

# Fostering Sustainable Growth



بورصة الكويت  
BOURSA KUWAIT



# 2023

SUSTAINABILITY  
REPORT

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His Highness  
**Sheikh Meshal Al-Ahmed Al-Jaber Al-Sabah**  
The Amir of the State of Kuwait



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# 01 Overview

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# About this Report

**Boursa Kuwait** is proud to present its third Sustainability Report, showcasing our Environmental, Social, and Governance (ESG) initiatives, performance, and impacts for the reporting period from January 1 to December 31, 2023. Data included in this report has undergone internal review and verification processes. Please note that the reported figures and information in this report solely pertain to **Boursa Kuwait Securities Company (K.P.S.C.)**, unless explicitly stated otherwise.

To ensure transparency and adherence to internationally recognized standards, our report has been developed in alignment with the Global Reporting Initiative (GRI) Standards: Core Option, the Sustainability Accounting Standards Board (SASB) Security and Commodity Exchanges guidelines, and the United Nations' Sustainable Development Goals (SDGs). Additionally, we have also followed **Boursa Kuwait's** ESG Reporting Guide.

We strive to foster and elevate corporate sustainability practices within the local capital market. We aim to cultivate an investment climate that not only attracts but also nurtures sustainable investments from a diverse range of participants. By promoting transparency, trust, and sustainable growth, we actively contribute to creating a more responsible and purpose-driven marketplace.



# Statement from the Chief Executive Officer



**Mr. Mohammad Saud Al-Osaimi**  
Chief Executive Officer

**Boursa Kuwait** plays a pivotal role in developing the Kuwaiti capital market into a platform that is fair, transparent, and efficient, contributing to the enhancement of market liquidity, the diversification of the national economy, and boosting its capacity to attract international investors - efforts that pave the way for sustainable growth. The company recognizes the importance of this mission, emphasizing the need for robust support systems that uphold strong environmental, social, and governance (ESG) practices to foster non-financial returns for listed companies and contribute to broader, more sustainable economic prosperity.

Since its establishment, **Boursa Kuwait** has embraced a forward-thinking Corporate Sustainability (CS) strategy that blends economic growth with a commitment to environmental and community responsibility, forming the foundation of its core values and integrating industry-leading practices in environmental, social, and governance (ESG) reporting and implementation. In 2023, **Boursa Kuwait** intensified its efforts to weave these principles more deeply into its operations by advancing responsible business practices within its organization and endorsing social and environmental initiatives that benefit both the company and the State of Kuwait as well as reinforcing **Boursa Kuwait's** role as a catalyst for positive change.

As one of the marquee capital markets in the region, **Boursa Kuwait** made a commitment to align its Corporate Sustainability (CS) pillars with the United Nations' Sustainable Development Goals (SDGs), the "New Kuwait" vision and the National Development Plan for the State of Kuwait. As part of this commitment, the company has, over the past few years, urged listed companies to follow its lead as a model issuer in the "Premier" Market and adopt internationally accredited metrics and standards in its ESG reporting efforts. This further enhances the attractiveness of the Kuwaiti capital market, which has been reclassified into an emerging market

in some of the world's leading index providers, to institutional investors from all around the globe.

Since becoming a partner and supporter of the Sustainable Stock Exchanges (SSE) initiative in 2017, **Boursa Kuwait** has committed to enhancing the understanding of corporate sustainability (CS) concepts and the essentials of effective environmental, social, and governance (ESG) reporting within the Kuwaiti capital market. To this end, it published a comprehensive guide for listed companies, which was later updated in 2021, offering globally recognized reporting metrics and a framework for their application. **Boursa Kuwait** also played a key role in developing unified ESG disclosure metrics for the Gulf Cooperation Council (GCC), presenting an optional set of 29 standards aligned with the Sustainable Development Goals (SDGs).

In addition to these contributions, **Boursa Kuwait** actively fosters learning and collaboration through the organization of workshops and seminars annually in partnership with globally acclaimed consultancies, the United Nations Development Programme (UNDP), the Chartered Financial Analysts (CFA) Society, among other notable organizations. Through these initiatives, **Boursa Kuwait** not only reinforces its commitment to sustainability but also supports the broader adoption of responsible business practices across the region.

Sustainability sits at the heart of **Boursa Kuwait's** strategic vision and its blueprint for long-term success. The company understands that its various stakeholders, which include investors, employees, listed companies and the broader community, regard it as a beacon of social and environmental responsibility. This reputation is built on **Boursa Kuwait's** pledge to offer innovative solutions, which include the adoption of cutting-edge technologies, the attraction of elite talent, and adherence to the highest standards of responsible business practices. Moreover, **Boursa Kuwait** routinely shares



its achievements and future outlooks to ensure that its partners always enjoy optimal returns on their investments, reinforcing the company's role as a trusted leader in the market.

In 2023, the company made considerable inroads in its sustainability efforts, garnering a series of prestigious awards and accolades to add to its illustrious record in this field over the years. The iconic **Boursa Kuwait** building received LEED Gold certification from the United States Green Building Council (USGBC) for its renovation efforts to align the building with best-in-class standards and globally recognized metrics. The certification is evidence not only to **Boursa Kuwait's** dedication to operational excellence but also to its leadership in driving positive change within the financial industry and contributing to a more sustainable world.

Additionally, **Boursa Kuwait** was awarded by Global Finance magazine for its exceptional achievements in "Outstanding Financial Leadership in Sustaining Communities" and "Outstanding Leadership in Sustainability Transparency" in the category of Middle East regional awards as well as by The European magazine as the company with the "Best Sustainable Corporate Governance".

Internally, the company elected the first female member of the Board of Directors, Mrs. Dalal Jafaar Behbehani, in its history and improved its employee retention rate from 92% in 2022 to 98% in 2023 as well as maintaining a 31% female employee ratio, a testament to its efforts for an inclusive company culture.

**Boursa Kuwait** continued its efforts to adopt and support social programs and environmental initiatives, working with local and international organizations to make a positive long-lasting impact in the community in which it operates. Throughout the past year, the company partnered with the

United Nations Environmental Programme (UNEP) and the Environmental Voluntary Foundation (EVF) and the Kuwait Dive Team to preserve the Kuwait Bay. **Boursa Kuwait** also collaborated with the Kuwait Red Crescent Society and the United Nations High Commissioner for Refugees (UNHCR) to support their humanitarian aid efforts in the region. The bourse continued its strategic partnership with Bayt Abdullah and the Kuwait Association for the Care of Children in Hospital (BACCH & KACCH) as well as organizing seminars and workshops to raise awareness of various global health movements in its efforts to contribute to a healthier society.

