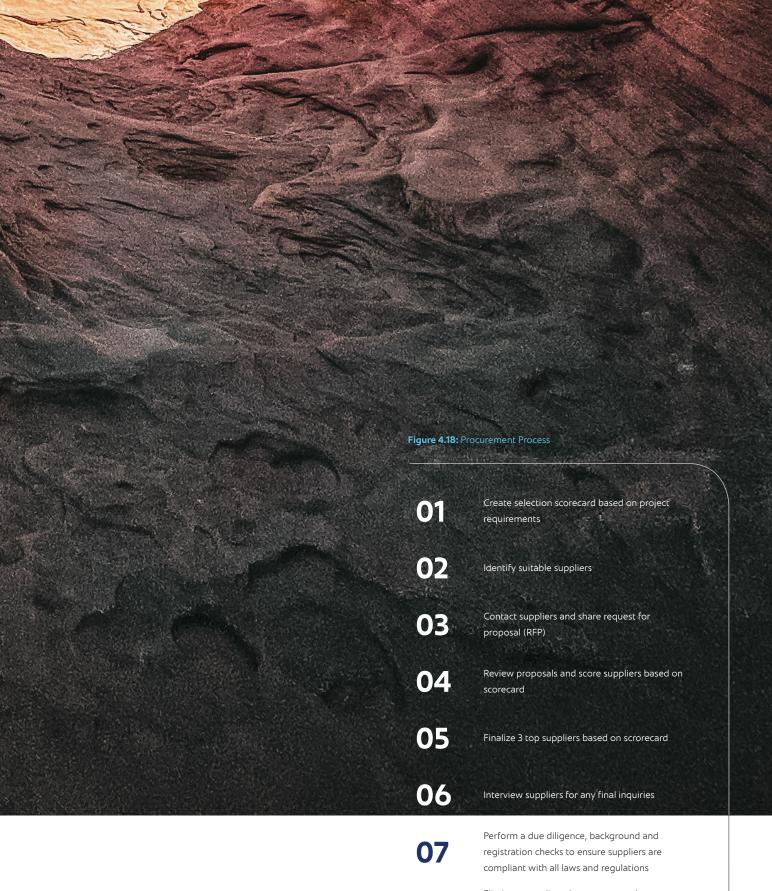












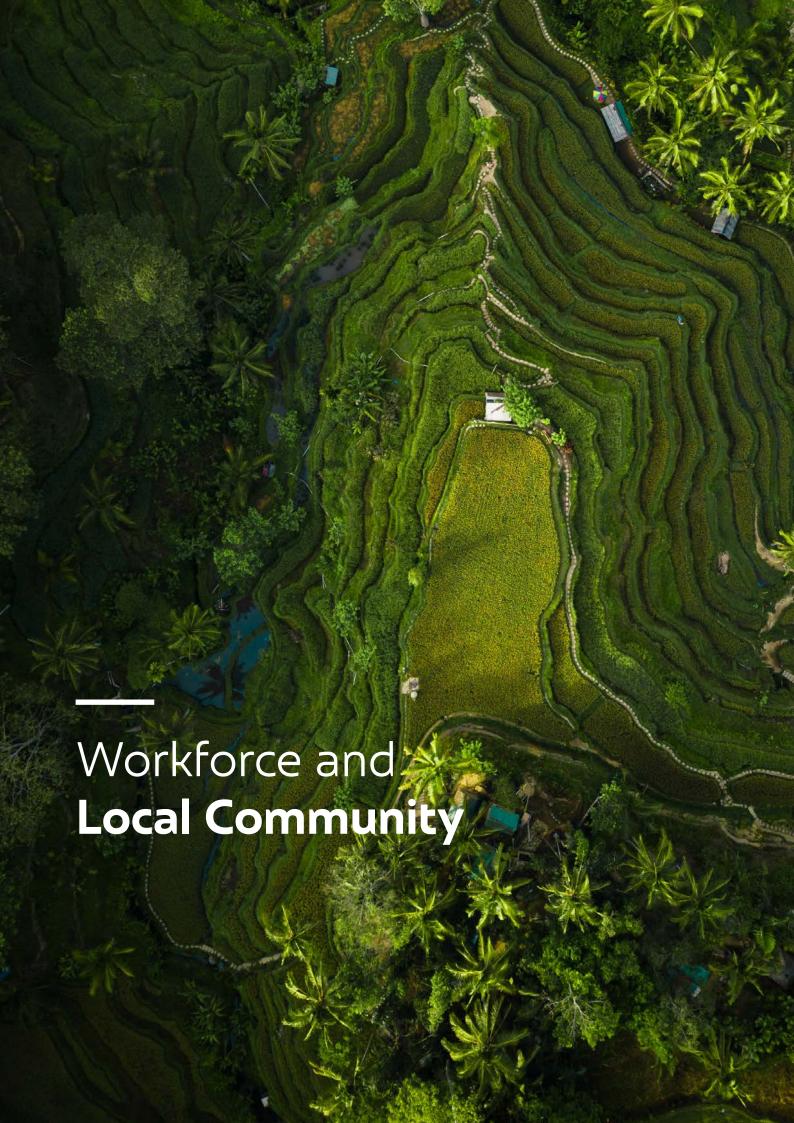
Eliminate suppliers that operate under discriminating, unsafe or inhumane working conditions.

Finalize suppliers based on selection criteria with priority given to local procurement in case of equal scoring

**10** Finalize contract

80

09















### This chapter covers Kamco Invest's response to the following material topics:

- > Talent recruitment, retention & work environment
- > Knowledge & industry insight
- > Digitization & technological advancement
- > Data security, cyber security & privacy
- > Corporate governance & compliance
- Transparency
- > Resource management & cost containment
- > Stakeholder engagement
- > Financial position & Performance

#### 5.1 Our Workforce

We recognize that sustaining a leading position in the market is undoubtedly attributed to the daily efforts of our family of employees whose dedication, expertise and commitment to exceeding expectations are the main force that propel us towards becoming the preferred pan-MENA non-banking financial powerhouse. Which is why we realized early on that it is vital to foster a corporate culture where our employees feel safe to express their individuality, transparently communicate any of their concerns, feel respected and confident that they are treated fairly and ethically whilst provided the means to grow and evolve their skillset and talent. As a result, we have been relentlessly molding policies and structures to ensure a continuous transformation to a performance-driven firm that is built on innovation, meritocracy and adaptability. A firm that adopts a culture of inclusivity with individuality, encourages talent collaboration and doesn't tolerate any sort of discrimination. We are adamant on providing equal opportunities to ensure that we acquire, retain and develop the best and most fitted talents that cater to our clients' needs and are adaptable to our business's changes and challenges.

# 5.1.1 Inclusivity, Diversity and Equal Opportunities at Kamco Invest

At Kamco Invest, we recognize that our workforce is the backbone of our business. We embrace the idea that every employee brings a unique skillset and talent to the table and this diversity reflects the capabilities and vast opportunities that the Company offers its Clients. Accordingly, we aim to constantly maintain a fair and diverse representation of our employees without any limitations of age, gender, color, national origin, marital status, physical ability or cultural and religious beliefs.

# **Inclusivity and Equal Opportunities**

# I. Employee Structure

At Kamco Invest, our human capital is composed of insourced direct employees and outsourced employees, who contribute directly to our daily operations and therefore are incorporated within our employee count unless mentioned otherwise.

Figure 5.0: Employees at Kamco Invest



#### II. Gender Diversity

Being the first investment institution in Kuwait to sign on the UN's Women's Empowerment Principles, Kamco Invest is committed to empowering women and encouraging gender equality and diversity in the workplace. Which is why our target for the upcoming years is to increase our female human capital in all areas of the business as well as in training and internship programs.

