

Sustainability
Report 2021

A Living Promise



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Al-Jaber Al-Sabah**

Amir of the State of Kuwait



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Crown Prince of the State of Kuwait

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A full-page background image of a sunset over a vast sea of clouds. The sun is a bright, glowing orb on the horizon, casting a warm orange and yellow light across the sky and the clouds below. The clouds are thick and layered, with some catching the low light of the sun, appearing in shades of pink, orange, and purple. The sky above is a clear, pale blue. A large, semi-transparent circular graphic, resembling a stylized 'C' or a partial ring, is overlaid on the right side of the image, extending from the top to the bottom. It has a gradient from light blue at the top to a darker blue at the bottom.

A Living Promise...

to look beyond now

Foreword

Defining Report Content and Topic Boundaries

This is Kamco Invest's first Sustainability Report. Initiating this report emphasizes our commitment to the highest standards of transparent communication with our stakeholders especially regarding our impact, progress, issues and opportunities. This 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.
2. 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, 2021. The data provided describes operations of Kamco Invest in Kuwait only, unless otherwise stated.

Restatements of Information and Changes in Reporting

This is Kamco Invest's first sustainability report and thus there are no changes in reporting nor restatements of information.

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 2021 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, I am pleased to present Kamco Invest's first sustainability report for the year 2021.

We believe that an integral part of our value creation lies in promoting and working towards a sustainable ecosystem. Which is why sustainability has become the way we operate at Kamco Invest towards our environment, society, and employees. Throughout our years of operations, Kamco Invest has always been keen to be amongst the leading contributors to the social fabric of Kuwait. We have always perceived this responsibility to be a fundamental pillar of our business model and our path towards establishing an ethical and sustainable business ecosystem that optimizes growth in an increasingly globalized and dynamic world.

We realized that becoming a more competitive entity and fostering our Company's longevity is directly correlated with reinforcing our approach to sustainability by creating strategies that consider our economic, environmental, social and governance performance. To do so, we must begin reporting our current impact and setting targets for the future. Doing so will allow us to develop a more sustainable vision and growth strategy, effectively manage and deal with changes and challenges as well as capitalize on opportunities. As of recent years, we have been taking major strides towards ESG issues through internal and external initiatives to ultimately model the culture we aspire. In addition, through our collaborations and joint efforts with various institutions, including the United Nations, we aim to have a more resounding positive impact on our society. I am humbled to state that we have successfully cultivated a sustainability mindset into our companywide strategy that enables us to better serve our stakeholders in the long-run.

On behalf of the Board of Directors, I am proud to fully endorse and support the rise of a solid sustainability strategy along with the issuance of the first sustainability report for the year 2021. I would like to extend my sincere gratitude and appreciation to all our stakeholders for their continued support and confidence as we continue to strive for greater mutual successes.

Abdullah Nasser Sabah Al-Ahmad Al-Sabah
Chairman

Fostering our
Company's
longevity is
directly correlated
with reinforcing
our approach to
sustainability

CEO's Message

Dear Stakeholders,

Our business model at Kamco Invest has been founded on long-term value creation for all our stakeholders to ensure business viability and continuous growth. As a natural progression to this model, we have long adopted a sustainability mindset in our day-to-day operations with an aim to exceed business targets, leverage positive impact, amplify the magnitude of our collective actions, and improve the marketplace and society.

While our target was to publish our first sustainability report for 2020, as it marks the first year following our successful merger with Global Investment House, the outbreak of COVID-19 and the subsequent closures and events mandated due to the pandemic made the year less ideal as a baseline. In this regard, we are proud to have made a strategic decision to publish our first sustainability report covering the year 2021, which will be a baseline against which we will continue to assess and report on our sustainability performance and impact.

At a quick glance, our 2021 initiatives spanned the areas of youth and women empowerment, professional development, education and financial literacy, as well as health and well-being, always positioning the goal of community development at the center-stage. Today at Kamco Invest, we are undergoing a massive digital transformation of our internal and external processes, whereby we have introduced digital platforms that enhance client experience. We have diversified our product and service offerings to cater to a wide variety of investment needs. Since establishment, we have been persistent in implementing a strong corporate governance framework that aligns all our business fronts to best practices and ethical considerations. Throughout our history, we are proud to have made an impact from a societal and economic perspective, where we have created business opportunities, introduced innovative financial solutions, contributed valuable insights and knowledge to the financial industry and much more.

This report has been established in line with multiple sustainability frameworks including Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs), Bursa Kuwait ESG indicators and the seven pillars of "New Kuwait" which is part of the Kuwait National Development Plan (KNDP) and the Amiri Vision. The scope of sustainability, with regards to this report, covers four sustainability dimensions namely, the social, economic, environmental and governance aspects.

This is only the beginning as Kamco Invest will continue to build on its sustainable development agenda and further develop a sustainable business ecosystem that paves the way for establishing the aspired modern state.

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 their endorsement of the sustainability strategy and to the task force, led by Marketing & Investor Relations, for their efforts in putting this report together.

Faisal Mansour Sarkhou
Chief Executive Officer

Kamco Invest will continue to build on its sustainable development agenda and further develop a sustainable business ecosystem

The background of the slide is a warm, golden-hued photograph of a wheat field. The sun is low on the horizon, creating a strong lens flare and illuminating the wheat stalks. A large, semi-transparent blue circle is positioned in the upper right quadrant, partially overlapping the sun and the wheat. In the lower left, there is a smaller, semi-transparent light blue shape. The text is overlaid on the bottom left of the image.

A Living Promise...

to become the leading regional non-banking
financial powerhouse

About Us

1.1 An Overview of Kamco Invest

Kamco Investment Company K.S.C. (Public) ("Kamco Invest") is a regional non-banking financial powerhouse headquartered in Kuwait with offices in key regional financial markets, offering a comprehensive range of investment products and services covering asset management, investment banking and brokerage.

Established in 1998 and listed on Boursa Kuwait since 2003, Kamco Invest currently operates as an independently managed subsidiary of KIPCO Group.

Throughout its years of operation in the region, Kamco Invest has moulded an all-around client-driven experience that focuses on the latest value-adding market insights and customizing our broad range of investment opportunities to meet the diverse needs of high net worth and institutional clients. Putting clients at the heart of the experience, Kamco Invest implements an ethical, empathetical and proactive approach to building long lasting relationships, while actively managing, monitoring and reporting on investments to reassess each client's needs in accordance with their set investment objectives.

Kamco Invest provides a variety of bespoke asset management solutions covering equities and fixed income, private equity, real estate, international investment solutions and management

of special situations. Our team combines our latest in-house market research with innovative investment strategies and solutions to suite each client's unique needs. Our investment banking specialists have assisted some of the region's top-rated institutions in successfully concluding M&As, debt capital market and equity capital market mandates.

Stemming from the understanding that our clients want to grow their wealth with the freedom to choose the financial markets that suite their needs, our brokerage arm provides quick and reliable access to Boursa Kuwait and several regional and international markets.

With decades-worth of expertise and leadership in the region, Kamco Invest boasts assets under management in excess of USD 14.6 billion as of December 31, 2021 across various asset classes and jurisdictions. We have been named the largest Asset Manager in Kuwait and the 8th largest in MENA Region, ranked by Forbes ME as of July 2021, with investment banking credentials exceeding USD 29.2 billion since inception till 31 December 2021 across equity & debt capital markets and mergers & acquisitions.

Figure 1.0: Track Record

USD
14.6bn

Assets Under Management as of 31 December 2021

The largest Asset Manager in Kuwait and the 8th largest in MENA Region, ranked by Forbes ME as of July 2021

USD
29.2bn

Investment Banking Mandates since inception till 31 December 2021

- › Managed / co-managed around USD9.4bn in equity finance
- › Arranged around USD13.9bn in Conventional & Islamic Debt
- › Advised M&A mandates worth USD5.8bn

1.2 Strategic Directions

01

› Become the preferred pan-MENA non-banking financial powerhouse by enhancing client experience, satisfaction, and engagement, and offering a wide array of innovative products and services that cater to their specific investment needs.

02

› Create long-term value for our shareholders by maximizing their wealth and committing to transparency.

03

› Develop digital platforms that offer a seamless investment experience and client journey.

04

› Become a more competitive entity and contribute to the economic betterment of Kuwait.

05

› Attract, develop, and retain national talent.

1.1.1 Vision, Mission, Core Principles and Values

OUR VISION

To become the preferred pan-MENA non-banking financial powerhouse

OUR MISSION

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

Figure 1.1: Core Values

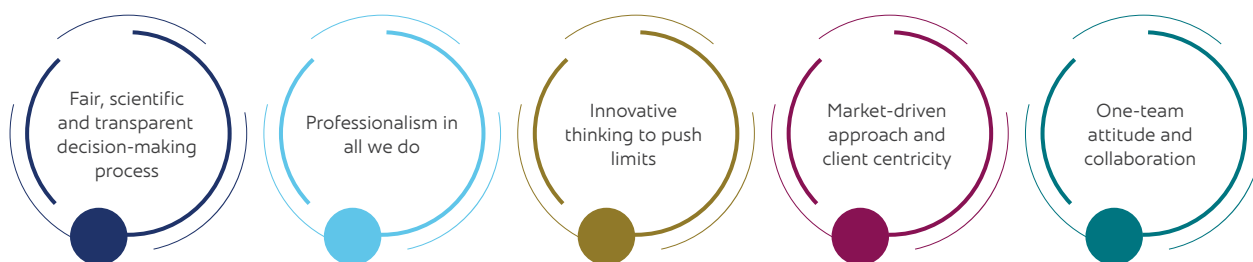


Figure 1.2: Guiding Principles



1.1.1 Scale of the Organization, Operational Locations and Ownership Structure

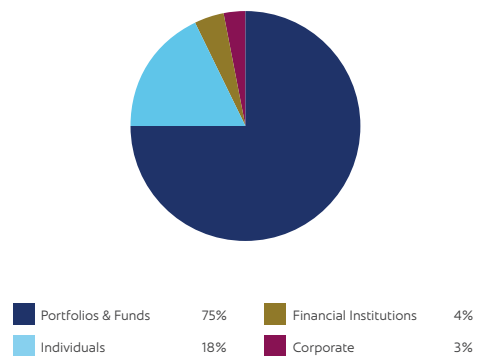
At Kamco Invest- Kuwait, we have a total of 162 employees. Our headquarter is located in Kuwait and we operate in three additional locations as displayed in figure 1.3 below.

As of 31 December 2021, Kuwait Projects Co. and its subsidiaries (Gulf United Bank, Burgan Bank) owned around 62.92% of the company's share capital and was the only shareholder owning above 5%. Figure 1.4 illustrates the holdings by shareholder type.