In addition, **Boursa Kuwait** continued to enhance financial literacy levels and awareness in Kuwait, working hand in hand with key partners such as the Middle East Investor Relations Association (MEIRA), the CFA Society, and various international organizations and consultancies. This collaborative effort stems from the company's firm belief in the importance of equipping all market participants with the essential skills and knowledge for active and effective contribution to the Kuwaiti capital market as well as fostering a more informed and capable global investment community.

The pages that follow tell a more complete story about **Boursa Kuwait's** initiatives and achievements in ESG for 2023. As the company looks ahead to 2024, we continue our journey of success, building on our momentum to deliver greater impact for our stakeholders as part of our goal for a more sustainable future and a brighter tomorrow.

# Sustainability Highlights

In this year’s Sustainability Report, Boursa Kuwait proudly presents an overview of its Environmental, Social, and Governance (ESG) initiatives. Through a strategic focus on responsible business practices, Boursa Kuwait has achieved milestones in the realms of environmental stewardship, social impact, and corporate governance.

This report serves as a testament to our dedication to fostering positive change, showcasing the tangible achievements that underscore our position as a responsible and conscientious player in the financial landscape.

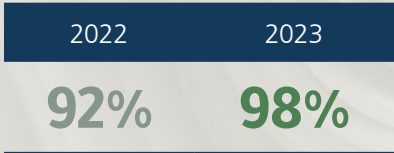
## Environment

**Boursa Kuwait** obtained the Leadership in Energy and Environmental Design (LEED) Gold certification for its building, a distinguished award that makes the iconic structure one of only a few buildings in Kuwait to achieve this honor.

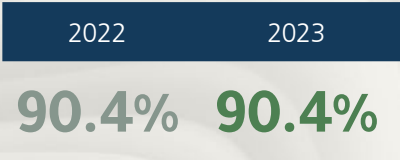


## Social

Maintained a high level of staff retention



Maintained a high level of Kuwaitization



## Governance

**Boursa Kuwait** adopts the highest standards of corporate governance which are aligned with the company’s strategic vision towards developing Kuwaiti’s capital market and protecting the interests of relevant parties, particularly investors, shareholders as well as listed and licensed companies.

This year, **Boursa Kuwait** took a significant step towards board diversity and sustainable corporate governance by adding a highly accomplished female member to the Board of Directors. This strategic appointment emphasizes our commitment to gender equality, enriching decision-making perspectives at the highest levels. Celebrating this milestone reflects our dedication to building a more inclusive and effective board aligned with sustainability and governance principles for the benefit of stakeholders and **Boursa Kuwait’s** sustainable future.

### Independent Members



### Board Diversity



## Industry Accolades



### Outstanding Financial Leadership in Sustaining Communities

**Boursa Kuwait** won the "Outstanding Financial Leadership in Sustaining Communities" award for 2023, which was presented by Global Finance

### Outstanding Leadership in Sustainability Transparency

**Boursa Kuwait** won the "Outstanding Leadership in Sustainability Transparency" award for 2023, which was presented by Global Finance

### Best Sustainable Corporate Governance - Kuwait

**Boursa Kuwait** won the "Best Sustainable Corporate Governance" award for 2023, presented by The European Magazine

### Outstanding Contribution to Financial Inclusion in the GCC

**Boursa Kuwait** was awarded for its "Outstanding Contribution to Financial Inclusion in the GCC" by CFI Magazine

### Best Capital Market ESG Strategy

**Boursa Kuwait** won the award for "Best Capital Market ESG Strategy" presented by CFI Magazine



# Financial and Market Highlights

Boursa Kuwait continued to create sustainable value for its stakeholders, sustain its operations, and contribute towards the communities in which we operate.

## Economic value generated (KD)

Based on Consolidated Financial Statements for the  
Year Ended 31 December 2023

### Total Operating Revenues

30,681,996

### Total Non-Operating Revenues

4,430,172

### Net Profit

Attributable to Equity holders  
of the Parent Company

15,797,881

## Economic value distributed (KD)

### Total Operating Expenses

(12,409,306)

within which:

Contribution towards community investments

(46,616)

Contribution to :



Kuwait Foundation for Advancement of  
Sciences (KFAS)

(88,695)



Zakat

(109,070)



National Labor Support Tax (NLST)

(428,793)

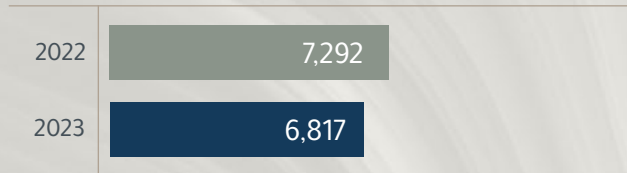
Declared dividends

14,857,406

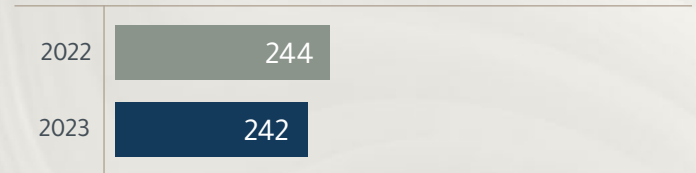
# General Market Statistics

Boursa Kuwait displayed notable resilience in 2023, a year characterized by stock market volatility and challenging economic conditions all around the world. We continued to engage with all our stakeholders, existing and new, unlocking new opportunities for sustainable growth.

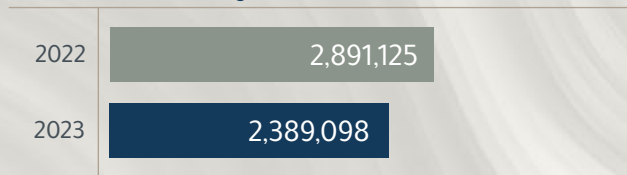
## All-Share Index Change ↓ 6.51%



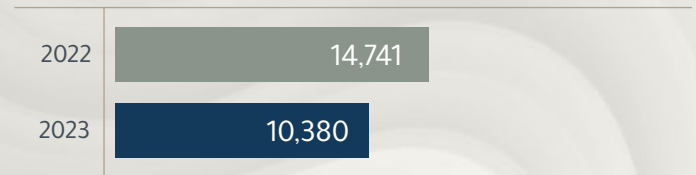
## Number of Trading Days Change ↓ 0.82%