Figure 5.1: 2023 Gender Diversity

Level	М	Males		ales
	Number	%	Number	%
Junior up to Level SVP	124	73%	45	27%
Director and Above	23	85.2%	4	14.8%
Total	147	75%	49	25%

# III. Age Diversity

At Kamco Invest we ensure that we maintain a good balance from all ages to combine experience and fresh perspectives.

Figure 5.2: Age Diversity at Kamco Invest

Age Group (Yrs.)	Male	Female	Total
18-25	3	6	9
26-35	34	11	45
36-45	60	18	78
46-55	43	9	52
>56	7	5	12

# IV. Recruitment and Retention

As part of our contribution to the Amiri Vision, Kamco Invest has been increasing its Kuwaitization rate over the years to encourage, develop and empower local talent whilst also maintaining diversity and multiculturalism.

Figure 5.3: Recruitment at Kamco Invest

15
Total number of turnovers

25
Total number of new hires

10
Kuwaiti new hires

50.9%
Kuwaitization rate\*

# 5.1.2 Empowering Women

In 2023, we partnered with the Kuwait Women's Economic Empowerment Platform (KWEEP) to promote gender equality and enhance opportunities for women in Kuwait's private sector. This collaboration reflects our commitment to creating a more inclusive and diverse professional landscape. As a supporter of UN SDG 5 for gender equality, Kamco Invest continues to be a part of the Women's Empowerment Principles (WEPs), a UN initiative. Our involvement underscores our dedication to integrating the UN Sustainable Development Goals into our business model, ensuring equal and fair treatment for all genders, fostering competitiveness, and empowering women in leadership positions specifically at Kamco Invest.

Figure 5.4: Women's Representation at Kamco Invest



2 out of 5 Females board member



3 out of 8

Females in executive roles

#### 5.1.3 Employee Engagement

Figure 5.5: Elements of Engaging Kamco Invest Employees









<sup>\*</sup>Excluding outsourced labor

#### **Corporate Culture**

As a regional powerhouse, our driving force comes from our employees, who are our strategic assets. With the right people, we've cultivated an integrated, close-knit culture that is both people- and outcome-oriented. In 2023, Kamco Invest celebrated its 25th anniversary with a focus on honoring our employees. We dedicated an entire month to a series of engaging activities, including foosball, pool, PlayStation, and table tennis tournaments, to recognize the contributions of our team members. The celebrations also featured the grand unveiling of the newly revamped 19th Floor Executive Lounge. These events were designed to strengthen our corporate culture and emphasize the importance of our employees in our success. By fostering a sense of camaraderie and appreciation, we reinforced the collaborative and dynamic environment that propels our company forward, showcasing our commitment to their well-being and the integral role they play in our continued growth and excellence.

Figure 5.6: Culture at Kamco Invest

#### Safe

We comply with labor laws and HR policies, follow strict grievance procedures for fair, prompt action, and include talent retention in risk mitigation.

#### Heard

We maintain an open-door policy for collaboration, encourage transparency and two-way communication, conduct annual engagement and satisfaction surveys, and use self-evaluation in performance reviews.

#### Included

We hold regular townhall meetings, provide constant updates through email and intranet, involve employees in decision-making and feedback sessions, host social events, offer services from sister companies, and ensure leadership engages with employees.

# Appreciated and recognized

We communicate successes through memos, award the best employee of the year, and offer performance-based incentives.

#### Motivated

We offer training for career advancement and promote volunteerism with local NGOs and universities

#### **Employee feedback**

We make it our mission to listen to our employees' feedback, gauge their current evaluation of internal aspects and set future targets to enhance our operations and performance through annual engagement and satisfaction surveys.

**Figure 5.7**: Engagement Survey Results 2023





**Employee Engagement** 



# **Talent and Career Development**

Kamco Invest aims to ensure that employees are provided with the necessary skills and have the competencies to deliver superior performance in their current jobs and in potential future roles through career development and succession planning. We effectively manage talents, promote a high performance culture, provide employees with career and personal growth opportunities and improve employee engagement. As a Company with a performance driven culture, we realize that our workforce are our brand ambassadors, so we constantly strive to become the preferred investment Company to work at for prospect employees and we are eager to ensure that our current family of staff are satisfied and proud to be a part of Kamco Invest. We have made it our mission to:

- > Attract and develop young talent to enhance the financial prowess of the community especially the next generation of youth and create career prospects for local talent.
- > Appeal to the right talent and offer competitive professional opportunities for them.
- > Retain a top-tier workforce that contributes to the growth of the Company and enhances its competitive edge regionally and internationally.

### **New hires On-Boarding Process**

Because we realize how important it is for our new hires to seamlessly merge into our family, we have created a 100-day on-boarding process for new hires to facilitate their immersion into Kamco Invest, by providing them with the necessary tools, knowledge and guidance to perform their jobs and easily acclimatize to our culture and form successful professional relationships. The program is

customized and modified based on employee level and function with a main focus of supporting employee engagement.

Every new hire is assigned a work buddy as part of their 100-day onboarding process. The work buddy familiarizes the new employee with their role, encourages ongoing communication and relationship building with colleagues across all business functions, and introduces the new hire to the organizational culture.

#### **Expertise in the Company**

Since our aim is to attract the right talent and retain a top-tier workforce, our employees are constantly encouraged to further enhance their skills and professional qualifications through certifications. The below figure highlights some the of the qualifications that our workforce has acquired.

Figure 5.8: Professional Qualifications of Employees at Kamco Invest

- > MBA
- > CFA
- **>** PMP
- > FRM
- > CCNA
- MScs
- > CIPD

- > PHR
- > Certified Internal Auditor (CIA)
- > CMA Kuwait Rules & Regulations
- > International Introduction to Securities & Investment
- > Postgraduate Diplomas
- > Fundamentals of Financial Services

# **Training and Internship Programs**

Over the years, we have taken accountability in contributing to the education and empowerment of tomorrow's youth. We have worked with external local institutions that support our initiative and have also established an extensive internal internship and training program that is in line with our corporate and social objectives to create mentorship and training opportunities for local youth and new graduates in a supportive environment where they get a hands-on-work exposure and on the job training.

Figure 5.9: Number of Interns in 2023



nterns



Intern

10

Throughout the entire workforce lifecycle, we maintain a close connection to our teams' performance and training needs through direct feedback taking into consideration individual career prospects of our employees. Each team has set division-level KPIs and a 360 Assessment for Top Management, which allow us to identify training development trends and requirements across the Company and enable our HR to plan training effectively and in line with the employees' specific needs and corporate goals. The figure below displays our trainings in 2023 and are listed in detail in Annexures I.

Figure 5.10: Employee Trainings in 2023



Company-wide trainings focusing on cybersecurity and data privacy

# Performance Management and Rewards

A scorecard setting exercise is conducted for senior leaders and a performance planning and review is administered to all other employees in order to align expectations and measure achievements. The results of both exercises yield a performance rating which is scientifically linked to employee rewards.

#### **Creating Leaders**

At Kamco Invest, we also perform an anonymous 360 Degree Assessment to get a better understanding of the strengths and development area(s) for our leaders at Director level and above. The Assessment focuses on all aspects that can be attributed to a leader's behavior including interaction and communication styles which can ultimately affect overall performance. The goal of the assessment is to focus on personal and professional attributes that make great leaders and by extension great teams, and solid corporate cultures. It is aimed at giving each leader an awareness of their current status in their leadership development path, and a sense of their relative strengths and development areas from a variety of perspectives gathered through direct managers, peers and team members.

#### **Employees' Health and Safety**

Our employees' health and safety is a top priority. To ensure a safe and healthy working environment for all our employees, we adhere to the following measures:

- > We put in place hazard plans with designated leaders in case of fires or other incidents.
- > We hold regular fire drills and building inspections. No fire, electric or other safety-related hazards were reported in 2022.
- > We adhere to health and safety trainings and procedures.
- > We hold health and wellbeing campaigns and events to raise awareness on cancer prevention measures and overall health.