Figure 1.3: Our Operational Locations



Figure 1.4: Holdings by Shareholder Type



1.1.2 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 1.5: Business Offerings



A person is walking away from the viewer on a wide, wet beach. The beach is covered in shallow water that reflects the sky and the person. To the left, there is a steep, rocky cliff. The sky is filled with large, dramatic clouds, and the sun is low on the horizon, creating a warm, golden light. A large, semi-transparent circular graphic is overlaid on the right side of the image.

A Living Promise...

to persevere for the future

Our Approach to Sustainability

2021 Highlights

Economy & Marketplace

12.8%

AUM growth

22 Transactions worth
USD 4.8bn
Investment banking mandates

USD 1.1bn
Amount raised

792
Published research reports

64%
Local procurement

13
Number of webinars held

A3
With a stable outlook
Short-term

BBB
Long-term
Credit Rating

Workforce

74% | 26%

Males vs. Females

2 Out of 6
Females in executive roles

2 Out of 5
Female board members

50.5%
Kuwaitization

10
Kuwaiti new hires

24
Total number of trainings

Community

22

Number of interns

2
Community seminars
targeting youth

4
Non-profit collaborations

5
New hires from interns or
trainees

Environment

1,250

A4 paper packets used

125,000
330 ml plastic bottles used

7.55t
Volume of recycled e-waste

46,120
Paper cups used

21.54t
Greenhouse Gases (GHG)
emissions- scope I

2.1 Sustainability Strategy and Pillars

Kamco Invest has long integrated sustainability with its business operations and core operational strategy, both as a contributor to our strategic goals and as an important end in itself. Our sustainability strategy is realized in integrating economic added-value with social impact and responsibility. Our strong-hold commitment to ethical operations, transparency and business governance ensure long-term viability and added-value to our organization and the communities we operate in. This has opened up new avenues of opportunities, facilitated our expansion to new markets, contributed to the betterment of our nation and continues to foster our Company's longevity. We have defined five main pillars that guide our sustainability initiatives within which future target objectives were developed. This is the summary of the five pillars.

Figure 2.0: Sustainability Pillars

Pillars	Focus Areas	Target objectives
1. Clients and Investors	Serving clients	<ul style="list-style-type: none"> › Become the preferred pan-MENA non-banking financial powerhouse › Improve client journey and experience › Increase client satisfaction › Innovate in product and service customization, introduce more sustainable investment solutions through responsible and ethical investing
	Managing expectations of investors and shareholders	<ul style="list-style-type: none"> › Maximize shareholders value › Commitment to transparency
2. Governance	Leading in Business and Governance	<ul style="list-style-type: none"> › Manage sustainability effectively › Set and reach sustainability targets to promote sustainable growth › Utilize technological innovation for better results › Be at the forefront of applying business governance › Support industry regulators
3. Community	Giving Back to the Community	<ul style="list-style-type: none"> › Empower youth and women › Invest in educational initiatives › Increase financial and investment literacy › Support the nation
4. Talent	Developing talents	<ul style="list-style-type: none"> › Attract and retain the right talents › Empower, train and develop employees › Support national Kuwaitization plan
5. Economic Value and Impact	Contributing to Sustainable Economic Development	<ul style="list-style-type: none"> › Attract investors and FDI › Support Kuwait Vision 2035 › Increase sustainable and ethical investment › Provide market insights to enhance investment decisions

Measuring our Sustainability Impact

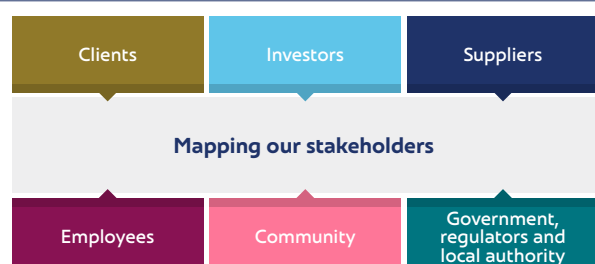
This is the first sustainability report published by Kamco Invest and will be considered our baseline upon which we can decide the ideal method of measuring our sustainability impact in the upcoming years.

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 our different stakeholders. We are committed to ensuring effective and transparent two-way communication that keeps our stakeholders well informed of all areas of our operations and performance. Our operational model builds on the interests and needs of each of our stakeholders, whether they are internal or external. We execute the latter through annual engagement and satisfaction surveys with our stakeholders in order to gauge feedback. Accordingly, we align our business strategies to our stakeholders' needs and our ESG impact to ultimately reach our business goals and generate positive results.

Figure 2.1: Inclusivity Process

01. Map all stakeholders taking into consideration their interest and influence on the business
02. Specify the communication channels that allow us to reach and engage openly with each stakeholder
03. Identify the needs and interests of each stakeholder
04. Assess material topics against a trifecta of 1) the highest concern to our stakeholders, 2) Most impactful to Kamco Invest's business performance, and 3) total ESG/sustainability impact



2.2.1 Stakeholder engagement, key topics and concerns

	Engagement Method	Areas of Stakeholder Focus
Employees	<ul style="list-style-type: none"> › Employee events › Training › E-training › Performance evaluation › Staff meetings › Daily interactions (calls, emails) › Code of Conduct › Intranet 	<ul style="list-style-type: none"> › Safeguarding employee rights › Acquiring and retaining talent › Nurturing healthy internal culture › Competitive benefits › Emphasizing on training programs, events & development › Transparent communication › Encouraging innovation › Improving standards & professional competition in the private sector › Gender equality and women empowerment in the workplace › Job security
Clients	<ul style="list-style-type: none"> › Website › Daily interactions (calls, emails, direct SMS) › Kamco Invest mobile app › Social media channels › Advertising and press releases › Newspaper › Radio › Digital marketing › Events › Surveying and feedback › On-premise interaction 	<ul style="list-style-type: none"> › Enhancing client service › Diversified & innovative investment solutions › Transparent communication › Improved digital solutions › Ongoing updates of news, information and new offerings › Data privacy
Investors	<ul style="list-style-type: none"> › Annual General Meeting and Annual Report › Investors roadshows › Credit ratings › Direct interaction (calls, emails) › Board of Directors' meetings 	<ul style="list-style-type: none"> › Stable & increased shareholder returns › Transparent disclosures & communication › Developed corporate structure & governance
Suppliers	<ul style="list-style-type: none"> › Contracts › Meetings › Daily interaction (calls, emails) › Tenders and bidding 	<ul style="list-style-type: none"> › Encouraging collaboration with local suppliers › Raising awareness towards sustainable procurement › Fair & transparent bidding process
Community	<ul style="list-style-type: none"> › Website › Social media channels › Newspapers › Events and campaigns › Employee volunteering › Meetings › Association via KIPCO Group › CSR activities › Frequent interaction (calls, emails) › Sponsorships 	<ul style="list-style-type: none"> › Empowering youth & women › Increasing financial & investment literacy › Invest in educational & community initiatives › Contributing to the industry's data pool › Encouraging a culture of employee volunteerism
Government, regulators and local authorities	<ul style="list-style-type: none"> › Annual reports › Public events › Meetings › Audits › Code of ethics and compliance › Direct interaction (calls, emails) 	<ul style="list-style-type: none"> › Adhering to & being at the forefront of applying business governance › Supporting industry regulators › Compliance with international & national frameworks & standards

2.3 Materiality Assessment

Following the identification of our main stakeholders, we have determined and assessed the top sustainability material topics that impact our operations and concern our stakeholders, while making an effective contribution to sustainability and ESG criteria. Through this process, we were able to narrow down our focus on the areas that are most impactful to our business performance and stakeholders, and ultimately benchmark the progress and set targets that align with the identified sustainability material topics.

In the initial stages, we formulated a project task force that consisted of members from the identified internal stakeholders of the project, and the project manager who was the acting focal point responsible for all communications and project execution. We then conducted meetings to identify business practices and targets that have an impact on our performance as well as our sustainability in the areas concerning our economy and financial position, environment, society and workplace and our governance principles.

Although the material topics assessed by our internal and external stakeholders were not unified, they both shared a lot of common factors that impact our business. In this report, the topics evaluated by external stakeholders were more generic and were covered in more details by internal stakeholders, which is why the more extensive list of material topics assessed by our internal stakeholders will form the core content of this report. Based on the results that we have compiled this year, we will then unify the evaluated material topics for all stakeholders in next year's report. Below we detail our materiality assessment approach for 2021.

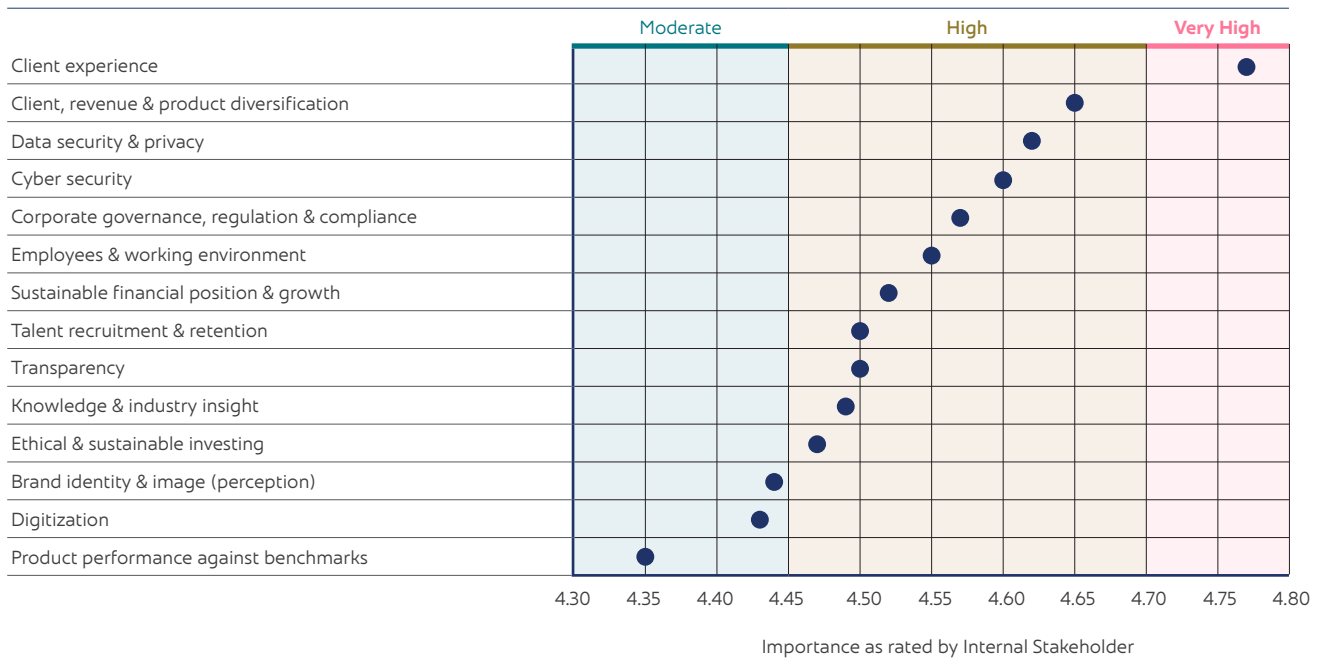
2.3.1 Internal Stakeholders

We used the following process to assess our stakeholders' view of priority material issues:

- › At the management level, we identified, all key stakeholders and focus points that pertain to Kamco Invest's operational and sustainability strategies. The identified stakeholders should cover our main operational areas and functions, have extensive and comprehensive knowledge of our Company, play a key role in their function and must exhibit responsive action and transparent communication through the process.
- › We then identified and prioritized 20 key material topics that were derived from our five sustainability pillars to be part of our internal stakeholder feedback.
- › Field work started on 19 September 2021 and ended on 30 September 2021.
- › A workshop with internal stakeholders was conducted to explain the process, the definitions of each of the key material topics and obtain any feedback on the material topics identified.
- › An email survey was circulated to internal stakeholders to collect their priority assessment on the identified material topics.
- › Survey was emailed to middle and upper management with a participation rate of 76%.
- › Our stakeholders had to rate the importance of the topic from 1 (lowest) to 5 (highest) in its impact on our operations, other stakeholders and sustainability.
- › Issues with an average score of 4 and above was considered as critical.
- › The survey findings were plotted into a materiality matrix and further divided into priority zones and classified as either moderate, high or of very high importance and impact. The latter allows us to tailor our KPIs and enhance our current strategic approach to business and sustainability for the upcoming year.
- › The materiality matrix final results were shared with our task force as part of our sustainability management approach.
- › The material topics were then aligned with international and national sustainability frameworks as mentioned later on in section 2.4.

Findings:

- › Client experience was ranked the most critical issue across all groups.
- › Data security & privacy (3rd) along with cyber security (4th) were amongst the top critical issues.
- › Client experience (1st), digitization (12th) and product performance against benchmarks (14th) are direct client related issues.
- › Client related issues, aside from digitization, were measured in this year's client satisfaction survey. Digitization will be included in our questionnaire starting next year.



2.3.2 External Stakeholders

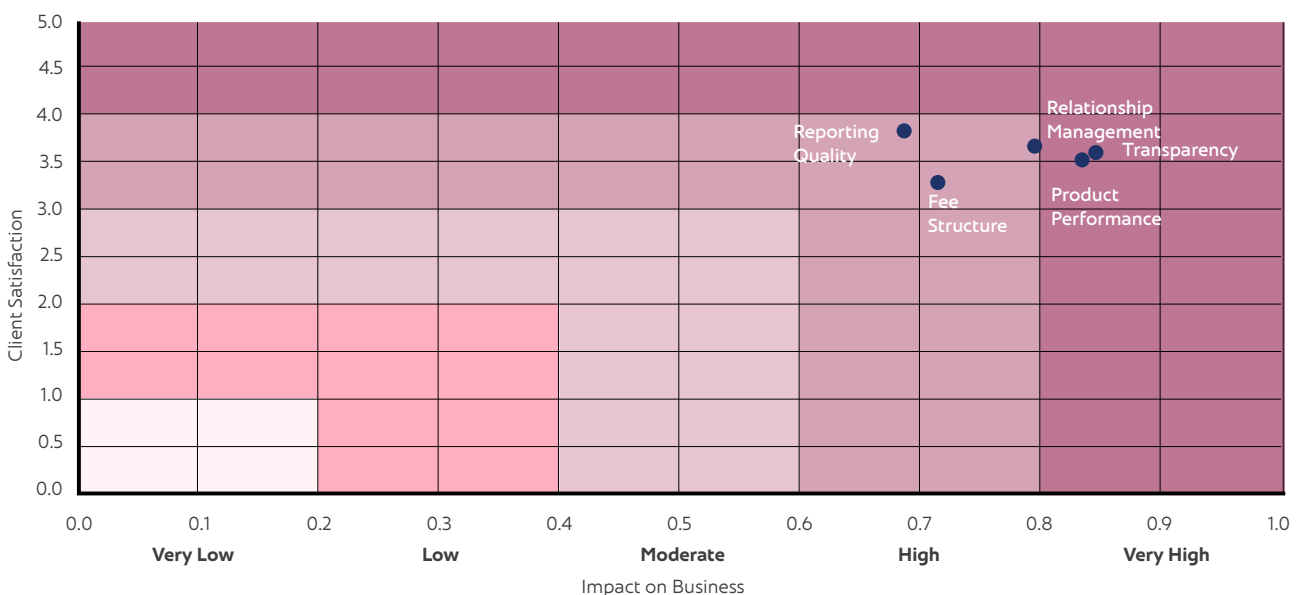
We used the following methodology to assess our stakeholders' view of priority issues:

- A client satisfaction survey was sent to measure 5 different attributes namely transparency, relationship management, product performance, fee structure and reporting quality, covering some of the 14 material issues that are client related and asked clients to rate them out of 5 (being the highest)
- Results were compiled and a correlation study was performed to determine the correlation between each of the measured attributes and its degree of impact on the business using the client satisfaction ratings.
- A materiality matrix was plotted and the attributes were classified into five different priority zones from very low to very high.

Findings:

- Transparency was found to be the most impactful to our business from our clients' perspective in the correlation study, followed by product performance and relationship management.
- Although fee structure and reporting quality are still impactful to the business, they are considered of lower significance.

Figure 2.3: Materiality Matrix - External Stakeholders



2.4 Alignment with National and International Frameworks

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
01 Client experience	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic & its boundary › 102-2: Activities, brands, products & services › 102-6: Markets served › 416-1: Assessment of the health & safety impacts of product & service categories › 417- Marketing & labeling › 418-1: Sustained complaints concerning breaches of customer privacy & losses of customer data 	<ul style="list-style-type: none"> › 8: Decent work & economic growth › 9: Industry, innovation & infrastructure › 10: Reduced inequalities › 11: Sustainable cities & communities › 12: Responsible consumption & production › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Sustainable living environment › Sustainable diversified economy 	<ul style="list-style-type: none"> › 2: Sustainability report › 19: Code of ethics
02 Client revenue & product diversification	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic & its boundary › 102-6: Markets served › 416-1: Assessment of the health & safety impacts of product & service categories › 417: Marketing & labeling › 102-9 Supply: chain › 102-10 Significant changes to the organization and its supply chain › 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 	<ul style="list-style-type: none"> › 8: Decent work & economic growth › 9: Industry, innovation & infrastructure › 10: Reduced inequalities › 11: Sustainable cities & communities › 12: Responsible consumption & production › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Sustainable living environment › Sustainable diversified economy 	<ul style="list-style-type: none"> › 1: Annual Report › 2: Sustainability report › 19: Code of ethics › 20: Community investment
03 Brand identity & image (perception)	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-2: Activities, brands, products & services › 102-6: Markets served › 102-33: Communicating critical issues › 417-1: Requirements for product & service information & labelling › 417-2: Incidents of non-compliance concerning product and service information and labeling › 417-3: Incidents of non-compliance concerning marketing communications 	<ul style="list-style-type: none"> › 8: Decent work & economic growth › 9: Industry, innovation & Infrastructure › 11: Sustainable cities & communities › 12: Responsible consumption & production › 16: Peace, justice & strong institutions › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Creative human capital › Sustainable diversified economy 	<ul style="list-style-type: none"> › 1: Annual report › 2: Sustainability report

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
04 Cyber security	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-11: Precautionary principle or approach › 403-3: Percentage of employees receiving regular performance & career development reviews › 410-1: Security personnel trained in human rights policies or procedures › 416-1: Assessment of the health & safety impacts of products & service categories › 416-2: incidents of non-compliance concerning health & safety impacts of products & services › 418-1: Sustained complaints concerning breaches of customer privacy & losses of customer data 	<ul style="list-style-type: none"> › 9: Industry, innovation & infrastructure › 16: Peace, justice & strong institutions 	<ul style="list-style-type: none"> › Global positioning › Effective government administration 	<ul style="list-style-type: none"> › 2: Sustainability report › 19: Code of ethics › 22: Risk management committee at board level
05 Digitization	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-2: Activities, brands, products & services › 102-6: Markets served › 102-33: Communicating critical issues › 201-1: Direct economic value generated & distributed › 302-4: Reduction of energy consumption › 307: Environmental compliance 	<ul style="list-style-type: none"> › 3: Good health & well-being › 4: Quality education › 6: Clean water & sanitation › 7: Affordable & clean energy › 9: Industry innovation & infrastructure › 11: Sustainable cities & Communities Action › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Creative human capital › Developed Infrastructure › Sustainable diversified economy 	<ul style="list-style-type: none"> › 2: Sustainability report › 12: Responsible consumption › 13: Climate
06 Sustainable financial position & growth	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-6: Markets served › 102-7: Scale of the organization › 102-10: Significant changes to the organization and its supply chain › 102-44: Key topics & concerns raised › 201-1: Direct economic value generated & distributed › 203-1: infrastructure investments & services supported 	<ul style="list-style-type: none"> › 3: Good health & wellbeing › 4: Quality education › 8: Decent work & economic growth › 9: Industry innovation & infrastructure › 11: Sustainable cities & communities › 17: Partnership for the goals 	<ul style="list-style-type: none"> › Global positioning › Developed infrastructure › Sustainable diversified economy 	<ul style="list-style-type: none"> › 2: Sustainability report › 20: Community investment

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
07 Corporate governance, regulation & compliance	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-2: Activities, brands, products & services › 102-16: Values, principles, standards & norms of behavior › 102-17: Mechanisms for advice & concerns about ethics › 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 anti-competitive behavior, anti-trust & monopoly practices › 307: Environmental compliance › 402: Labor/management relations › 418: Customer privacy › 419: Socioeconomic compliance 	<ul style="list-style-type: none"> › 5: Gender equality › 8: Decent work & economic growth › 10: Reduced inequalities › 16: Peace, justice & strong institutions › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Creative human capital › Effective government administration 	<ul style="list-style-type: none"> › 2: Sustainability report › 18: Human rights policy › 19: Code of ethics › 26: Compliance with the CMA's corporate governance regulatory requirements
08 Product performance against benchmarks	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic & its boundary › 102-6: Markets served › 416-1: Assessment of the health & safety impacts of product & service categories › 417- Marketing & labeling › 102-9: Supply chain › 102-10 Significant changes to the organization and its supply chain › 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 	<ul style="list-style-type: none"> › 8: Decent work & economic growth › 9: Industry, innovation & infrastructure inequalities › 11: Sustainable cities & communities › 12: Responsible consumption & production › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Creative human capital › Developed infrastructure › Sustainable diversified economy › Sustainable living environment 	<ul style="list-style-type: none"> › 1: Annual report › 2: Sustainability report › 19: Code of ethics › 20: Community Investment › 25. Links between executive pay and performance