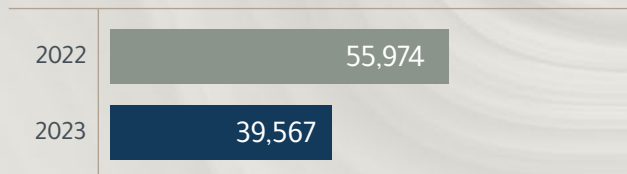
## Number of Trades (includes Tradable Rights Issue) Change ↓ 17.36%



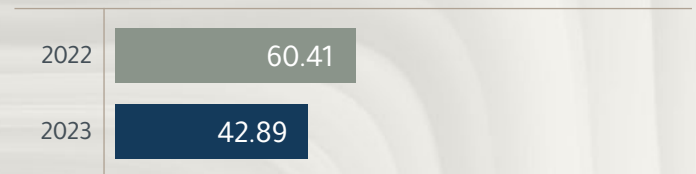
## Value of Traded Shares (KD million) Change ↓ 29.58%



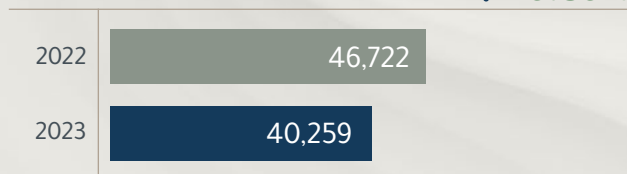
## Volume of Traded Shares (million) Change ↓ 29.31%



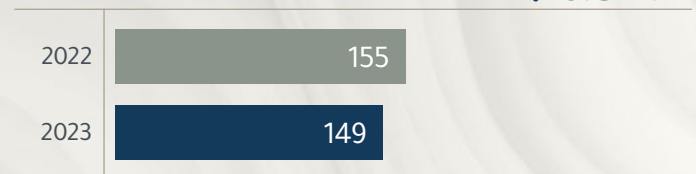
## Average Daily Traded Value (KD million) Change ↓ 29.00%



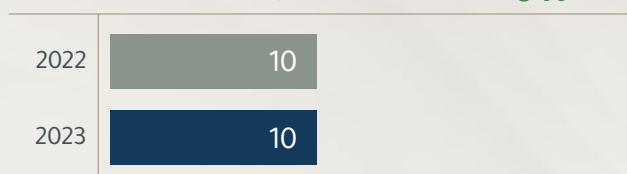
## Market Capitalization (KD million) Change ↓ 13.83%



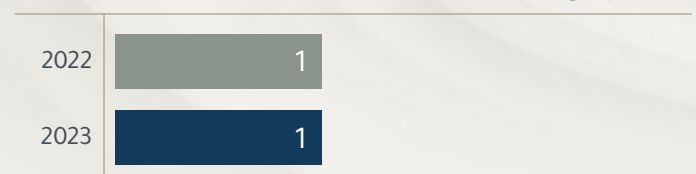
## Number of Listed Companies Change ↓ 3.87%



## Number of Brokerage Companies Change 0%



## REIT Change 0%



# Profile and History

**Boursa Kuwait** is the national stock market of the State of Kuwait. The company has been a key driver in the development of the Kuwaiti capital market and the diversification of the national economy in line with the goals of the country's vision to transform into a cultural, financial and investment hub in the region.

Since its establishment, **Boursa Kuwait** has succeeded in delivering significant progress to the Kuwaiti capital market through engagement, growth and innovation while continually supporting regulators, issuers, investors and various key stakeholders. It has successfully guided the reclassification of the Kuwaiti capital market to "Emerging Market" status in the world's top three indices, strengthening the country's position as a leading financial center in the region.

The company acts with strategic purpose and focus to develop the market in line with international standards and has earned a reputation for continuous improvement by introducing investment tools and products, reinforcing transparency, and restructuring the market to increase its competitiveness and liquidity.

**Boursa Kuwait** also serves as a catalyst and trailblazer for Kuwait's privatization drive. The company was among the first Kuwaiti government entities to successfully undergo privatization, which it accomplished in 2019 over two phases.

A consortium of Kuwaiti investment companies and an international exchange won the bidding for a purchase of 44% of the company's shares in February, while the second phase took place in October of the same year when 50% of the company's shares was offered to Kuwaiti citizens in an initial public offering, which saw an oversubscription rate of 850%. The remaining six percent is owned by the Public Institute for Social Security (PIFSS).

**Boursa Kuwait** is also the one of the first stock exchanges in the Middle East to go public, self-listing on the "Premier" Market in September 2020.

## Vision



To develop a strong and efficient financial market with liquidity and transparency that can effectively put issuers and investors in touch with one another for investment opportunities and high returns on investment in creating a developed capital market that is a pioneer in the region.

## Mission



To develop an effective and fair platform for trading with high transparency, one that is able to provide financial and investment services efficiently for all, with a focus on excellence in each service we provide.

## Core Values

### Professionalism

We adhere to widely accepted, proven international standards in our work. We deal with our customers, colleagues, and all stakeholders in an utmost professional manner.

### Accountability

We take responsibility for our performance in the eyes of all, ready to be held accountable for our individual actions and to receive commensurate rewards for our hard work and achievements.

### Client Impact

We are results-oriented and strive to make a difference. We create sustainable impact with our work in our industry and communities, while delivering on our sustainability commitments.

### Prudence

We continuously strive to achieve sustainable profits and returns for everyone and are committed to taking prudent steps, stemming from our understanding of the risk factors that our organization and our clients are exposed to. Our diligence in managing these factors mitigates risks.





# Memberships



United Nations Sustainable Stock Exchanges (SSE) Initiative



The Arab Federation of Capital Markets - AFCM



International Organization of Securities Commissions (OICV - IOSCO)



World Federation of Exchanges (WFE)



Financial Information Services Association of SIIA (FISD)



International Capital Market Association (ICMA)



# Our History

## Boursa Kuwait's Transformational Journey from the 18<sup>th</sup> Century to Present

Kuwait boasts a rich trade history that dates back to the 18<sup>th</sup> century, establishing itself as a pivotal route from the Arabian Gulf to Aleppo and a key hub for Indian trade routes. The nation's shipbuilding prowess in the Indian Ocean became renowned, with Kuwaiti merchants even venturing to Mumbai to source materials for boat construction.

In 1911, this maritime legacy led to the founding of Arab Steamers Limited, the region's first company issuing shares. Stock trading then gained traction in the 1950s, with significant developments occurring in the early 21<sup>st</sup> century, including the establishment of the Capital Markets Authority in 2010, which focused on regulating securities activities and promoting transparency, efficiency and fair trade.