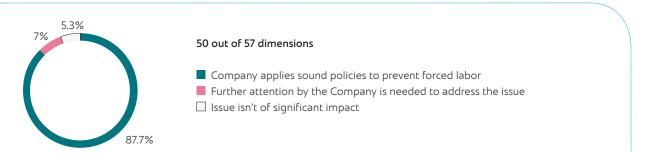
#### **Combating Forced Labour**

Kamco Invest participated in a workshop hosted by the International Labour Organization ("ILO"), which aimed to prevent forced labor and trafficking in persons. The workshop aligns with SDG 8, target 8.7, which requires taking immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and eliminate the worst forms of child labor. Kamco Invest has committed to ensuring that it does not partake in any form of forced labor in its recruitment and supply chain, whether directly or indirectly. To achieve this goal, the Company plans to use a checklist provided by the ILO (Annexure II) to assess the risk of forced labor and score itself based on its practices. This assessment will help Kamco Invest track its progress and ensure that it continues to improve its efforts each year.

Based on the assessment conducted by completing the ILO checklist form, the findings presented in figure 5.10 demonstrate that Kamco Invest implements approximately 87.7% of measures to prevent forced labor, with a minimal risk of 7% due to a few dimensions that the Company needs to address in regard to preventing forced labor. The below list highlights the identified risk dimensions and the Company's rationale for its response on the ILO form.

- 1. Variation in employment terms between migrant and local workers, which is decided by Kuwaiti labor laws and is beyond the control of Kamco Invest.
- 2. Ensuring a secure place for storing workers' passports and valuables, which is unapplicable to Kamco invest as the Company does not retain workers' official documents.
- 3. The worker's freedom in choosing their accommodation is uncertain according to our assessment because in some cases it can be beneficial for the Company to arrange accommodation for the worker to facilitate their living situation with no intent to impose or force a certain location or accommodation.

Figure 5.11: Preventing Forced Labor at Kamco Invest



#### **Employee Benefits**

We offer our employees the following benefits amongst others covered by labor laws:

- Worldwide medical insurance for employees, spouse and children up to 22 years
- > Life insurance for employees
- > Free car parking
- > Corporate discounts from group companies
- 70 days maternity leave for women and 2 days Paternity leave for men
- > 5 days wedding leave

- > 3 days condolence leave
- Professional certification and exam leave for up to 5 days to encourage employees to acquire professional certifications and accreditations from internationally recognized institutions. Certification costs are reimbursed upon successful completion
- > Emergency leave for up to 3 days
- > Flexible working hours and personal exceptions

### Digitization at Kamco Invest

As part of our Company-wide digitization transformation plan and our incorporation of sustainability and ESG practices at Kamco Invest, we have been gradually shifting towards paperless transactions and processes whereby our communication, memos and announcements are all made available through our intranet (K-Hub) and shared by email to all employees. In addition, a workflow platform on K-Hub

which includes all corporate and Human Resources forms such as leave requests, attendance reports, business exceptions, work certificate requests and others are made accessible to employees. Our appraisal process also takes place through our internal performance management system platform and is linked with our employees' corporate emails so that they are notified of any updates. To increase efficiency of our approval processes, we have also established a fully digitized approval system on DocuSign that enables sharing and digitally signing all documents.

# 5.2 Our Local Community

By addressing issues surrounding social and economic value creation, we allow the community to rise to the forefront in defining the dynamic context in which our business operates. At Kamco Invest, the community at which we operate in is considered an investment, not a cost, and we spare no effort in devoting our time and resources to see that key segments of the market and society thrive together in an increasingly globalized and dynamic world. Through our collective actions we aim to improve the marketplace and social community specifically in the areas of education and financial literacy, youth & women empowerment, and health & wellbeing. As such, contributing to the social fabric of Kuwait, and creating a notable positive impact on the wealth and well-being of society would ultimately result in a sustainable community and business ecosystem.

#### 5.2.1 Health and Wellbeing

We have a longstanding commitment to promoting a healthy lifestyle through our corporate social responsibility (CSR) efforts. In collaboration with Kuwait Hospital, URC, and Burgan Bank, Kamco Invest has actively participated in the Breast Cancer Awareness Campaign 2023, offering free mammography screenings and raising awareness about preventive healthcare. Additionally, Kamco Invest fostered employee well-being and a vibrant corporate culture by participating in the third Ramadan Padel tournament at Masaha courts. These initiatives promoted physical wellness and supported a holistic approach to employee well-being, enhancing community relationships

#### 5.2.2 Education and Financial Literacy

As part of our sustainable human capital development strategy, Kamco Invest is dedicated to enhancing professionalism and educating the community about investment and the financial industry. We actively participate in impactful programs and collaborations that mentor and equip future leaders with practical tools for their careers. Our commitment to nurturing talent is demonstrated through our involvement in seminars and educational initiatives, such as those hosted by the Finance Club at the American University of Kuwait and the "Live Your Major" initiative at the Gulf University of Science and Technology. These efforts empower future leaders and add value to the local marketplace.

# 5.2.3 Youth Empowerment

In line with our commitment to empowering youth, Kamco Invest continues to annually participate and support AUK's career fair as a Gold sponsors in aim to attract top-tier talents, participate in creating jobs for nationals and invest in the professional development of youth. In addition, we continued to attract young talents, bringing our internship program total to 25 participants. In addition to these efforts, Kamco Invest dedicated its 2024 calendar to supporting the arts and culture community, highlighting eco-conscious artworks crafted from reused materials to promote sustainable practices and support the local youth art community.

#### 5.2.4 Social Engagement

Throughout the year 2023, we have maintained consistent engagement with the local community and our clients by strategically utilizing our social media accounts and a range of other communication channels to keep our stakeholders at bay about our operations, performance, latest research and market updates. In addition to direct emails, phone calls and one-to-one meetings with our clients, we utilize digital and traditional communication and media channels to reach our target audience such as our website and apps, SMS, and newspapers. Each of our social platforms serve a strategic purpose within our yearly social media calendar. We have utilized our social media platforms such as our YouTube channel and ZOOM to host multiple webinars to increase financial and investment literacy amongst our stakeholders.

Figure 5.12: Kamco Invest on Social Media (2023 vs. 2022)

		X	<b>D</b>	in	
Followers	2023	6,750	316	26,046	2,740
ronowers	2022	6,506	304	22,728	2,416
Impressions	2023	12,614,780	32,800	1,322,373	2,976,577
Impressions	2022	4,950,400	150,285	791,087	1,440,907







# This chapter covers Kamco Invest's response to the following material topics:

- > Digitization & technological advancement
- > Talent recruitment, retention & work envionment
- > Ethical & sustainable investing
- > Resource management & cost containment

We have been able to set an internal standard for environmental stewardship and further enhance our environmental best practices through better utilizing our natural resources in order to reduce the Company's carbon footprint. This section reports our material, water and electricity consumption as well as our carbon emissions and the measures that we take to reduce the latter.

# 6.1 Material Consumption

We have adopted new environment-friendly practices aimed at increasing our operational efficiency and reducing our negative impact on the environment (figure 6.0). As part of Kamco Invest's digitization plan, we have shifted towards paperless transactions and processes whereby our communication, memos and announcements are all made available through our intranet (K.Hub) and shared by email to all employees. In addition, all our internal processes and requests take place through our Workflow portal. We have largely digitized our signature processes by using Docusign to enhance efficiency and reduce paper trail. On the other hand, we have been integrating technological tools such as owned apps, social platforms and direct emails amongst others to offer a faster, more reliable and digitized client experience as well as reduce paper consumption.