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
09 Employees & working environment	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-16: Values, principles, standards & norms of behavior › 102-17: Mechanisms of advice & concerns about ethics › 102-38: Annual compensation ratio › 102-39: Percentage increase in annual total compensation ratio › 401-1: New employee hiring & employee turnover › 401-3: Parental leave › 402: Labor management relations › 403: Occupational health & safety › 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 › 405-1: 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 	<ul style="list-style-type: none"> › 3: Good health & wellbeing › 4: Quality education › 5: Gender equality › 6: Clean water & sanitation › 7: Affordable & clean energy › 8: Decent work & economic growth › 10: Reduced inequalities › 12: Responsible consumption & production › 16: Peace, justice & strong institutions › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Creative human capital › High quality healthcare › Sustainable living environment › Sustainable diversified economy 	<ul style="list-style-type: none"> › 2: Sustainability report › 4: Full time employees › 5: Employee wages & benefits (KWD) › 12: Kuwaitization (%) › 13: Youth employment (%) › 14: Injury rate › 15: Women in the workforce (%) › 16: Training hours per employee › 17: Employee turnover (%) › 18: Human rights policy › 19: Code of ethics
10 Knowledge & industry insight	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic & its boundary › 201-1: Direct economic value generated & distributed › 203-2: Significant indirect economic impacts 	<ul style="list-style-type: none"> › 3: Good health & wellbeing › 4: Quality education › 5: Gender equality › 8: Decent work & economic growth › 9: Industry, innovation & Infrastructure › 10: Reduced inequalities › 11: Sustainable cities & communities › 12: Responsible consumption & production › 16: Peace, justice & strong institutions › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Creative human capital › Sustainable diversified economy 	<ul style="list-style-type: none"> › 1: Annual report › 2: Sustainability report › 20: Community investment

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
11 Transparency	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-2: Activities, brands, products & services › 102-16: Values, principles, standards & norms of behavior › 102-17: Mechanisms for advice & concerns about ethics › 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 anti-competitive behavior, anti-trust & monopoly practices › 307: Environmental compliance › 402: Labor/management relations › 418: Customer privacy › 419: Socioeconomic compliance 	<ul style="list-style-type: none"> › 3: Good health and wellbeing › 5: Gender equality › 8: Decent work & economic growth › 9: Industry innovation & Infrastructure › 10: Reduced inequalities › 11: Sustainable cities & communities › 12: Responsible consumption & production › 16: Peace, justice & strong institutions › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning 	<ul style="list-style-type: none"> › 1: Annual report › 2: Sustainability report › 6: Environmental policy › 18: Human rights policy › 19: Code of ethics › 21: Board independence (%) › 22: Risk management committee at the board level › 23: Non-audit fees (%) › 24: Voting results › 25: Links between executive pay and performance › 26: Compliance with the CMA's corporate governance regulatory requirements
12 Ethical & sustainable investing	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-2: Activities, brands, products & services › 203-1: Infrastructure investments & services supported › 302-4: Reduction of energy consumption › 302-5: Reductions in energy requirements of products & services › 416-1: Assessment of the health & safety impacts of product & service categories › 417-1: Requirements for product & service information & labelling 	<ul style="list-style-type: none"> › 3: Good health & wellbeing › 4: Quality education › 8: Decent work & economic growth › 9: Industry, innovation & infrastructure › 11: Sustainable cities & communities › 12: Responsible consumption & production › 13: Climate action › 14: Life below water › 15: Life on land › 17: Partnerships for the goals 	<ul style="list-style-type: none"> › Global positioning › Sustainable living environment › Sustainable diversified economy58 	<ul style="list-style-type: none"> › 2: Sustainability report › 3: Local procurement spending (%) › 6: Environmental policy › 7: Energy use › 19: Code of ethics

Material Topic	GRI	UNSDG	KNDP	Boursa Kuwait ESG Indicators
13 Talent recruitment & retention	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic & its boundary › 102-7 : Scale of the organization › 102-8: Information on employees & other workers › 401-1: New employee hires & employee turnover › 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 › 406: Non-discrimination 	<ul style="list-style-type: none"> › 4: Quality education › 5: Gender equality › 8: Decent work & economic growth › 10: Reduced inequalities › 16: Peace, justice & strong institutions › 17: Partnership for the goals 	<ul style="list-style-type: none"> › Global positioning › Creative human capital › Effective government administration 	<ul style="list-style-type: none"> › 2: Sustainability report › 4: Full time employees › 5: Employee wages & benefits (%) › 12: Kuwaitization (%) › 13: Youth employment (%) › 15: Woman in the workforce (%) › 16: Training hours per employee › 17: Employee turnover (%) › 18: Human rights policy › 19: Code of ethics › 25: Links between executive pay & performance
14 Data security & privacy	<ul style="list-style-type: none"> › 103-1: Explanation of the material topic and its boundary › 102-11: Precautionary principle or approach › 403-3: Percentage of employees receiving regular performance & career development reviews › 410-1: Security personnel trained in human rights policies or procedures › 416-1: Assessment of the health & safety impacts of products & service categories › 416-2: incidents of non-compliance concerning health & safety impacts of products & services › 418-1: Sustained complaints concerning breaches of customer privacy & losses of customer data 	<ul style="list-style-type: none"> › 9: Industry, innovation & infrastructure › 16: Peace, justice & strong Institutions 	<ul style="list-style-type: none"> › Global positioning › Effective government administration 	<ul style="list-style-type: none"> › 2: Sustainability report › 19: Code of ethics › 22: Risk management committee at board level



A Living Promise...

to uphold the highest standards

Governance at Kamco Invest

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

- › Corporate governance, regulation, and compliance
- › Transparency
- › Data security and privacy
- › Cyber security
- › Client experience
- › Employees and working environment
- › Ethical and sustainable investing
- › Brand identity and image (perception)

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, management personnel 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 Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah, 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 130 years of professional experience. The Company held the election for the Board of Directors during the year 2020. The Board of Directors has held 17 meetings during 2021.

Member Name	Classification of the Member	Qualification and Work Experience	Date of Election/ Appointment	Attendance
Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (Chairman) <i>Representing United Gulf Bank</i>	Non-Executive Director	BA – Business Administration <i>[15+ years of experience]</i>	3rd June 2020	100%
Entisar Abdul Raheem Al-Suwaidi (Vice Chairperson) <i>Elected Member (Independent)</i>	Independent Director	BA – Accounting <i>[30+ years of experience]</i>	3rd June 2020	94%
Sheikha Dana Nasser Sabah Al-Ahmad Al Sabah <i>Representing AlDeyafa United Real Estate Co.</i>	Non-Executive Director	BA – English Literature <i>[20+ years of experience]</i>	3rd June 2020	100%
Masaud Mahmoud Jawhar Hayat <i>Representing AlZad Real Estate Co.</i>	Non-Executive Director	BA – Economics <i>[40+ years of experience]</i>	3rd June 2020	100%
Tariq Mohammad Abdulsalam <i>Representing First North Africa Real Estate Co.</i>	Non-Executive Director	BA – Accounting <i>[30+ years of experience]</i>	3rd June 2020	100%

* 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.

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 as they specify the terms, authorities, functions, rights and responsibilities of the Committees and the method they are supervised by the Board. The Committees are formed pursuant to a resolution issued by the Board of Directors which appoints the members and specifies the Committee chairperson and the time 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: <ul style="list-style-type: none"> › Entisar Abdul Raheem Al-Suwaidi Members: <ul style="list-style-type: none"> › Sheikha Dana Nasser Sabah Al-Ahmad Al-Sabah › Tariq Mohammad Abdulsalam Committee Secretary: <ul style="list-style-type: none"> › Pradeep Rajagopalan 	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.
Board Risk Committee	Chairperson: <ul style="list-style-type: none"> › Tariq Mohammad Abdulsalam Members: <ul style="list-style-type: none"> › Entisar Abdul Raheem Al-Suwaidi › Masaud Mahmoud Jawhar Hayat Committee Secretary: <ul style="list-style-type: none"> › Ketan Kapoor 	4	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.
Board Nomination & Remuneration Committee	Chairperson: <ul style="list-style-type: none"> › Sheikha Dana Nasser Sabah Al-Ahmad Al-Sabah Members: <ul style="list-style-type: none"> › Entisar Abdul Raheem Al-Suwaidi › Masaud Mahmoud Jawhar Hayat › Tariq Mohammad Abdulsalam (Member) Committee Secretary: <ul style="list-style-type: none"> › Farouq Al Oumi 	11	The Committee is responsible for assisting the Board of Directors in its responsibilities pertaining 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 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 criteria for Board and Executive Management remuneration.

* Formation date of all committees: June 2020 for a term of three years

* *A detailed list of responsibilities regarding the Board committees is available in the Company's annual report 2021.

II. Executive Management

Expertise Heading Kamco Invest



Role of Executive Management in Corporate Governance at Kamco Invest

Kamco Invest instated 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 the loan 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 portfolio to ensure accurate reflection of recoverability.
Technology Oversight Committee	This committee oversees the Company's technology strategy, initiatives, and significant investments in support of such strategy alongside associated operational considerations, operational risks, information, and cybersecurity 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 of Directors members, various Board of Director Committees and the Board of Directors as collectively. The framework relies on assessments to be completed by each Board of Directors member, 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, and to the Board of Directors, Executive Management and Management remuneration. The remuneration policy at Kamco Invest aims 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 Membership Remuneration

- i. The Board Membership Remuneration consists of four main components as financial remuneration:
 - 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 shall be approved by the Annual General Assembly of shareholders, based on a recommendation from the Board Nomination and Remuneration Committee as approved by the Board of Directors.

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 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.

The details of the Executive Management's remuneration and benefits are outlined in our Annual Report 2021.

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 outlining four main lines of defense.