One of the key decisions made by the CMA in its nascent years was the formation of **Boursa Kuwait** in 2014 as a private company tasked with taking over market operations and replacing Kuwait Stock Exchange, all in an effort to develop and enhance the Kuwaiti capital market to international standards. The company was able to initiate reforms, adopt best-in-class practices and entice investors from all over the world to invest in the market.

**Boursa Kuwait** was established with a clear mandate to streamline processes and develop products and services, restructure the market to increase its competitiveness and ensure that the Kuwaiti capital market is able to attract international institutional investors, in line with the State of Kuwait's vision and the National Development Plan and as part of the nation's efforts to transform into a cultural, financial and investment hub in the region.

The company was also able to transform itself from a government entity into a private organization quite seamlessly. In a groundbreaking move, a consortium acquired 44% of CMA's shares in 2019, and subsequently, an IPO in October of the same year witnessed a remarkable 850% oversubscription, making it one of the region's most successful IPOs. **Boursa Kuwait** then triumphantly listed its shares on the "Premier" Market in September 2020.

Collaborating with the CMA and Kuwait Clearing Company, **Boursa Kuwait's** efforts contributed to Kuwait's reclassification as an "Emerging Market" by the world's leading index providers, a journey that reflects a compelling narrative of transformation, innovation, and success in Kuwait's financial landscape.

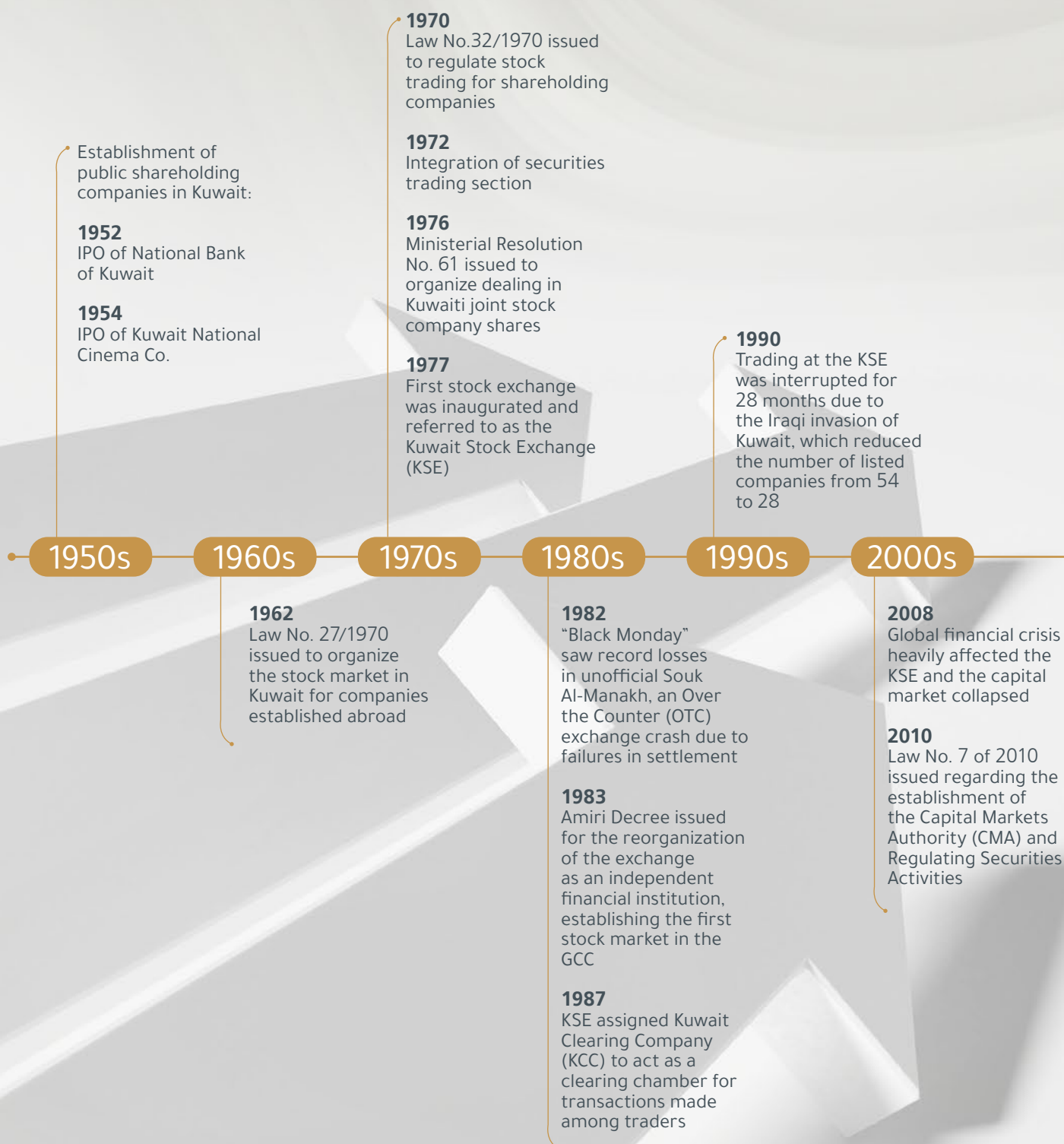






# Our History (Continued)

## Kuwait's capital market history 1950s to 2010





# Boursa Kuwait history From establishment to 2022

## 2014

Establishment of Boursa Kuwait, marking the first step in privatizing Kuwait's stock exchange

## 2015

Boursa Kuwait's Board of Directors approved the transitional strategy

## 2016

- Boursa Kuwait formally assumed responsibility for Kuwait's stock exchange operations
- CMA awarded the exchange license to Boursa Kuwait, enabling independent operation of the exchange
- Web-based Company Information Portal (CIP) was launched for timely disclosures in a streamlined manner
- Boursa Kuwait, KCC and CMA created the Tri-Lateral Taskforce for the development of Kuwait's capital market

## 2017

- Trading efficiency's MD1 launched, covering:
  - Tick size
  - T+3 settlement cycle
  - Corporate actions
  - Static price limit
- Full trading rulebook published
- FTSE Russell announced the reclassification of Kuwait to "Emerging Market"

## 2018

- Updated rulebook published
- MD 2 launched, covering:
  - Market segmentation
  - Listing rules
  - Analyst conferences
  - Bilingual disclosures
  - Market cap indices
  - Dynamic circuit breakers
  - Index circuit breakers
- Boursa Academy launched to promote financial literacy
- OTC platform established
- S&P DJI announced reclassification of Kuwait to "Emerging Market"