Figure 6.0: Material Consumption in 2023



12,000 Paper cups used



**1,500** Plastic bottles (1.5 l)



144,000

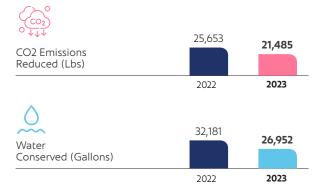


5,000
Tissue boxes used



**590**A4 Paper packets used

Figure 6.1: Environmental resource conservation up ~20% YoY due to DocuSign usage



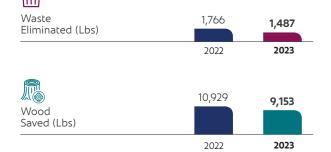


Figure 6.2: Lifetime Environmental Impact



1

Cars removed from the roads



19

Loads of laundry



27

Trans consorio



68,702

Pages of paper saved

Source: Estimates shared by DocuSign and basis DocuSign internal assumption

# 6.2 Water and Electricity Consumption

At Kamco Invest, we promote environmental practices that raise awareness on the importance of resource management and responsible employee etiquette towards the environment. In this regard, we internally promote consciousness towards water and electricity consumption however the data for our consumption is unavailable as our headquarters is rented and the Company doesn't currently have a separate water and electricity meter.

#### 6.3 Emissions

As a financial institution, we are considered a service-based entity which means that our GHG emissions are relatively low in comparison to other industries. Nevertheless, the figures below represent our Scope I –GHG baseline emissions which will be evaluated next year for comparison. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use. The data for Scope II emissions is currently unavailable for the above-mentioned reasons.

#### 6.3.1 Scope I Emissions

Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by Kamco Invest. In 2023, our total Scope I - CO2 emissions from corporate owned cars and airplane business trips amounted to 85.8 tons. The below figures display the breakdown of our total Scope I - CO2 emissions.

#### **Corporate Owned Cars**

Figure 6.3: CO2 Emissions from Corporate Cars



4 corporate cars





24.4t CO2 emissions

#### **Airplane Business Trips**

In 2023, our employees have made 79 business round trips by flight. Each trip was booked for one passenger and their accommodation class on the flight varied from economy to business. Based on the latter, we calculated the estimated carbon footprint emitted during our business trips.

Figure 6.4: CO2 Emissions from Business Trips

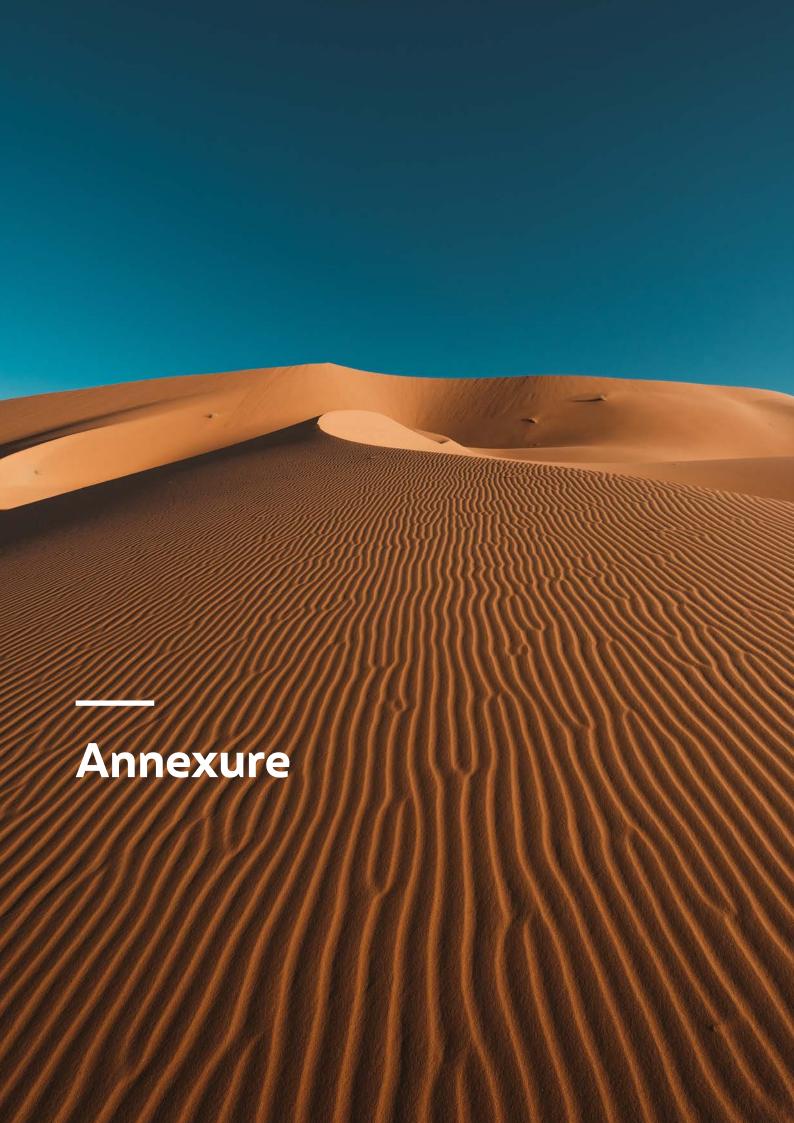


79 business trips





61.4t CO2 emissions



# 7.1 Annexure I - Companywide Trainings

# Name of training

Budgeting, Planning & Management Reporting

HR TECH MENA Summit

Scorecard Planning

Alternative Investment

The latest developments regarding the Capital Markets Authority's violations regarding anti-money laundering and terrorist financing instructions

Power BI

CISI - CMA Kuwait Rules & Regulations

Automatic Information Exchange (AEOI) and On-Demand Information Exchange (EOIR) by the OECD

Kuwait Cyber Security Conference

ENERGY OUTLOOK AMID MACROECONOMIC AND GEOPOLITICAL UNCERTAINTIES, IMPACT ON GULF PRODUCERS

**Product Innovation** 

KSA Labour Law

Communication, Coordination and Leadership

21st Annual Regional Audit Conference

Digital Mindset Program - HEC Paris

International Financial Reporting Standards - IFRS 9

Open Banking Innovation Day

Finance for Non-Finance Professionals

Excel for Finance

Cash Flow Analysis

**Equity Valuation** 

Guarantee Kuwaiti Investments in Arab Countries against Poliyical Risk

Al for Investments

Knowledge Management Masterclass

Enhancing Leadrship Programme

Digital Transformation in the Financial Sector

CMA Instructions for Combacting Money Landuru & terrorism Financing & Avoiding Associated Fines

Investment Portfolios Management Contracts

Executive Strategy Programme (INSEAD)

Integrated Marketing Communications & User Experience

Securities Exchange Commission Seminar

Real Estate Financial Modeling

Digital Transformation in the Financial Sector

Private Equity Deal Structuring, Documentation, and Negotiation

Real Estate Financial Modeling

1st Regional GAM Conference by the UAE IAA

5 Ways Cyber Security could impact your AUM

Administrative and technical procedures for general assemblies

Digital Transformation in the Financial Sector

Trend Micro Road

Update on Anti-Money Laundering

# 7.2 Annexure II (A) - ILO checklist assesment results

Section Reference	Section Name	Assessment		
Section A	Assessment of pre-employment practices (when recruiting migrant workers through private recruitment agencies)	N/A to Kamco Invest as the Company ha its own recruitment team under the Huma Resources department		
Section B (12 dimensions)	Assessment of pre-employment practices (of the company going to employ workers)	9	1	2
Section C (36 dimensions)	Assessment during employment	32	2	1
Section D (6 dimensions)	Assessment post employment	6	1	0
Section E (3 dimensions)	Assessment of company policy towards its partners in the supply chain, such as suppliers (beyond recruitment agencies)	3	0	0
Total (57 dimensions)		50	4	3
		87.7%	7%	5.3%

Company applies sound policies to prevent forced labor

Further attention by the company is needed to address the issue

<sup>☐</sup> Issue isn't of significant impact

# 7.3 Annexure II (B) - Business checklist for assessing compliance against forced labour

By reviewing answers to the questions in the below checklist\*\*, companies in Kuwait are in a position to assess risks of forced labour.