1. Board Risk Committee

The Board of Directors formed a Board Risk Committee that consists of three members, with the main responsibility of developing and monitoring risk management policies & procedures and the 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 and 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 directly by the Board of Directors based on the nomination of the Board Audit Committee; and the Board of Directors identifies the Internal Audit department's mandate, roles, and duties. The mission of the Internal Audit 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 organizational-performance management and accountability.
- › Effectively communicating risk and control information to appropriate areas of the organization.

To contribute to Kamco Invest's performance-based culture and its greater focus on efficiency, the Internal Audit department carried out two types of audits in 2021: comprehensive audits of the department and special reviews which include important performance aspects. The comprehensive audits and special reviews identified rooms for improvement and specific efficiency improvement themes.

3.2.2 Crisis 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 2021



Business continuity and Kamco Invest During COVID-19

Our corporate governance and business resiliency practices that form part of our crisis management plan have institutionalized agility and nimbleness in our activities and our risk mitigation practices that continue to allow Kamco Invest to sustain its strong performance in the face of controlled and uncontrolled challenges.

For instance, during the challenges presented in 2020 due to the global pandemic, the Company found it necessary to activate alternative business continuity procedures that allowed employees to work remotely. The Company's management instituted appropriate risk mitigations. During the various stages of the pandemic and lockdowns in the State of Kuwait, Kamco Invest continued to adhere to its corporate governance framework and practices. This allowed the Company to launch new products and transactions, maintain the strength of its balance sheet, and continually serve its stakeholders with minimal disruptions efficiently and successfully. The Company leveraged technology to keep all its stakeholders abreast of the Company's health and progress during the pandemic and the post-transitional period via its "Roadmap to Normalcy" plan. Some of the measures that were taken are summarized below.

- › **Remote Operations:** Conducting all meetings of the Board of Directors, Board Committees, and management committees digitally to ensure appropriate oversight of the Company and efficient conduct of business.
- › **Investor Communication & Transparency:** Proactively organizing investor relations conference calls to update our investors about the Company's performance.

- › **Employees Health & Safety:** Employing a “stakeholders first” view with regards to health & safety, for the Company’s employees, clients & guests by equipping the premises with hygiene and sanitary kits, infrared thermometers, and social distancing signages.
- › **External Contribution & Community Awareness Campaigns:** Releasing a social media campaign to increase public awareness in addition to collaborating and financing national efforts to combat the disease.

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. This comprehensive document 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 misuse.

Any breaches of the 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 3.3: Compliance Incidents

<div style="text-align: center;"> <h1>Zero</h1> <p>incidents of</p> </div>	› 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
1 incident of	

Information Privacy and Data security

At Kamco Invest, we have placed strict privacy and security mechanisms 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 any 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 cybersecurity and data privacy seminars and internal townhalls to gain a better insight on the topic and ultimately be able to detect and report information misuse and any attempts of cyberattacks to the relevant team. To measure the effectiveness of the latter, we have conducted a security culture survey in all our operating branches. The security culture survey measures the attitudes, knowledge, assumptions, norms and values of the workforce of the organization with respect to cyber security and is used to gauge change in knowledge of the subject, our employees’ readiness and ultimately their action towards detecting then reporting any attempted attacks. We will be using the survey in the future as an indication to our success rate in adopting a robust security culture. The results of the 2021 survey are summarized in the figure below.

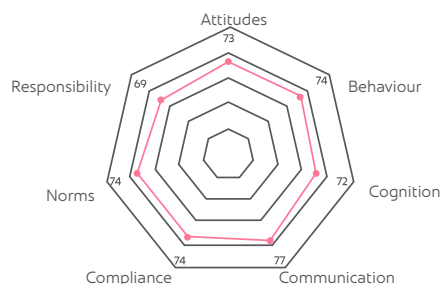
Figure 3.4: Attributes measured in the survey:

77%

Response Rate

67

Kamco Invest Index



Anti-Money Laundering (AML) and Fraud Risk

AML practices are governed by our 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 3.5: AML Trainings

178

Man hours of training

Corruption

The Company has defined policies to forbid corruption and bribes and these policies form part of the Company's Corporate Governance policies which are 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 3.6: Investments Decision-making Matrix

Economic	Environmental	Social	Governance
<ul style="list-style-type: none"> › Value-creation › Long-term › High yield- lower risk › Research driven › Flexible › Diversified 	<ul style="list-style-type: none"> › Minimal wastage products/ services/investments › Minimal emissions › Minimal energy, water and material wastage › Compliant with environmental regulations 	<ul style="list-style-type: none"> › Compliant with local & international human rights › No investments involving tobacco, alcohol, child labor, weaponry 	<ul style="list-style-type: none"> › In line with legal, AML and compliance regulations

Figure 3.7: Compliance Incidents

Zero
incidents of

- › 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. From an internal perspective, 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. At Kamco Invest, we have an open-door policy to encourage meaningful conversations between the teams. In addition, we have been at the forefront of implementing transparency in operations through our annual Shafafiya (transparency) forum where management offers insights regarding how the Company has promoted ethical and responsible decision-making throughout the year, while safeguarding the integrity of financial reporting. We adopt a two-way communication practice with our clients both directly through one-to-one meetings as well as frequent calls, emails, and meetups. We are committed to continuously engaging clients through gathering their feedback to enhance our offerings and ensure results that are in par with and exceed expectations. Over the years, Kamco Invest has prioritized measuring client satisfaction with the Company's transparency so that we can continue to work towards becoming a more transparent entity. In our ongoing efforts to enhance transparency with shareholders and the investor community, Kamco Invest proactively started hosting analyst meetings upon the announcement of the financial results. These meetings will continue to be an integral part of the future announcement of our interim results. The Company also works continuously on developing and updating the information technology infrastructure, to be able to effectively communicate with shareholders, clients, and other stakeholders. The Company regularly updates its website with material information for all stakeholders and has a dedicated section for corporate governance, where all governance related information and data that shareholders and potential investors might need is available.

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. 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 shareholders' queries. 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 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.



A Living Promise...

to maintain a healthy business ecosystem

Economy & Marketplace

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

- › Client experience
- › Client, revenue & product diversification
- › Sustainable financial position & growth
- › Knowledge & industry insight
- › Ethical & sustainable investing
- › Digitization
- › Brand identity & image (perception)
- › Product performance against benchmarks
- › Data security & privacy
- › Cyber security
- › Corporate governance, regulation and compliance
- › Transparency

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. Throughout this process, we seek to bring our clients closer to the financial wellbeing and the future lifestyles they seek while forging long-term relationships that extend throughout generations. However, our role extends to adding value to the financial community we operate in. 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 through the following:

- › Offer tailor-made investment solutions and integrated services based on in-depth understanding of specific needs and objectives.
- › In-house products and services with portfolio advisory and multi-manager open architecture platform.
- › A single point of contact with private, corporate, and institutional clients.
- › Experienced and certified wealth managers.
- › Servicing an extensive client base including Sovereign Wealth Funds, Governmental Entities, Corporates, Family Offices and HNWI.

- › Strong relationships and access to one of the largest investor communities in the MENA region.
- › Leverage our diversified in-house technical expertise to provide clients with customized solutions and advice.
- › Offering and arranging loans to allow clients to increase their 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 deliver sound investment strategies that can be adapted to changing regional economic dynamics. We develop and manage investment 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 created by rumors, noise and emotion. With experienced teams based in Kuwait and throughout the region, we manage an array of industry-recognized funds and portfolios with a full spectrum of risk tolerance investment strategies. A summary of our offerings is illustrated in the below figure.

Figure 4.0: Business Offerings

Fund Management	<ul style="list-style-type: none"> › Managing an array of funds with different strategies › A distinguished track record with highly ranked funds amongst their peers › Flagship Funds include: <ul style="list-style-type: none"> ○ Kamco Investment Fund ○ Kamco Premier Market Index Fund ○ Al-Durra Islamic Fund ○ Global GCC Large Cap Fund ○ Kamco Saudi Equity Fund
Portfolio Management	<ul style="list-style-type: none"> › Risk adjusted returns and options to invest in cash or in-kind
Portfolio Advisory	<ul style="list-style-type: none"> › Services include investment advice, existing portfolio restructuring, analysis of securities, trading ideas and developing investment policy statement, risk management & asset allocation frameworks

Figure 4.1: Track Record

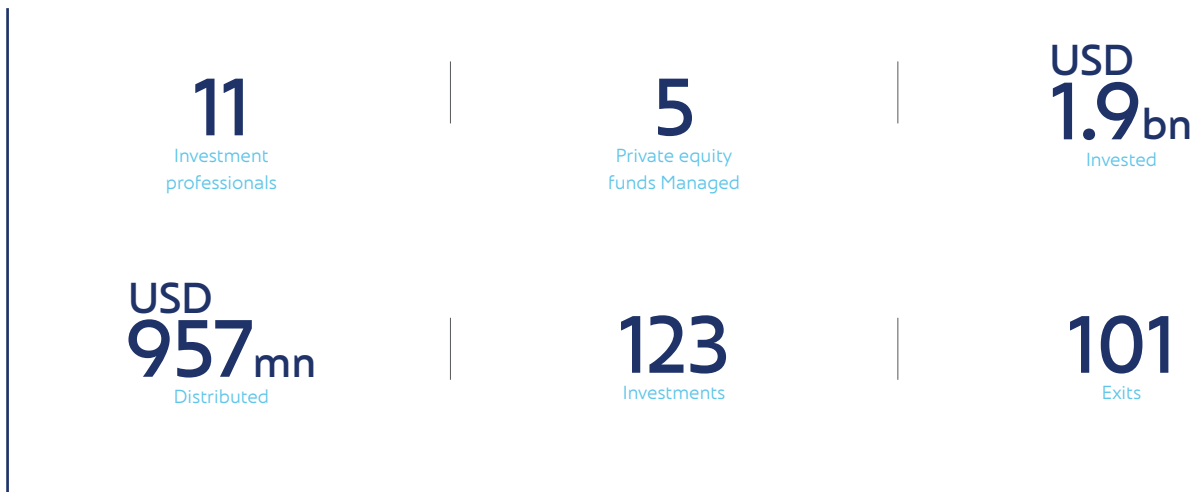


* Kamco Saudi equity fund performance

Private Equity

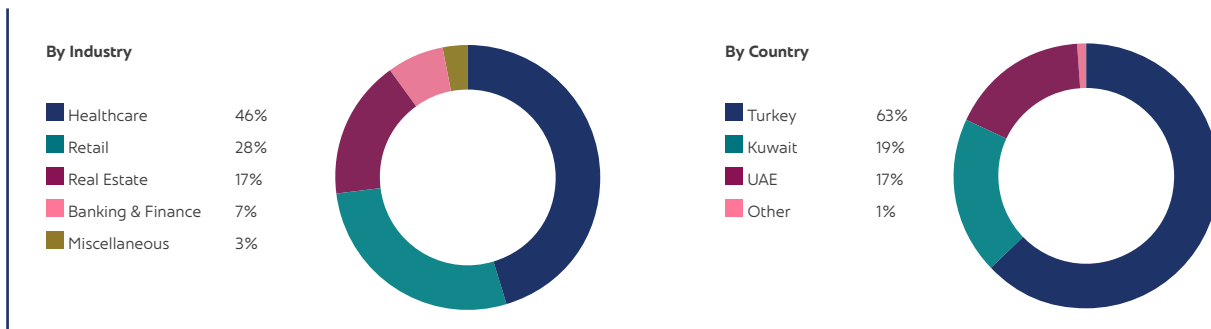
Our Private Equity division was established in 2003 as the first private equity operation in Kuwait and the second in the MENA region. We seek to acquire controlling stakes and add value to medium sized enterprises in predominantly defensive sectors within the MENA region and Emerging Markets.