## 2019

- Updated rulebook published
- MD 3.1 launched, covering:
  - Trade-at-last
  - Closing auction order
  - Off-market trades automation
  - Short selling & SLB
  - Intentional crossing
  - Tender offers
  - Security swaps
  - REITs
- MSCI announced conditional reclassification of Kuwait to "Emerging Market"
- Partial privatization (Consortium won a tender to acquire 44% and PIFSS 6%)
- 50% IPO subscription

## 2010s

## 2020s

## 2020

- BK Main 50 launched
- Acquisition of additional 16.67% of KCC
- Boursa Kuwait listed on the "Premier" Market
- Kuwait's inclusion into MSCI Emerging Markets Indices
- First REIT listed on Boursa Kuwait
- New Boursa Kuwait website and apps launched

## 2021

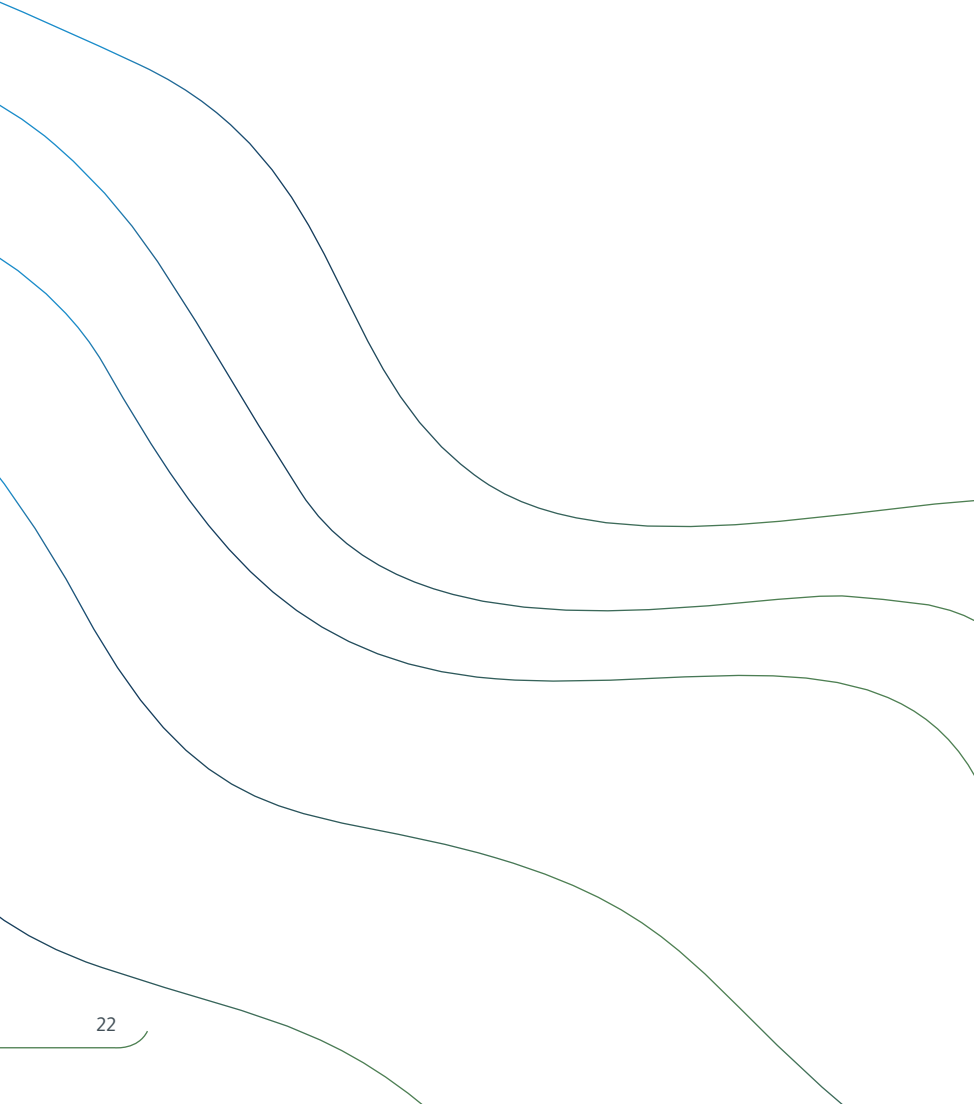
- Introduction of Tradable Rights Issues
- Launch of ESG Disclosure Guide

## 2022

- Inauguration of the Nasser Al-Kharafi/Jassim Al-Bahar Trading Hall

# 02 Our Sustainability Approach

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# Our Sustainability Approach

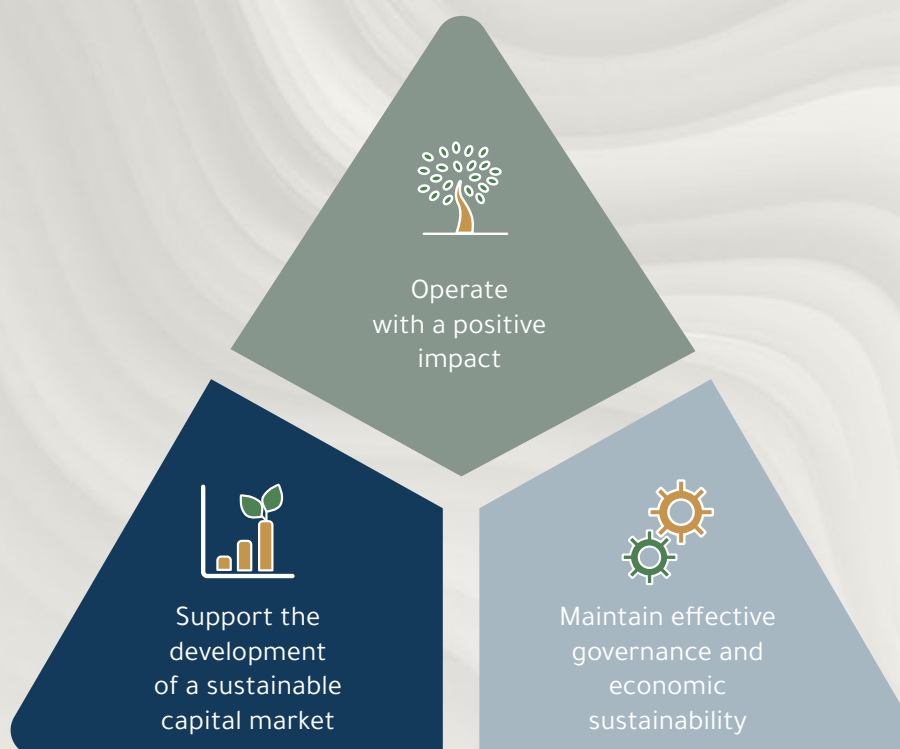
We recognize our pivotal role in advancing responsible and sustainable investment practices in Kuwait and on the global stage. Our strategy revolves around our core roles: as an Exchange and as a company. Through these roles, we are committed to fostering a financial ecosystem that integrates Environmental, Social, and Governance (ESG) considerations into our operations.