Where ticked boxes feature a red background, the corresponding issue (in the column on the left side of the table) needs to be given further attention to determine - and address where needed – the risk of association with forced labour.

Where ticked boxes feature a green background, they relate to elements of sound policies to prevent forced labour, to be promoted by the company.

While all the questions listed below are important when assessing the risk of association with forced labour, the questions in red are particularly pertinent.

A. Assessment of pre-employment practices	Tick rele	vant box f	or answer
(when recruiting migrant workers through private recruitment agencies)		No	Dont know
Background check			
1. Are you aware of any fair recruitment policies of the agency?			
2. Is the recruitment agency licensed?			
3. Is the agency a member of a national or international employment agencies association that has received certification for ethical recruitment from reputable certification bodies?			
4. Is the agency` free from allegations of abuse of migrant workers?			
Cost structure			
5. Is the fee structure of the agency in line with the market rate?			
6. Is the fee charged to you inclusive of all recruitment costs – work permit, foreign workers' levy, medical costs, air ticket, agency fee and documentation costs?			
7. Does the recruitment agency charge any recruitment fee to the workers?			
8. Is the fee charged by the agency to the worker in accordance with the rules and regulations of the workers source country?			
9. Does the agency provide loans to workers who cannot afford the recruitment fee?			
Documentation, procedures and contract			
10. Did the agency adhere to the procedures of the source country?			
11. Is the employment contract issued in a language understood by the worker?			
12. Are the terms and conditions in the employment contract consistent with the labour law?			
Passport, travel and medical examination			
13. Is the medical examination conducted?			
14. If yes, are the expenses part of the recruitment cost borne by the employer?			
15. Are the transport and logistic arrangements of the worker part of the recruitment cost borne by employer?			
16. Does the agency retain the passport of the worker?			

B. Assessment of pre-employment practices		vant box fo	r answer
(of the company going to employ workers)	Yes	No	Dont know
Recruitment fees			
1. Does the company directly or indirectly (through salary deductions) charge the worker any fee or costs related to the recruitment (work permit, levy, agencies fees, etc.)?		✓	
Fair recruitment practices			
2. Does the company provide information about the nature of the job and conditions of work to recruitment agencies and/or in the advertisement?	✓		
3. Was training on good recruitment and employment practices provided to company managers and supervisors?	✓		
Pre-departure and post-arrival orientation			
4. Has the worker attended the pre-departure orientation before leaving the source country?			✓
5. Have you seen the content of the pre-departure orientation?		✓	
6. Does your company provide post-arrival orientation to all migrant workers upon their arrival in Kuwait?	✓		
7. Is the post-arrival orientation provided in the local language of the worker?	<b>√</b>		
8. Is the time spent on post-arrival orientation training considered working hours and paid?	<b>✓</b>		
9. Does the company have an on-site coordinator who is conversant in both the local language as well as the language of the worker?	✓		
Fair and transparent contract			
10. Is a written contract of employment provided to the worker in a language s/he can understand?	✓		
11. Does the employment contract clearly indicate worker's wages, working hours, rest day and other terms and conditions of employment in accordance with the labour law and other relevant laws?	✓		
12. Do migrant workers have the same terms and conditions of employment as local workers in the same position?		1	

C. Assessment during employment		Tick relevant box for ans		
		No	Dont know	
Wages				
1. Are the wages of migrant workers paid regularly (at least once a month) and directly to the worker's bank account?	<b>√</b>			
2. Do the wages of migrant workers comply with national minimum wage requirements?	<b>√</b>			
3. Is the worker provided with a payslip that has clear and transparent information on wages i.e. hours worked, wage rates, overtime, and any lawful deductions?	✓			
4. Is the payment of wages in accordance with the labour Law?	✓			
5. Does the company keep all records on payroll and calculation of No Don't Know wages?	<b>√</b>			

Wage reduction and in-kind payment			
6. Does the company pay wages in the form of goods (in-kind) instead of cash?		<b>√</b>	
7. Is the worker required to purchase goods or services from any particular store or service provider assigned by the company?		✓	
8. Does the company deduct from worker's wages aside from those clearly allowed in the Labour Law?		✓	
<ul> <li>9. Have wage deductions been made for any of the following:</li> <li>Fee related to workers' recruitment;</li> <li>Loss or damage of tools, material or equipment in the cause of work; or</li> <li>Worker's absence due to sickness or authorised leave?</li> </ul>		<b>√</b>	
Loans and advance payments			
10. Does the company provide loans or advance payments to workers beyond what is allowed by national laws?		<b>√</b>	
11. If the answer is Yes to Question 10, is there any term restricting the worker from leaving the employment before repayment of the loan?		✓	
12. Does the company charge any interest on the loan provided to the worker?		<b>√</b>	
13. Does the worker need to place deposits during employment (e.g. for the use of tools, housing, food etc.)?		<b>√</b>	
Working hours, overtime, leave, holiday entitlements			
14. Has any worker worked more than 12 hours a day including overtime or more than 90 days of overtime per year?		✓	
15. Is overtime compulsory?		<b>√</b>	
16. Does the worker need to work overtime to earn minimum wage?		<b>√</b>	
17. Are the workers given rest time and a weekly rest day in accordance to the Labour Law?	<b>√</b>		
18. Is the company's policy on paid holiday, annual leave and sick leave higher than or at the minimum, in accordance with the Labour Law?	<b>√</b>		
19. Does the company pay overtime, rest day or public holiday not less than what is provided for in the Labour Law when the worker is required to work on those days?		✓	
20. Does the company have any programme to reward the manager, supervisor or worker for good practice in improving workplace relations?	<b>√</b>		
Disciplinary and grievance policy			
21. Does the company have any written policy, code of conduct or rules and regulations?	✓		
22. If Yes, is there any training given to relevant personnel on their respective roles and responsibilities under the policy?	✓		
23. Is there any measure that enables workers to make complaints or report any incidence of abuse or violation of company policy without repercussions?	<b>√</b>		
24. Has the company reported workers for absconding when they complain about work related matters?		✓	
Passport and personal possessions			
25. Is the migrant worker required to handover their passport or personal document to the company (beyond the period to apply for the work permit)?		<b>√</b>	
26. In case the worker has requested the company to keep the passport or valuables, does the worker have access to such documents and possessions freely without need for permission from anyone?	1		

27. Does the company provide a safe place for the worker to keep her/his own passport and valuable items, for example a private locker?		✓	
28. If Yes, does the worker have access to the locker freely at any time, without needing permission from anyone?	✓		
29. Does the company have policies and procedures for safe keeping of such documents and are they compliant with passport regulations?	✓		
Freedom of movement			
30. Is accommodation provided to migrant workers?	<b>✓</b>		
31. If Yes, are workers' free to move around and go out of the accommodation at any time outside working hours?	✓		
32. Are the doors to the workplace (even during work hours) or dorms locked to prevent workers from leaving?		✓	
33. Is a security guard tasked to monitor worker movement at the dormitory?		✓	
Accommodation and health			
34. Are there any rules and regulations provided about the accommodation?			<b>✓</b>
35. Is the worker free to choose if s/he wants to live in the accommodation provided by the employer?			<b>✓</b>
36. Does the company provide medical attention to migrant workers in the event of illness?	1		

	Tick rele	vant box fo	or answer
D. Assessment post employment	Yes	No	Dont know
Termination of employment			
1. Do both migrant and local workers have the same terms on notice of termination?	<b>√</b>		
2. Can a migrant worker terminate the contract of employment before the completion of terms with due notice?	<b>√</b>		
3. Does the company prevent workers from changing to another employer?		1	
Final wages			
4. Does the company make a final payment to the migrant worker for all outstanding remuneration, including wages, bonus and overtime pay, or other benefits due, prior to repatriation?	✓		
Repatriation			
5. Does the company pay for the repatriation cost of the migrant worker upon completion of the employment contract?	<b>✓</b>		
6. Does the company pay for the repatriation cost of the migrant worker if she/he needs to terminate the contract prior to completion of terms due to illness or family emergency or other valid reasons?	<b>✓</b>		

E. Assessment of company policy towards its partners in the supply chain, such as suppliers		Tick relevant box for answer		
(beyond recruitment agencies)	Yes	No	Dont know	
1. Does the company assess and screen its suppliers with regards to their recruitment and employment practices?	✓			
2. Does the company policy or Code of Conduct against forced labour apply to its suppliers?	<b>√</b>			
3. Does the company monitor all its suppliers against forced labour?	<b>√</b>			

<sup>\*\*</sup> The above checklist is based on content drawn from 'Combating forced labour; Handbook for employers and business', ILO (2015) and Appendix 5 – Checklist for assessing compliance in 'Business responsibility on preventing and addressing forced labour in Malaysia', ILO (2019).