Figure 4.2: Track Record



* Since Inception 2003

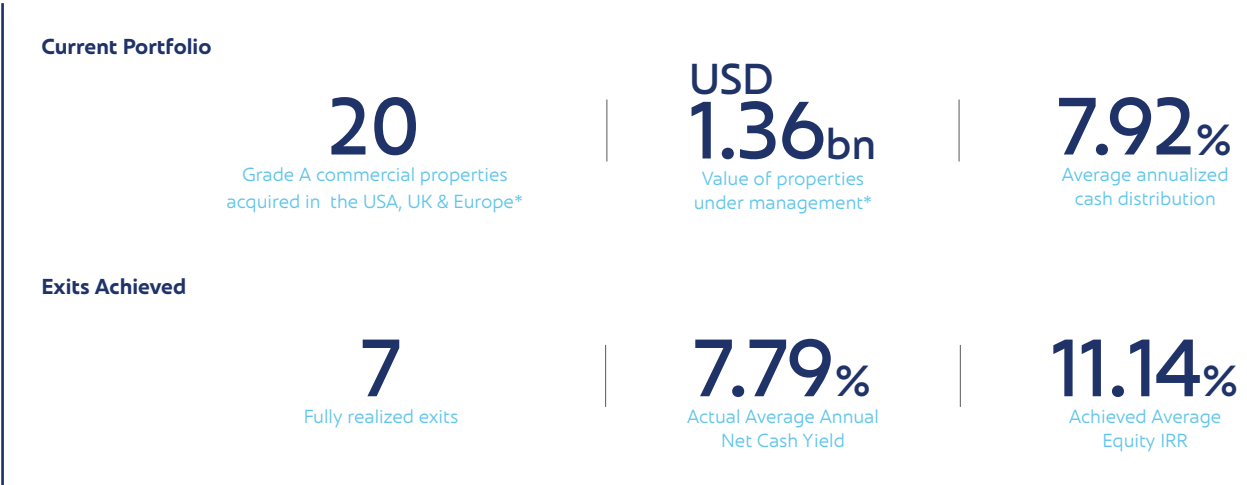
Figure 4.3: Private Equity



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 strategy.

Figure 4.4: Track Record



*As of 31 December 2021

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 4.5: Business Offerings



Our International Investment services provide clients with a full-fledged investment arm with complete access to the global market while maintaining full transparency in line with international best practices. We have developed and maintained strong relationships with international investment managers. 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 4.6: Track Record



Special Situations

At Kamco Invest, we also offer customized asset management solutions to clients seeking value enhancement and optimal realization of their “Difficult Assets Portfolio” detailed in the below figure.

Figure 4.7: Business Offerings



Figure 4.8: Track Record



*Calculated only on fully exited positions

4.1.2 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



Figure 4.10: Track Record



We have recently introduced a web-based subscription platform conveniently connecting investors with the latest equity offerings and debt issuances managed by Kamco Invest. iktatib.com aims to provide registered investors access to initial public offerings, rights issues, bond and sukuk offerings, as well as other investment opportunities managed by Investment Banking.

4.1.3 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



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 becoming a more transparent entity, we have intensified our efforts in the dimensions of client communication and engagement to gauge their feedback so that we align our business strategies to their needs and evaluate whether our performance is in par with their expectations. We execute the latter through an annual engagement and satisfaction survey which utilizes the Net Promoter Score (NPS) method. This methodology measures the willingness of clients to recommend a company's products or services to others and their loyalty to the brand. In the survey, we gathered qualitative feedback from clients' suggestions and recommendations and further measured our clients' satisfaction rating of five attributes that are material to our business. The examined attributes were; transparency, relationship management, product performance, fee structure and reporting quality. The detailed results are included in this report as part of the materiality assessment. The survey allowed us to gauge client sentiment towards Kamco Invest as a Company and more specifically in regards to the examined attributes. In addition, it helped us determine our primary strengths in 2021, identify dimensions for improvement in the upcoming year and recognize business opportunities and market gaps.

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 2021, there were no client complains reported.

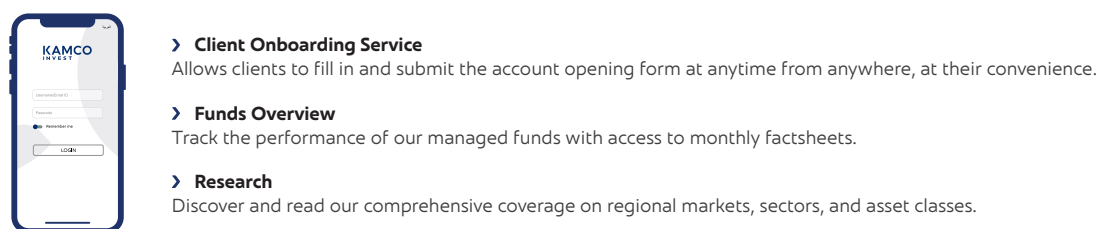
4.3 Operational Business Improvements, Innovation & Digitization

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.

Kamco Invest app

The first phase of the app, launched in 2021, enables clients to open an account with Kamco Invest, update their existing account, and benefit from additional features. The app users can also gain access to the latest research reports and monthly factsheets of Kamco Invest's managed funds right in the palm of their hands.

Figure 4.12: App Features:



Iktatib

Introduced in 2021, iktatib.com is a new web-based subscription platform connecting investors with equity offerings and debt issuances managed by Kamco Invest. The platform is considered a simple, user-friendly, fast, and reliable gateway that streamlines and automizes the subscription process with the purpose of providing registered investors access to subscriptions they are eligible to participate in. It lists initial public offerings, rights issues, bond and sukuk offerings, as well as other investment opportunities managed by Investment Banking at Kamco Invest. It can be used by investors outside the country to ensure timely access to investment opportunities as it features several payment methods available for users including executing transactions through the integrated K-Net payment portal and wire transfers. The platform utilizes technology to improve the investment experience and increase chances of success by reducing the burden on investors as it is a fully digital subscription process without the need to appear in person and sign physical documents.

Trading apps

Kamco Invest offers international online trading to qualified clients through its Kamco Pro app which allows them accessibility, convenience, and customized options when it comes to trading securities. Our brokerage arm, First Securities Brokerage Company "Oula Wasata" also offers its trading services via two Oula Wasata Apps, one for the Kuwaiti market and the other for regional and international markets.

Other Platforms

Website	To allow easy access to all Company's news, research, financials, products and services, Company track-record and other Client and stakeholder related concerns.
Whatsapp	To provide client support and enquiry line.
Zoom	To hold public webinars for our investors and other stakeholders about latest market trends and updates.
Social Media (Twitter, LinkedIn, Facebook)	To communicate transparently any corporate updates, daily news, research and announcements with our clients and stakeholders.
Social Media (YouTube)	Featuring all our interviews, webinars and other videos.
Social Media (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: 2021 Performance Highlights



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 IR 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 data-driven 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 Reports

Our timely insightful valuations, latest market trends, financial analysis and outlook reports play a key role in facilitating investment decisions. During 2021, 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 below. Furthermore, the team issued whitepapers and reports to cover major events.

Figure 4.14: Research Reports Published in 2021



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 2021, we hosted multiple virtual webinars in adherence to COVID-19 restrictions as shown below in the chart. The webinars spanned topics regarding risk and performance, international real estate investment opportunities, venture capital, online trading, and investor conferences.

Figure 4.15: Webinars Hosted in 2021



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
- › Promoting and supporting health and wellness causes such as contributing to the GCC Sports Tournament 2022 as Official Partners
- › Zakat

4.5.1 Direct Economic Impact and Financial Performance

Despite the worldwide economic challenges that trickled down from the COVID-19 lockdown, Kamco Invest reported one of its best financial results throughout its years in 2021. The Company reported a net profit of KWD10.3mn in 2021 an EPS of 30.14 fils and distributed 10 fils cash dividends. The below figure briefly illustrates some of our performance highlights. On the other hand, our Annual Report 2021 summarizes our accomplishments for the year as well as our financial performance. In addition, our Annual Report 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.