As an exchange: Our approach as a market infrastructure is to guide our listed companies and investors on the importance of incorporating sustainability matters into investment considerations and provisions of products and services. Our approach is influenced by market needs.

We are conscious of the developments taking place globally and locally in relation to sustainability disclosure and reporting. Our approach is to support our issuers with their ESG reporting and disclosures by providing guidance and recommendations.

As a company: To lead by example in enhancing and maintaining our ESG performance by committing to high governance standards, positively impacting the society and the environment and maintaining financial sustainability.

**Boursa Kuwait's** ESG strategy articulates our commitment to lead the development of a sustainable capital market in line with the "Kuwait Vision" and the Paris Agreement's goals of supporting action on climate change. We believe ESG factors are essential to creating long-term value for our stakeholders. Our strategy reflects our understanding of global sustainability trends and contexts and aligns with our overall strategic plan, focusing on three main priorities:



ESG strategy priorities



# Driving sustainable progress

Boursa Kuwait maintained our focus and proactive approach to drive strategic sustainability progress in line with the United Nations SDGs and our Corporate Sustainability pillars - Community and Environment - while leveraging our resources, reputation, and relationships to support all our valued stakeholders throughout the year.

Corporate Sustainability is engrained in our corporate culture and the foundation of **Boursa Kuwait's** long-term success. Our Corporate Sustainability program is designed and faithfully implemented to achieve our business objectives, support our stakeholders and contribute to the development of the Kuwaiti economy. Aligned with the United Nations SDGs, the 2030 Agenda for Sustainable Development and the "New Kuwait 2035" vision's goals to elevate Kuwait's Global Positioning, Creative Human Capital, Effective Civil Service and Sustainable Diversified Economy, our commitment to Corporate Sustainability ensures that we continue to make important contributions across our two core pillars of Community and Environment to position our business and our nation for strong and sustainable growth.

At every level of our organization - from our Board of Directors and Executive Management to each of our dedicated employees - we remain committed to fulfilling our promises by building momentum across our diverse efforts and achievements in order to fulfill our Corporate Sustainability objectives and achieve our shared vision.

**Boursa Kuwait** made a formal commitment to drive Corporate Sustainability in financial markets by becoming a member of the United Nations-led Sustainable Stock Exchanges Initiative (SSE), which is a platform for the exchanges of experience and knowledge that helps broaden the collaborations between exchanges and all market participants. This step helped increase transparency among companies and improving performance in ESG endeavors, as well as encouraging sustainable investments.

## Corporate Sustainability Vision

"To be responsible and committed to the sustainable development of **Boursa Kuwait** and the communities in which we operate, by ensuring a positive contribution in the areas of Community and Environment, and to promote the adoption of socially impactful and accountable practices throughout our stakeholder community."



## Corporate Sustainability Objectives

- Raise the profile of Boursa Kuwait as a socially responsible organization that works to create sustainable operations and support the surrounding community.
- Strengthen Boursa Kuwait's presence and position on local and regional fronts through strategic collaborations that support sustainability.
- Generate positive media exposure across local, regional and international media.



## Corporate Sustainability Strategy

To ensure that all our Corporate Sustainability initiatives and actions are designed and delivered in alignment with the exchange's business and sustainability objectives, we have a three-phased "Align, Create and Integrate" approach to Corporate Sustainability that is measured and tracked to allow for continuous improvement and measurable Return on Investment (ROI) for our company and stakeholders.



**Align** our Corporate Sustainability efforts and initiatives with our business strategy and purpose, ensuring coordination with corporate governance, industry best practices and investors' expectations, to support sustainable success on all levels.

**Create** strong and sustainable partnerships that allow us to leverage the valuable capabilities, strengths and experience of other companies and organizations, in order to help deliver long-term impact.

**Integrate** our Corporate Sustainability programs and activities with our corporate culture to create sustained engagement with our workforce and instill a sustainability focus across our day-to-day operations.

# Driving sustainable progress (Continued)

## Our strategic pillars

The two core pillars of Boursa Kuwait's Corporate Sustainability strategy - Community and Environment - focus our initiatives and activities to have short-term impact while seeking to ensure long-term value creation for our diverse stakeholder community.

### Community



Supporting and serving the communities and people across Kuwait is a responsibility that **Boursa Kuwait** takes very seriously. We seek to be a force for good for all our stakeholders, both external and internal, by actively giving back and driving positive impact through an ongoing and diverse range of community and social impact initiatives.

Many of these initiatives will be in the field of education and financial literacy, which play an essential role in delivering economic and social prosperity and development. As such, they have been a key focus of **Boursa Kuwait's** journey since establishment, and catalysts to elevate the overall status and positioning of the exchange on the local, regional and international stage.

The company aims to ensure that all our stakeholders are fully equipped with the knowledge and skills to contribute to and benefit from the nation's exchange, and is committed to enhancing financial literacy, promoting best practices and driving positive behavioral change through a diverse range of in-person and virtual training and knowledge development programs and initiatives.

Additionally, **Boursa Kuwait** works to deeply engage our stakeholders by championing initiatives and campaigns through the '**Boursa Kuwait** Cares' program which helps foster a true sense of belonging and care. The company also supports long-term community initiatives through strategic partnerships, promoting employee volunteering and applying our resources in support of worthy causes.

### Environment



Safeguarding our natural environment is a priority for **Boursa Kuwait** and our employees. Although we do not operate in an environmentally sensitive business, we recognize that our operations have an impact on the environment and acknowledge that addressing environmental issues is a collective responsibility shared by every member of the community.

We are committed to minimizing our environmental footprint and continually improving our environmental management practices to reduce our consumption of energy and other resources, while also promoting recycling across our operations and encouraging our employees to adopt environmentally responsible behaviors.



# Stakeholder Engagement

Boursa Kuwait acknowledges the significance of maintaining continuous engagement throughout the year as it adopts an inclusive approach that takes into account the needs and interests of the company's material stakeholders. This dynamic method aligns with Boursa Kuwait's overarching responsibility to serve the best interests of the company. Boursa Kuwait recognizes that transparent interaction with stakeholders builds trust and allows the company to meet their expectations regarding its operational trajectory.