# 7.4 Annexure III - Alignment with National and International Frameworks

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
O1  Client experience	<ul> <li>103-1: Explanation of the material topic &amp; its boundary</li> <li>102-2: Activities, brands, products &amp; services</li> <li>102-6: Markets served</li> <li>416-1: Assessment of the health &amp; safety impacts of product &amp; service categories</li> <li>417- Marketing &amp; labeling</li> <li>418-1: Sustained complaints concerning breaches of customer privacy &amp; losses of customer data</li> </ul>	8 HOLD TO SHEET MINISTER MINIS	<ul> <li>Global positioning</li> <li>Sustainable living environment</li> <li>Sustainable diversified economy</li> </ul>	> Customer Satisfaction, Non- Discrimination
O2  Product diversification	<ul> <li>&gt; 103-1: Explanation of the material topic &amp; its boundary</li> <li>&gt; 102-6: Markets served</li> <li>&gt; 416-1: Assessment of the health &amp; safety impacts of product &amp; service categories</li> <li>&gt; 417: Marketing &amp; labeling</li> <li>&gt; 102-9 Supply: chain</li> <li>&gt; 102-10 Significant changes to the organization and its supply chain</li> <li>&gt; 102-44: Key topics &amp; concerns raised</li> <li>&gt; 201-1: Direct economic value generated &amp; distributed</li> <li>&gt; 203-1: infrastructure investments &amp; services supported</li> <li>&gt; 201: Economic Performance</li> <li>&gt; 202: Market Presence</li> <li>&gt; 203: Indirect Economic Impacts</li> <li>&gt; 204: Procurement Practices</li> <li>&gt; 205: Anti-corruption</li> <li>&gt; 206: Anti-competitiveness</li> </ul>	8 FERRI AND STATE OF THE PROPERTY OF THE PROPE	<ul> <li>&gt; Global positioning</li> <li>&gt; Sustainable living environment</li> <li>&gt; Sustainable diversified economy</li> </ul>	• Innovation, Product Quality
03 Kuwaitization	<ul> <li>405: Diversity &amp; Equal Opportunity</li> <li>401: Employment</li> <li>404: Training and Education,</li> <li>406: Non-discrimination"</li> </ul>	5 Traces   8 Traces one on the state of the	> Creative Human Capital, Effective Civil Service, Global Positioning	> Gender Diversity, Gender Pay Ratio, Nationalization

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
Data security, cyber security & privacy	<ul> <li>&gt; 103-1: Explanation of the material topic and its boundary</li> <li>&gt; 102-11: Precautionary principle or approach</li> <li>&gt; 403-3: Percentage of employees receiving regular performance &amp; career development reviews</li> <li>&gt; 410-1: Security personnel trained in human rights policies or procedures</li> <li>&gt; 416-1: Assessment of the health &amp; safety impacts of products &amp; service categories</li> <li>&gt; 416-2: incidents of noncompliance concerning health &amp; safety impacts of products &amp; services</li> <li>&gt; 418-1: Sustained complaints concerning breaches of customer privacy &amp; losses of customer data</li> </ul>	9 Notice through 16 riggs, after the recommendation of the recomme	<ul> <li>Global positioning</li> <li>Effective government administration</li> </ul>	> Data Privacy, Cybersecurity Measures
Digitization & technological advancement	<ul> <li>103-1: Explanation of the material topic and its boundary</li> <li>102-2: Activities, brands, products &amp; services</li> <li>102-6: Markets served</li> <li>102-33: Communicating critical issues</li> <li>201-1: Direct economic value generated &amp; distributed</li> <li>302-4: Reduction of energy consumption</li> <li>307: Environmental compliance</li> </ul>	3 ion sociales  A since  A sin	<ul> <li>&gt; Global positioning</li> <li>&gt; Creative human capital</li> <li>&gt; Developed Infrastructure</li> <li>&gt; Sustainable diversified economy</li> </ul>	• Innovation, Digital Transformation
06 Financial position & performance	<ul> <li>&gt; 103-1: Explanation of the material topic and its boundary</li> <li>&gt; 102-6: Markets served</li> <li>&gt; 102-7: Scale of the organization</li> <li>&gt; 102-10: Significant changes to the organization and its supply chain</li> <li>&gt; 102-44: Key topics &amp; concerns raised</li> <li>&gt; 201-1: Direct economic value generated &amp; distributed</li> <li>&gt; 203-1: infrastructure investments &amp; services supported</li> </ul>	3 THE RECORD 4 SHAPEY AS THE CONSTRUCTION OF T	<ul> <li>&gt; Global positioning</li> <li>&gt; Developed infrastructure</li> <li>&gt; Sustainable diversified economy</li> </ul>	> Financial Performance, Economic Impact

#### **Material Topic** GRI **UNSDG KNDP Boursa Kuwait ESG Indicators** > Board Diversity, > 103-1: Explanation of the > Global material topic and its boundary Ethics & Antipositioning ◉ M > 102-2: Activities, brands, Creative human Corruption products & services capital 17 PARTMERSHIPS FOR THE GOALS > 102-16: Values, principles, > Effective 8 standards & norms of behavior government Corporate > 102-17: Mechanisms for advice & administration governance & concerns about ethics compliance > 102-25: Conflicts of interest > 102-33: Communicating critical concerns > 205-2: Communication & training about anti-corruption policies & procedures > 205-3: Confirmed incidents of corruption & actions taken > 206-1: Legal actions for anticompetitive behavior, anti-trust & monopoly practices > 307: Environmental compliance > 402: Labor/management relations > 418: Customer privacy > 419: Socioeconomic compliance > Global > Product Quality, > 103-1: Explanation of the material topic & its boundary positioning Customer Satisfaction > 102-6: Markets served Creative human capital > 416-1: Assessment of the health & safety impacts of product & Developed infrastructure service categories Product > 417- Marketing & labeling Sustainable performance > 102-9: Supply chain diversified > 102-10 Significant changes to economy > Sustainable living the organization and its supply chain environment > 102-44: Key topics & concerns raised > 201-1: Direct economic value generated & distributed > 203-1: infrastructure investments & services supported > 201: Economic Performance > 202: Market Presence > 203: Indirect Economic Impacts > 204: Procurement Practices > 205: anti-corruption > 206: anti-competitiveness