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 in the following aspects:

What? Aspect	How? Tools	Why? Result
Digitization	Adopting technological tools as part of our Company-wide digitization transformation plan	<ul style="list-style-type: none"> › Improve efficiency, productivity, accessibility, and experience for our stakeholders › Leverage on new technological opportunities and create digital investment services and solutions
Knowledge	Improving financial literacy through our webinars, research reports, community events and participation with local NGOs and educational institutions	<ul style="list-style-type: none"> › 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 style="list-style-type: none"> › Foster a generation of innovators and creators › Leverage on the talent and fresh ideas of the young
Kuwaitization and job creation	Training, retaining, and attracting local talent and expertise	<ul style="list-style-type: none"> › Create job opportunities for nationals › Nurture a community of local professionals with skillsets that contribute to national economic growth
National economic growth	Enhancing our performance and offerings, adopting international best practices and investing in local suppliers	<ul style="list-style-type: none"> › Enhance economic growth › Encourage nationalization and contribute to the Amiri Vision › Attract foreign investment for economic growth

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

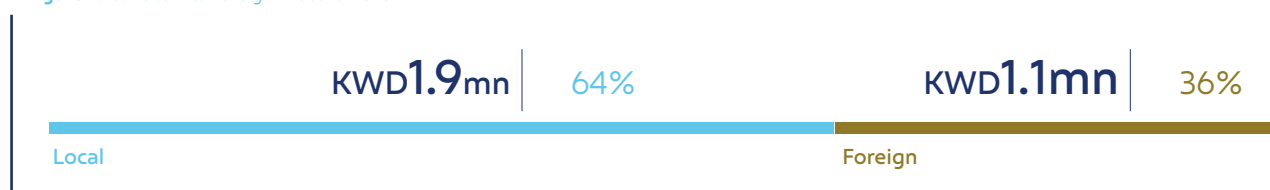


Figure 4.17: Procurement Selection Criteria



Figure 4.18: Procurement Process





A Living Promise...

to be responsible citizens and top-choice employers

Workforce and Local Community

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

- › Employees and working environment
- › Talent recruitment and retention
- › Knowledge and industry insight
- › Corporate governance, regulation & compliance
- › Sustainable financial position and growth
- › Transparency
- › Digitization
- › Brand identity and image

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

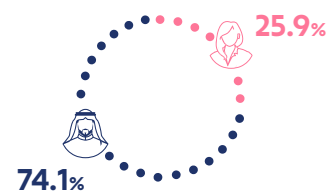


II. Gender Diversity

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: 2021 Gender Diversity

Level	Males		Females	
	Number	%	Number	%
Junior up to Level SVP	101	72%	39	28%
Director and Above	19	86%	3	14%
Total	120	74%	42	26%



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	5	1	6
26-35	30	12	42
36-45	47	16	63
46-55	36	10	46
>56	2	3	5

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



*Excluding outsourced labor

5.1.2 Empowering Women

As an avid supporter of UN SDG 5 which stands for gender equality, and in line with its long-standing commitment to empowering women in the local community, Kamco Invest was the first investment company to join the Women's Empowerment Principles (WEPs) which is a joint initiative of the United Nations Global Compact and UN Women that was developed in 2010 to provide a framework to empower women in the workplace, marketplace and community. Our contribution to this initiative is part of Kamco Invest's commitment to establishing a business model that incorporates the UN Sustainable Development Goals within its business functions. The Company signed as a WEP signatory in 2021 marking its commitment towards the 7 principles of WEP which further drives the Company's efforts in providing equal and fair treatment of both genders through bringing the broadest pool of talent that allow us to further our competitiveness, establish growth and awareness opportunities for women in the local community and empower women in leadership positions at Kamco Invest.

Figure 5.4: The 7 WEPs principles:

	1. Establish high-level corporate leadership for gender equality
	2. Treat all women and men fairly at work – respect and support human rights and non-discrimination
	3. Ensure the health, safety and well-being of all women and men workers
	4. Promote education, training and professional development for women
	5. Implement enterprise development, supply chain and marketing practices that empower women
	6. Promote equality through community initiatives and advocacy
	7. Measure and publicly report on progress to achieve gender equality

Figure 5.5: Women's Representation at Kamco Invest



5.1.3 Employee Engagement

Figure 5.6: Elements of Engaging Kamco Invest Employees



Corporate Culture

As a regional powerhouse, our driving force comes from our employees; our strategic assets who are armed with a wide variety of affinities and one common goal: helping the company to grow and meet the needs of our clients, shareholders, and society as a whole. Our long-standing role has been centered around attracting, retaining, and developing the right pool of multicultural, expert and committed talent that can allow us to achieve the performance standards that we aim for.

With the right people, we have adopted an integrated close-knit culture that is both people and outcome oriented. By nurturing a safe working environment, we created a stable and collaborative platform that helps to generate sustainable value, through the talent

02Figure 01: Women's Representation at Kamco Invest

Our employees should always feel:	
Safe	<ul style="list-style-type: none"> › We comply with Kuwaiti labor laws, HR policies and an internal code of conduct. › We follow strict grievance policy and procedures, where employees can report any incident if they believe a decision, behavior or action affecting their employment is unfair so that an action can be taken objectively, discreetly, and promptly. › Our risk mitigation plan takes into account talent retention and job security during times of crisis.
Heard	<ul style="list-style-type: none"> › We adhere to an open-door policy that encourages collaboration of ideas. › We encourage transparency and two-way communication. › We gauge employees' feedback and satisfaction annually through conducting an annual employee engagement survey and an employee satisfaction survey. › Our performance evaluation process includes self-evaluation prior to managerial evaluation to develop accountability and align employees' tasks to business strategy and targets.
Included	<ul style="list-style-type: none"> › We hold regular townhall meetings to announce business changes. › We communicate corporate and employee updates through email and our intranet so that our employees are constantly updated. › We involve our employees in the decision making process through brainstorming workshops and one-to-one feedback sessions. › We hold social events and employee gatherings to enhance employee relationships. › Our employees benefit from services offered by our sister companies. › Our Leadership are always visible and available to engage in real conversation with our employees.
Appreciated and recognized	<ul style="list-style-type: none"> › We communicate all employee successes through circulating company memos to congratulate our employees and make them feel appreciated and recognized. › We award the best employee of the year in an event held attended by all KIPCO group companies. › Performance-based incentives are awarded to employees who have achieved and exceeded their set KPIs as recognition to their success and to further motivate them.
Motivated	<ul style="list-style-type: none"> › We take a personal interest in our employees' career goals by offering trainings that advance each employee's career prospects and develop their skillset whilst meeting corporate goals. › We promote a culture of volunteerism through contributing with local NGOs such as INJAZ-Kuwait, The Protegees and Tmkeen programs with KIPCO, local universities amongst others so that employees feel that they are participating in the betterment of their society.

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. In 2021, 70% of our employees participated in the annual engagement survey with an NPS score of 33.6, and the highest scoring statement being "My Manager is a great role model for employees". On the other hand, the employee satisfaction survey showed a 7% increase in employee participation in compared to 2020 with a total participation of 73% with all departments showing significant improvement from 2020 in terms of NPS average score.

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.

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 of the qualifications that our workforce has acquired.

Figure 5.8: Professional Qualifications of Employees at Kamco Invest

› MBA	› CIPD
› CFA	› PHR
› PMP	› Certified Internal Auditor (CIA)
› FRM	› CMA Kuwait Rules & Regulations
› CCNA	› International Introduction to Securities & Investment.

Training and Internship Programs

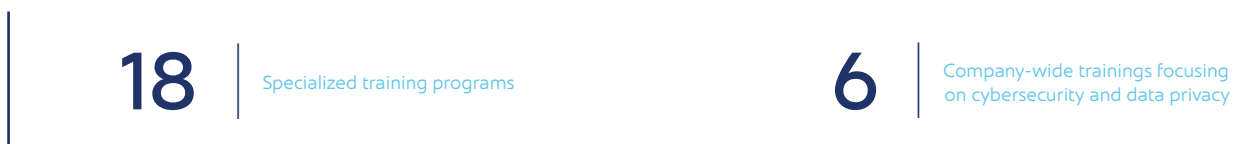
Over the years, we have taken accountability in contributing to the education and empowerment of tomorrow's youth. We have worked with external local institutions that support our initiative and have also established an extensive internal internship and training program that is in line with our corporate 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 and Trainees In 2021



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. For 2021, most of our trainings were held digitally over Microsoft Teams or Zoom in respect to the Pandemic's health measures set by Kamco Invest. The figures below display our trainings in 2021 and are listed in detail in Annexures I and II.

Figure 5.10: Employee Trainings In 2021



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 Degrees 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 2021.
- › 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.

During and Post-COVID 19 Transition Period:

- › We devised a detailed remote and on-premise rotational shifts working plan that is in line with governmental COVID-19 regulations.
- › We ensured that the premises are equipped with health and safety measures including hygiene kits, sanitizers, posters, infrared thermometers, and signages.
- › The Company's internal communication plan consisted of advice to avoid spreading the virus.
- › We circulated updates related to ministry or corporate decisions about the pandemic as well as any suspected or confirmed cases and accordingly took measures to isolate and test for those in contact.

Employee Benefits

We offer our employees the following benefits:

- › Worldwide medical insurance for the employees, spouse and children up to 22 years.
- › Life insurance for the employees.
- › Free car parking.
- › Corporate discounts and services from group companies.
- › 70 days Maternity leave for Woman and 2 days Paternity leave for Men.
- › 5 days wedding leave.
- › 3 days condolence leave.

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 workflow 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

Although our initiatives in this front has been halted due to COVID-19 restrictions, we have had a long standing commitment to promoting a healthy lifestyle throughout community initiatives such as:

- › Sponsoring the GCC Sports Tournament 2022 as Official Partners.
- › Annual blood drives.
- › Donations to support the state in combating the pandemic.
- › Collaborations with Kuwait Red Crescent to offer lockdown supplies for quarantine facilities.
- › Online social media campaign for COVID preventative measures titled #Be_Responsible”.

5.2.2 Education and Financial Literacy

As part of our sustainable human capital development strategy, we remain passionate in our endeavor to take the lead in enhancing professionalism and supporting and educating the community about investment and the financial industry. As such, we participated and collaborated with highly impactful programs and institutions that allowed us to mentor and equip the next generation of leaders with the necessary real-life practical tools, for them to excel in their future professional careers and add value to the local marketplace and wider economy. Prior to the pandemic, we have extensively collaborated with the institutions shown in the below figure by hosting seminars, workshops, job-shadows and webinars to support our initiative in addition to being strong advocates to enhancing professionalism in the sector through constantly sponsoring the Annual Charter Award Ceremony (CFA).

Our most recent initiatives include hosting two university webinars to the students of Kuwait University and the American University of Kuwait regarding “Introducing trading, stakeholders, and demo to online trading”. Through these webinars and lectures, Kamco Invest consistently reinforces the importance of becoming financially literate whilst highlighting the opportunities to capitalize on and the challenges to adapt to.







5.2.3 Youth Empowerment

In addition to our internship and training programs that focus on empowering youth through real-life job setting, Kamco Invest annually supports AUK's Career Fair as Gold sponsors in aim to attract top-tier young talents, participate in creating jobs for nationals and invest in the professional development of youth. Prior to the pandemic, Kamco Invest along with KIPCO group companies, financially and strategically supported initiatives that showcased Kuwait's young entrepreneurial talent and their innovative mindset, further enhancing their businesses to thrive and contribute towards advancing the future of our country and developing a sustainable business ecosystem. With this, Kamco Invest aims to encourage young talents to challenge and push the boundaries of their innovative mindset so that they can contribute in forging a better future as the next generation of leaders.

5.2.3 Social Engagement

Throughout the year 2021, 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, newspapers and radio. Each of our social platforms serve a strategic purpose within our yearly social media calendar. For instance, in response to the COVID-19 pandemic, we had launched awareness campaigns mainly on Instagram, supporting national efforts against the pandemic by the theme #Be_Responsible. In addition, 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 5.11: Kamco Invest on Social Media

				
Followers	5,954	241	19,311	810
Posts	440	21	84	20
Views	4,221,200	128,984	510,591	208,084



A Living Promise...

to contribute to creating a sustainable
community

Environment

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

- › Digitization
- › Employees and working environment

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. 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 digitized our approval system 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. Although, our aim is to reduce our total paper consumption, we have taken COVID-19 hygiene measures into account which factored into utilizing disposable paper cups for internal usage. The below figures represent our base numbers for paper used in printing and disposable cups in 2021 which we will aim to reduce in 2022.