The company employs various platforms and channels to actively involve its stakeholders and seek their feedback in order to ensure that their insights are carefully considered and that the company's decisions ultimately serve their best interests.

**Boursa Kuwait** identified specific stakeholders who play integral roles in its business within the broader ecosystem. **Boursa Kuwait** naturally interacts with each of these stakeholders, and the table below outlines how the exchange has engaged with them and worked to understand their perspectives:

## Employees

### Key Stakeholders

**Boursa Kuwait** bases its approach to employee engagement on key objectives that cater to the diverse needs of its workforce, aiming to safeguard their well-being and satisfaction.

- Aligning the internal culture with the company's core values.
- Promoting transparent and open communication.
- Fostering social connectivity and a feeling of belonging.
- Fostering a culture of recognition.



### Engagement Methods

- One-on-one and group meetings
- Focus group discussions
- Employee surveys
- Employee recognition program
- Workshops, trainings, and seminars
- Corporate events
- Review meetings
- Performance management system
- Boursa Kuwait intranet platform
- Engagements through emails, phone calls, or other means
- 



### Interests and Concerns

- Establishing channels to actively involve Boursa Kuwait staff, ensuring they are well-informed about the latest advancements within the organization, the subsidiaries, and the Kuwaiti capital market.





# Regulatory Bodies

## Key Stakeholders

**Boursa Kuwait** adheres to the laws, regulations, and directives established by the Capital Markets Authority (CMA), the Ministry of Commerce and Industry, and other pertinent regulatory entities.

It is committed to fostering and sustaining positive relationships with all regulatory authorities and collaborates with the CMA and other regulatory bodies during inspection processes, underscoring the company's dedication to transparency and cooperation in regulatory matters.



## Engagement Methods

- Briefings, Engagements, and consultative sessions
- Meetings and discussions
- Jointly organized events and working groups.
- Reports on capital market developments and compliance with statutory obligations.
- Involvement in government-related committees and working groups, such as the Market Development Trilateral Committee.
- Engagements through emails, phone calls, or other means



## Interests and Concerns

- Market developments
- Corporate governance
- Regulatory policies and practices
- Response to crises as per regulatory instructions



# Stakeholder Engagement (Continued)

## Issuers

### Key Stakeholders

**Boursa Kuwait** is dedicated to delivering superior services and products to its issuers while actively engaging with their feedback and concerns, as they play a pivotal role in our market. Issuers include listed companies, investment funds, and Real Estate Investment Traded Funds (REITs) as well as potential offerings like Exchange Traded Funds (ETFs) and government debt instruments (Sukuk and bonds). They adhere to the regulatory requirements set forth by **Boursa Kuwait** and the Capital Markets Authority (CMA) to secure listing approval.



### Engagement Methods

- Exchange rules
- Corporate Days and seminars
- Relationship managers
- Meetings
- Public / industry consultations
- Focus group sessions / dialogues
- Engagements with Boursa Kuwait through the CIP disclosure system
- Engagements through emails, phone calls, surveys or other means
- Circulars / directives
- Training programmes and workshops
- Enquiries via Listing Advisory
- Site visits
- Our websites



### Interests and Concerns

- Listing Policies and Practices
- Enhancing Liquidity and Market Capitalization
- Facilitating access through disclosure and announcement system
- Suggesting policies to increase operational efficiency
- Publishing a guide that addresses sustainability matters



# Intermediaries

(Including brokers, clearing participants, authorised direct members and authorised depository agents)

## Key Stakeholders

Ensuring investor protection, market orderliness, and strengthening the resilience of our business depends significantly on the responsible conduct of intermediaries.



Additionally, **Boursa Kuwait** collaborates closely with Kuwait Clearing Company (KCC) to develop the Kuwaiti capital market.

## Engagement Methods

- Direct engagement through automated systems
- Direct engagements to provide updates
- Invitations to provide feedback on initiatives
- Non-deal roadshows with Kuwait Clearing Company (KCC)
- Collaboration to upgrade infrastructure and systems to accommodate Boursa Kuwait products and services
- Testing protocols on current and upcoming products and services
- Training programmes and workshops
- Site visits
- Networking and related events
- Engagements through emails, phone calls, surveys
- Circulars / directives
- Boursa Kuwait website



## Interests and Concerns

- Initiatives for the development of the market, including suggesting amendments to regulatory policies and the rulebook.
- Product development and offerings from Boursa Kuwait.
- Clear explanations of obligations or the application of business rules.
- Suggesting amendments to regulatory policies as needed
- Operational concerns, including participant conduct, trading, supervision, and market surveillance.
- Facilitating access to the market
- Programmes focused on education, training, and awareness.
- Improvements to risk management practices within clearing houses.
- Industry-wide testing for business continuity to assess the readiness of both Boursa Kuwait and market participants to resume operations.
- Drill exercises to simulate defaults and test the effectiveness of default management procedures and brokers' readiness.
- Addressing complaints and feedback.





# Stakeholder Engagement (Continued)

## Investors

### Key Stakeholders

**Boursa Kuwait's** investor base comprises investment banks, institutional investors, retail investors, and traders. Investors in the Kuwaiti capital market engage in buying and selling securities. Confidence in the market is crucial for promoting investment, and **Boursa Kuwait** plays a vital role in fostering this confidence. The exchange facilitates this by providing comprehensive information and ensuring fair, ethical, transparent, and efficient market operations.



### Engagement Methods

- Meetings and direct engagements to provide updates
- Public consultations
- Focus group sessions / dialogues
- Engagements through emails, phone calls, surveys or other means
- Local and overseas conferences
- Advocacy programmes and workshops
- Promotional Corporate Days / Roadshows
- Seminars, workshops and webinars
- Boursa Kuwait's various digital touchpoints (websites, mobile apps)
- Social media platforms (e.g. X, LinkedIn, Instagram, YouTube)



### Interests and Concerns

- Boursa Kuwait's market development strategies, plans and challenges.
- Overview of Boursa Kuwait's diverse range of products and services.
- Assessment of the performance of Publicly Listed Companies, both financially and non-financially.
- Providing companies' material information in a timely and accurate manner
- Analysis of the level of interest in and demand for Boursa Kuwait's upcoming market initiatives and product offerings.
- Insights into Kuwait's economic landscape and the capital market regulatory policies and recent rule changes shaping the market.
- Focus on sustainable investing.
- Consideration of other important matters, including customer service standards and complaint resolutions.
- Facilitating access to the market



# Shareholders and Analysts

## Key Stakeholders

**Boursa Kuwait** is committed to consistently communicating with its shareholders, who are an essential part of the company's success and strategic goals. The company places effective communication with them as a high priority, striving to keep them informed and engaged throughout the year in an effort to maintain their trust in its operations and performance.