#### Material Topic GRI **UNSDG KNDP Boursa Kuwait ESG Indicators** > 102-7: Scale of the organization > Global > Employee Turnover, Training Hours per > 102-8: Information on positioning Employee, Human employees & other workers > Creative human Rights Policy > 102-16: Values, principles, capital standards & norms of behavior ٠ Effective 102-17: Mechanisms of advice & **Talent** government concerns about ethics recruitment, administration > 102-38: Annual compensation retention & work High quality healthcare environment > 102-39: Percentage increase Sustainable in annual total compensation (4) living environment Sustainable > 103-1: Explanation of the diversified material topic & its boundary economy > 401-1: New employee hires & employee turnover > 401-3: Parental leave > 402: Labor management relations > 403: Occupational health & safety > 403-4: Health & safety topics covered in formal agreements with trade unions > 404-1: Average hours of training per year per employee > 404-2: Programs for upgrading employee skills & transition assistance programs > 404-3: Percentage of employees receiving regular performance & career development reviews > 405: diversity & equal opportunity > 405-1: diversity of governance bodies & employees > 406: Non-discrimination > 410-1: Security personnel trained in human rights policies for procedures > 412-2: Employee training on human rights policies or procedures > Research & > 103-1: Explanation of the > Global Development, material topic & its boundary positioning Intellectual Property > 201-1: Direct economic value Creative human generated & distributed capital > 203-2: Significant indirect Sustainable M economic impacts diversified Knowledge & economy industry insight

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
Transparency	<ul> <li>103-1: Explanation of the material topic and its boundary</li> <li>102-2: Activities, brands, products &amp; services</li> <li>102-16: Values, principles, standards &amp; norms of behavior</li> <li>102-17: Mechanisms for advice &amp; concerns about ethics</li> <li>102-25: Conflicts of interest</li> <li>102-33: Communicating critical concerns</li> <li>205-2: Communication &amp; training about anti-corruption policies &amp; procedures</li> <li>205-3: Confirmed incidents of corruption &amp; actions taken</li> <li>206-1: Legal actions for anti-competitive behavior, anti-trust &amp; monopoly practices</li> <li>307: Environmental compliance</li> <li>402: Labor/management relations</li> <li>418: Customer privacy</li> <li>419: Socioeconomic compliance</li> </ul>	3 TOURISH MANUAL TOUR STREET OF THE PARTY OF	• Global positioning	Disclosure Practices, Ethics & Anti-Corruption
12 Ethical & sustainable investing	<ul> <li>103-1: Explanation of the material topic and its boundary</li> <li>102-2: Activities, brands, products &amp; services</li> <li>203-1: Infrastructure investments &amp; services supported</li> <li>302-4: Reduction of energy consumption</li> <li>302-5: Reductions in energy requirements of products &amp; services</li> <li>416-1: Assessment of the health &amp; safety impacts of product &amp; service categories</li> <li>417-1: Requirements for product &amp; service information &amp; labelling</li> </ul>	3 TOWNS MANUAL ASSESSMENT OF THE PROPERTY OF T	<ul> <li>&gt; Global positioning</li> <li>&gt; Sustainable living environment</li> <li>&gt; Sustainable diversified economy58</li> </ul>	> Sustainable Practices, Environmental Impact

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
Resource management & containment	<ul> <li>103: Management Approach,</li> <li>302: Energy, 303: Water, 306: Waste, 301: Materials, 305: Emissions</li> </ul>	7 HERRILLER TELEVISION TO STANKETH THE PROPERTY OF THE PROPERT	> Sustainable Living Environment, Developed Infrastructure, Sustainable Diversified Economy	> Energy Usage, Water Usage, Emissions Intensity, Climate Risk Mitigation
Community engagement and development	<ul> <li>413: Local Communities, 201: Economic Performance, 203: Indirect Economic Impacts, 413: Local Communities</li> </ul>	11 Hardward of the Control of the Co	Government Administration, High Quality Healthcare, Creative Human Capital	> Employee Turnover, Non- Discrimination, Human Rights, Community Engagement
15 Stakeholder engagement	> 102: General Disclosures, 103: Management Approach, 419: Socioeconomic Compliance	16 ACC. SOUTH TO PROPERTY OF THE PROPERTY OF T	Positioning, Effective Government Administration	> Board Diversity, Data Privacy, Supplier Code of Conduct, Disclosure Practices

#### Annexure IV - GRI Content Index 7.5

GRI Category	Aspect	Page no. in Sustainability Report	References and Comments
General Di	sclosures (GRI 102-GRI 103)		
Organizati	onal Profile		
102-1	Name of the organization	4,8	
102-2	Activities, brands, products, and services	9, 26-35	
102-3	Location of headquarters	8	
102-4	Location of operations	8	
102-5	Ownership and legal form	8	
102-6	Markets served	8	
102-7	Scale of the organization	8	
102-8	Information on employees and other workers	37-42	
102-9	Supply chain	34-35, 41	
102-10	Significant changes to the organization and its supply chain		No significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach	21-25	
102-12	External initiatives		"Kuwait National Development Plan (KNDP) United Nations Sustainable Development Goals (UNSDGs) United Nations Global Compact Boursa Kuwait Women's Empowerment Principles (WEPs)"
102-13	Membership of associations		<ol> <li>KFAS (Kuwait Foundation for the advancement of sciences)</li> <li>UIC (union of Investment companies)</li> <li>Emerging Markets Private Equity Association</li> <li>Gulf Bond &amp; Sukuk Association</li> <li>Global Private Equity Association</li> <li>Kuwait Women's Economic Empowerment</li> <li>Platform (KWEEP)</li> </ol>
Strategy a	nd Analysis		
102-14	Statement from senior decision-maker	5-6	
102-15	Key impacts, risks, and opportunities		Detailed throughout Sustainability report 2023
Ethics and	integrity		
102-16	Values, principles, standards, and norms of behavior	8-9, 22-23	
102-17	Mechanisms for advice and concerns about ethics	37-42	
Governanc	e		
102-18	Governance structure	17-25	
102-19	Delegating authority	17-25	
102-20	Executive-level responsibility for economic, environmental, and social topics	17-25	
102-21	Consulting stakeholders on economic, environmental, and social topics	12-25	
102-22	Composition of the highest governance body and its committees	17-25	
102-23	Chair of the highest governance body	17-25	
102-24	Nominating and selecting the highest governance body	17-25	Sustainability Report Also refer to Annual Report 2023

102-25	Conflicts of interest	17-25	Sustainability Report
			Also refer to Annual Report 2023
102-26	Role of highest governance body in setting purpose, values, and strategy	17-25	Sustainability Report Also refer to Annual Report 2023
102-27	Collective knowledge of highest governance body	17-25	Sustainability Report Also refer to Annual Report 2023
102-28	Evaluating the highest governance body's	17-25, 40	Sustainability Report
102-20	performance	17-23, 40	Also refer to Annual Report 2023
102-29	Identifying and managing economic, environmental, and social impacts	12-15	
102-30	Effectiveness of risk management processes	17-25	
102-31	Review of economic, environmental, and social topics		Detailed throughout Sustainability report 2023
102-32	Highest governance body's role in sustainability reporting		Chairman, CEO and Sustainability Report taskforce are responsible for reviewing and approving the organization's sustainability report and ensuring tha all material topics are covered.
102-33	Communicating critical concerns	14-15	Detailed throughout Sustainability report 2023
102-34	Nature and total number of critical concerns	14-15	Detailed throughout Sustainability report 2023
102-35	Remuneration policies	21-23	Sustainability Report Also refer to Annual Report 2023
102-36	Process for determining remuneration	21-23	Sustainability Report
100.07		24.22	Also refer to Annual Report 2023
102-37	Stakeholders' involvement in remuneration	21-23	Sustainability Report Also refer to Annual Report 2023
102-38	Annual total compensation ratio		Annual Report 2023
Stakeholo	der engagement		
102-40	List of stakeholder groups	12-13	
102-41	Collective bargaining agreements		Not relevant for Kamco Invest
102-42	Identifying and selecting stakeholders	12-13	
102-43	Approach to stakeholder engagement	12-13	
102-44	Key topics and concerns raised	12-15	
Reporting	practice		
102-45	Entities included in the consolidated financial statements	4	
102-46	Defining report content and topic Boundaries	4	
102-47	List of material topics	15	
102-48	Restatements of information	4	
102-49	Changes in reporting	4	
102-50	Reporting period	4	
102-51	Date of most recent report	4	
102-52	Reporting cycle	4	
102-53	Contact point for questions regarding the report	4	
102-54	Claims of reporting in accordance with the GRI Standards	4	
102-55	GRI content index	60-66	
102-55	External assurance	00-00	This report did not undergo external audition but al financial data is subject to external assurance and auditing.