Figure 6.0: Material Consumption in 2021



In line with our sustainability practices and commitment to the environment, we have also signed an agreement with Enviroserve,

a Kuwaiti based initiative that recycles e-waste. The initiative entailed that we provide them with old/used IT equipment including printers, cables, monitors, laptops/desktops and other electronic devices for recycling.

Figure 6.1: recycled e-waste in 2021



7.55 tons

Volume of recycled e-waste

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 2021, our total Scope I - CO₂ emissions from corporate owned cars and airplane business trips amounted to 21.54 tons. The below figures display the breakdown of our total Scope I - CO₂ emissions.

Corporate Owned Cars

Figure 6.2: CO₂ Emissions from Corporate Cars



4 corporate cars



4.9t CO₂ emissions

Airplane Business Trips

In 2021, our employees have made 30 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 6.3: CO₂ Emissions from Business Trips



30 business trips



16.64t CO₂ emissions

Annexure

Annexure I - List of specialized training programs

- › Introduction to Securities & Investment (International)
- › Annual IFRS Update Seminar – Kuwait
- › CISI International Certificate in Wealth and Investment Management
- › CISI Kuwait Capital Markets Authority Rules and Regulations
- › Digital Leadership
- › Digital Transformation – Imperial College
- › Digital Transformation by Berkeley Haas – Executive Education
- › Digitization and its Impact on Strategy and Risk
- › Drive Creative Innovation
- › Excel for Operations Management Program
- › Financial & Valuation Modeling
- › Fundamentals of Data Driven Strategy
- › Introduction to Securities & Investment (International)
- › Keynote Discussion at GPEC
- › KFAS Innovation and Enterprise Directorate -Webinar: Transformation Through Innovation The Post-Pandemic
- › KFAS Innovation and Enterprise Directorate: User Experience
- › Steering Complex Projects by University of Cambridge – Executive Education
- › Successful Strategies in Disrupted Times

Annexure II - Companywide Trainings

Name of training	Participation rate
Anti-Money Laundering (AML)	100%
Security Culture Assessment	77%
Ransomware	99.5%
Social Media: Staying Secure in a Connected World	98%
Mobile Device Security	97%
Creating Strong Passwords	98%

Annexure III - GRI Content Index

GRI Category	Aspects from other sustainability reports	Page No. in Sustainability Report	References and Comments
General Disclosures (GRI 102-GRI 103)			
Organizational Profile			
102-1	Name of the organization	11	
102-2	Activities, brands, products, and services	13, 37-41	
102-3	Location of headquarters	13	
102-4	Location of operations	13	
102-5	Ownership and legal form	13	
102-6	Markets served	13	
102-7	Scale of the organization	13	
102-8	Information on employees and other workers	49-55	
102-9	Supply chain	46-47	
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	31-35	
102-12	External initiatives		"Kuwait National Development Plan (KNDP) United Nations Sustainable Development Goals (UNSDGs) Boursa Kuwait Women's Empowerment Principles (WEPs)"
102-13	Membership of associations		1. KFAS (Kuwait Foundation for the advancement of sciences) 2. UIC (union of Investment companies) 3. Emerging Markets Private Equity Association 4. Gulf Bond & Sukuk Association 5. Global Private Equity Association
Strategy and Analysis			
102-14	Statement from senior decision-maker	8-9	
102-15	Key impacts, risks, and opportunities		Detailed throughout Sustainability report 2021
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	12-13, 33-35, 49-54	
102-17	Mechanisms for advice and concerns about ethics	33-3	
Governance			
102-18	Governance structure	27-31	
102-19	Delegating authority	27-31	
102-20	Executive-level responsibility for economic, environmental, and social topics	27-31	Annual Report 2021
102-21	Consulting stakeholders on economic, environmental, and social topics	17-19	
102-22	Composition of the highest governance body and its committees	27-31	Annual Report 2021
102-23	Chair of the highest governance body	27-31	Annual Report 2021
102-24	Nominating and selecting the highest governance body	27-31	Annual Report 2021

102-25	Conflicts of interest	27-31	Annual Report 2021
102-26	Role of highest governance body in setting purpose, values, and strategy	27-31	Annual Report 2021
102-27	Collective knowledge of highest governance body	27-31	Annual Report 2021
102-28	Evaluating the highest governance body's performance	31	Annual Report 2021
102-29	Identifying and managing economic, environmental, and social impacts	17-19	
102-30	Effectiveness of risk management processes	31-35, 53	
102-31	Review of economic, environmental, and social topics		Detailed throughout Sustainability report 2021
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 that all material topics are covered.
102-33	Communicating critical concerns	17	Detailed throughout Sustainability report 2021
102-34	Nature and total number of critical concerns	18-19	Detailed throughout Sustainability report 2021
102-35	Remuneration policies	31, 54	Annual Report 2021
102-36	Process for determining remuneration	31, 54	Annual Report 2021
102-37	Stakeholders' involvement in remuneration	31, 54	Annual Report 2021
102-38	Annual total compensation ratio		Annual Report 2021
Stakeholder engagement			
102-40	List of stakeholder groups	16-17	
102-41	Collective bargaining agreements		Not relevant for Kamco Invest
102-42	Identifying and selecting stakeholders	16-17	
102-43	Approach to stakeholder engagement	16-17	
102-44	Key topics and concerns raised	16-17	
Reporting practice			
102-45	Entities included in the consolidated financial statements	7	
102-46	Defining report content and topic Boundaries	7	
102-47	List of material topics	18-19	
102-48	Restatements of information	7	
102-49	Changes in reporting	7	
102-50	Reporting period	7	
102-51	Date of most recent report	7	
102-52	Reporting cycle	7	
102-53	Contact point for questions regarding the report	7	
102-54	Claims of reporting in accordance with the GRI Standards	7	
102-55	GRI content index	60-66	
102-56	External assurance		This report did not undergo external audition but all financial data is subject to external assurance and auditing.
Management Approach			
103-1	Explanation of the material topic and its Boundary	18-19	Found for each of the material topics in the materiality assessment with more details throughout the report

103-2	The management approach and its components	18-19	Found for each of the material topics in the materiality assessment with more details throughout the report
103-3	Evaluation of the management approach	18-19	Found for each of the material topics in the materiality assessment with more details throughout the report

Topic Specific Standards

Economic (GRI 200)

GRI 201: Economic Performance

201-1	Direct economic value generated and distributed	38, 45	
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	54	
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		83.3% senior management is Kuwaiti

GRI 203: Indirect Economic Impacts

203-1	Infrastructure investments and services supported	45	Kuwait National Development Plan (KNDP) United Nations Sustainable Development Goals (UNSDGs) Boursa Kuwait Women's Empowerment Principles (WEPs)
203-2	Significant indirect economic impacts	45	

GRI 204: Procurement Practices

204-1	Proportion of spending on local suppliers	46	
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GRI 205: Anti-corruption

205-1	Operations assessed for risks related to corruption	34	
205-2	Communication and training about anti-corruption policies and procedures	34	
205-3	Confirmed incidents of corruption and actions taken	33	

GRI 206: Anti-competitive Behavior

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No legal actions to report
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GRI 207: Tax

207-1	Approach to tax		Annual Report 2021
207-2	Tax governance, control, and risk management		Annual Report 2021
207-3	Stakeholder engagement and management of concerns related to tax		N/A and not relevant for Kamco Invest
207-4	Country-by-country reporting		N/A and not relevant for Kamco Invest

Environmental (GRI 300)

GRI 301: Materials

301-1	Materials used by weight or volume	58	
301-2	Recycled input materials used	58	

GRI 302: Energy

302-1	Energy consumption within the organization	58	
302-2	Energy consumption outside of the organization		Not available
302-3	Energy intensity	58	
302-4	Reduction of energy consumption		Not available for 2021 as this is a baseline year
302-5	Reductions in energy requirements of products and services		Not available for 2021 as this is a baseline year

GRI 303: Water and Effluents

303-1	Interactions with water as a shared resource	58	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	58	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	58	
305-2	Energy indirect (Scope 2) GHG emissions	58	Not available
305-3	Other indirect (Scope 3) GHG emissions		Not available
305-4	GHG emissions intensity	58	Not available
305-5	Reduction of GHG emissions		Not available
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: Waste

306-1	Waste generation and significant waste-related impacts	57	
306-2	Management of significant waste-related impacts	57	

GRI 307: Environmental Compliance

307-1	Non-compliance with environmental laws and regulations	57	No incidents of non-compliance with environmental laws and regulations
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GRI 308: Supplier Environmental Assessment

308-1	New suppliers that were screened using environmental criteria		Not relevant for Kamco Invest
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308-2	" Negative environmental impacts in the supply chain and actions taken"	46-47	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
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Social (GRI 400)

GRI 401: Employment

401-1	New employee hires and employee turnover	50	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	54	
401-3	Parental leave	54	

GRI 402: Labor/Management Relations

402-1	Minimum notice periods regarding operational changes		Available in HRMD policies and procedures manual
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GRI 403: Occupational Health and Safety

403-1	Occupational health and safety management system	54	
403-2	Hazard identification, risk assessment, and incident investigation		Available in Company's employee health and safety 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 formal 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		282 total man hours of training
404-2	Programs for upgrading employee skills and transition assistance programs	52-54, 59	
404-3	Percentage of employees receiving regular performance and career development reviews	52-54	All Kamco Invest employees

GRI 405: Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	50-51	
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
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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.
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GRI 408: Child Labor

408-1	Operations and suppliers at significant risk for incidents of child labor	
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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.
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GRI 410: Security Practices

410-1	Security personnel trained in human rights policies or procedures	Not relevant for Kamco Invest
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GRI 411: Rights of Indigenous Peoples

411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations including rights of indigenous people
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GRI 412: 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: 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: Public Policy

415-1	Political contributions	34
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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	35
		No incidents of non-compliance concerning health and safety impacts of products and services

GRI 417: 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	35	
417-3	Incidents of non-compliance concerning marketing communications	33	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	33	No incidents cornernering breaches of customer privacy or losses of customer data
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GRI 419: Socioeconomic Compliance

419-1	Non-compliance with laws and regulations in the social and economic area	33	No incidents of non-compliance with laws and regulation in the social and economic area
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