	nent Approach		
103-1	Explanation of the material topic and its Boundary	15	List of material topics is in the matenality assessment with more details about each throughout the report
103-2	The management approach and its components	15	List of material topics is in the matenality assessment with more details about each throughout the report
103-3	Evaluation of the management approach	15	List of material topics is in the matenality assessment with more details about each throughout the report
Topic Spe	ecific Standards		
Economi	c (GRI 200)		
GRI 201: I	Economic Performance		
201-1	Direct economic value generated and distributed	33-34, 27-34	
201-2	Financial implications and other risks and opportunities due to climate change		No financial implications and other risks and opportunities identified due to climate change
201-3	Defined benefit plan obligations and other retirement plans	41	
201-4	Financial assistance received from government		None
GRI 202:	Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		
202-2	Proportion of senior management hired from the local community		87.5% senior management is Kuwaiti
GRI 203:	Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	33	Kuwait National Development Plan (KNDP) United Nations Sustainable Development Goals (UNSDGs) United Nations Global Compact Boursa Kuwait Women's Empowerment Principles (WEPs)
203-2	Significant indirect economic impacts	33-34	
GRI 204:	Procurement Practices		
204-1	Proportion of spending on local suppliers	34	
GRI 205:	Anti-corruption		
205-1	Operations assessed for risks related to corruption	23	
205-2	Communication and training about anti- corruption policies and procedures	23	
205-3	Confirmed incidents of corruption and actions taken	23	No incidents of corruption
GRI 206:	Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No legal actions to report
	Tax		
GRI 207:			
<b>GRI 207:</b> 1 207-1	Approach to tax		Annual Report 2023
207-1			Annual Report 2023 Annual Report 2023
<b>GRI 207:</b> 207-1 207-2 207-3	Approach to tax		

Environm	nental (GRI 300)		
GRI 301: I	Materials		
301-1	Materials used by weight or volume	44, 45	
301-2	Recycled input materials used	44, 45	
GRI 302:	Energy		
302-1	Energy consumption within the organization	44, 45	
302-2	Energy consumption outside of the		Not available
	organization		
302-3	Energy intensity	44, 45	
302-4	Reduction of energy consumption	44, 45	
302-5	Reductions in energy requirements of products		Not available
	and services		
	Water and Effluents		
303-1	Interactions with water as a shared resource	45	Not available
303-2	Management of water discharge-related impacts		Not available
303-3	Water withdrawal		Not available
303-4	Water discharge		Not available
303-5	Water consumption	45	Not available
GRI 304:	Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not relevant for Kamco Invest
304-2	Significant impacts of activities, products, and services on biodiversity		Not relevant for Kamco Invest
304-3	Habitats protected or restored		Not relevant for Kamco Invest
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not relevant for Kamco Invest
GRI 305:	Emissions		
305-1	Direct (Scope 1) GHG emissions	44-48	
305-2	Energy indirect (Scope 2) GHG emissions	44-48	Not available
305-3	Other indirect (Scope 3) GHG emissions		Not available
305-4	GHG emissions intensity	44-48	Not available
305-5	Reduction of GHG emissions	44-45	
305-6	Emissions of ozone-depleting substances (ODS)		Not available
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not available
GRI 306:			
306-1	Waste generation and significant waste- related impacts		Not Available for 2023
306-2	Management of significant waste-related impacts	44-45	
GRI 307:	Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations		No incidents of non-compliance with environmenta laws and regulations

GRI 308:	Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria		Not relevant for Kamco Invest
308-2	" Negative environmental impacts in the supply chain and actions taken"	35	Kamco Invest has specific criteria that it complies to when choosing its suppliers. The Company doesn't support, condone or hire any supplier that doesn't comply with Kuwait labor laws, environmental and human right laws or other ethical considerations
Social (G	RI 400)		
GRI 401:	Employment		
401-1	New employee hires and employee turnover	38	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	41	
401-3	Parental leave	41	
GRI 402:	Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes		Available in HRMD policies and procedures manual
GRI 403:	Occupational Health and Safety		
403-1	Occupational health and safety management system	25, 41	
403-2	Hazard identification, risk assessment, and		Available in Company's employee health and safety
	incident investigation		manual
403-3	Occupational health services		Available in Company's employee health and safety manual
403-4	Worker participation, consultation, and communication on occupational health and safety		Health and safety-related information are recorded in Company's health and safety manual, circulated via email memos in case of special cases and available on Company's intranet. There are no forma or informal labor unions and committees related to health and safety communication and management.
403-5	Worker training on occupational health and safety		Routine evacuation and fire drills are held in the company to train employees in case of any fire incidents.
403-6	Promotion of worker health		Not applicable to Kamco Invest
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Not relevant for Kamco Invest
403-8	Workers covered by an occupational health and safety management system		All employees are covered by occupational health and safety internal standards and guidelines
403-9	Work-related injuries		No incidents of work-related injuries
403-10	Work-related ill health		No incidents of work-related illness
GRI 404:	Training and Education		
404-1	Average hours of training per year per employee		1,525 total man hours of training
404-2	Programs for upgrading employee skills and transition assistance programs	38-40, 47	
404-3	Percentage of employees receiving regular performance and career development reviews	37-41	All Kamco Invest employees

	Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	38, 17-22	
405-2	Ratio of basic salary and remuneration of women to men		Not available
GRI 406:	Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken		No incidents of discrimination
GRI 407:	Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		We adhere to regulations related to human rights and ethical practices. We do not allow or support any operation that utilizes child labor and therefore there are no risks associated to that matter.
GRI 408:	Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor		We adhere to regulations related to human rights and ethical practices. We do not allow or support any operation that utilizes forced or compulsory labor and therefore there are no risks associated to that matter.
			Refer to Annexure II (B): Business checklist for assessing compliance against forced labour
GRI 409:	Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		We adhere to regulations related to human rights and ethical practices. We do not allow or support any operation that utilizes forced or compulsory labor and therefore there are no risks associated to that matter.
			Refer to Annexure II (B): Business checklist for assessing compliance against forced labour
GRI 410:	Security Practices		
410-1	Security personnel trained in human rights policies or procedures		Not relevant for Kamco Invest
GRI 411: F	Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples		No incidents of violations including rights of indigenous people
GRI 412: I	Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments		Not relevant for Kamco Invest
412-2	Employee training on human rights policies or procedures		Not available
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Not available
GRI 413: I	Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	54-55	
413-2	Operations with significant actual and potential negative impacts on local communities		No negative impact on local community

GRI 414:	Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria		Not relevant for Kamco Invest
414-2	Negative social impacts in the supply chain and actions taken		Not relevant for Kamco Invest
GRI 415: I	Public Policy		
415-1	Political contributions	24	
GRI 416:	Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories		Not applicable to Kamco Invest
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	23, 25	No incidents of non-compliance concerning health and safety impacts of products and services
GRI 417: I	Marketing and Labeling		
417-1	Requirements for product and service information and labeling		Kamco Invest follows CMA and other internal and external regulatory standards and regulations for products and services' information, labelling and marketing. Disclaimers are incorporated in Clients' products and services information packages and highlights any significant information
417-2	Incidents of non-compliance concerning product and service information and labeling	23, 25	
417-3	Incidents of non-compliance concerning marketing communications	23, 25	1 incident of non-compliance concerning marketing communications
GRI 418:	Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	23, 25	No incidents cornernering breaches of customer privacy or losses of customer data
GRI 419:	Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	23, 25	No incidents of non-compliance with laws and regulation in the social and economic area