The company consistently seeks feedback from its shareholders regarding its performance and strategies, and approach that extends to its Investor Relations Department, which plays a pivotal role in maintaining continuous and personalized communication with both current and prospective investors. The department serves as a dedicated point of contact, addressing inquiries, providing information, and ensuring that investors' needs are met in a timely and comprehensive manner. In addition, as part of **Boursa Kuwait's** corporate governance framework, a shareholder protection policy has been developed in accordance with the relevant laws and regulations, in order to ensure effective communication with shareholders to identify their views on various matters pertaining to **Boursa Kuwait**.

## Engagement Methods

- Annual Reports
- Sustainability Reports
- Annual General Meetings
- Quarterly analyst conferences and transcripts
- Investor presentations
- Corporate Days / Roadshows
- Media briefings
- Meetings and direct engagements to provide updates
- Engagements through emails, phone calls, surveys or other means with the Investor Relations Department
- Disclosures
- Boursa Kuwait's various digital touchpoints (websites, mobile apps)
- Social media platforms (e.g. X, LinkedIn, Instagram, YouTube)



## Interests and Concerns

- The right to vote
- Providing information about organizational performance, including financial performance, corporate strategy and growth initiatives
- Management and distribution of capital
- Operating landscape assessment
- Right to voice concerns to Board of Directors regarding their duties
- Strategy for sustainability
- Strong and robust corporate governance framework



# Stakeholder Engagement (Continued)

## Community Groups

(including non-profit organisations (NGOs) which are beneficiaries of our community initiatives)

### Key Stakeholders

The community where **Boursa Kuwait** operates stands as the primary beneficiary of its endeavours.



The economic impact stemming from stock market activities eventually extends its benefits to the community. This commitment to the well-being of the community underscores the bourse's dedication to corporate social responsibility (CSR), ensuring that the positive outcomes of the economic activities contribute to broader societal welfare.

### Engagement Methods

- University and school tours and visits
- Engagements through emails, phone calls
- Seminars, workshops and webinars
- Media coverage
- Conferences and speaking engagements
- Boursa Kuwait's various digital touchpoints (websites, mobile apps including Boursa Academy)
- Social media platforms (e.g. X, LinkedIn, Instagram, YouTube)



### Interests and Concerns

- Educational opportunities via Boursa Academy (Boursa Kuwait financial literacy website and market simulator)
- Engagement in Corporate Social Responsibility initiatives
- Partnerships for events and collaborative initiatives
- Progress and impact of community programs





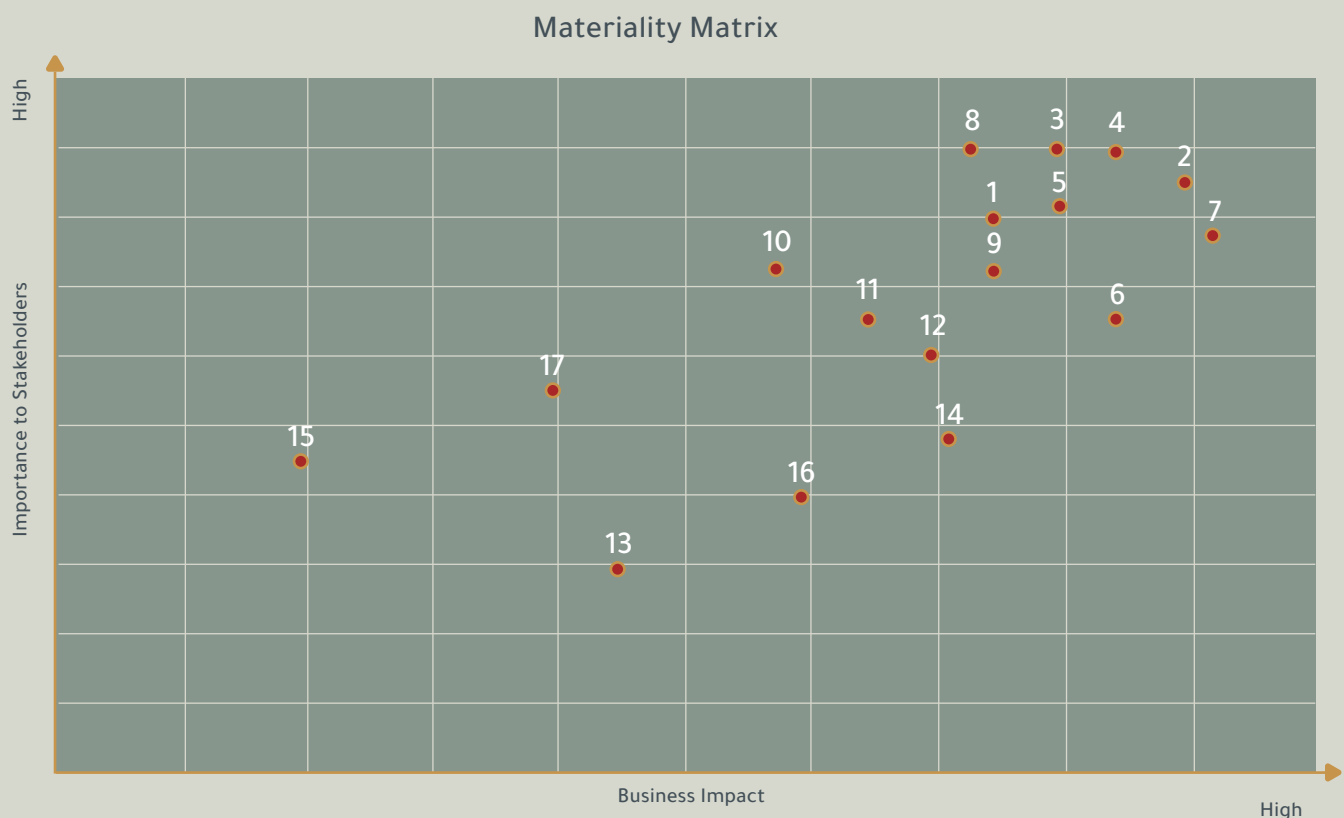


# Materiality Assessment

Boursa Kuwait maintains ongoing dialogues with our stakeholder groups. As part of our overall stakeholders' engagement approach, we have developed a materiality assessment to better understand how our stakeholders prioritize the ESG topics that underpinned our ESG approach. We took inputs from our internal and external stakeholders through a survey and the materiality matrix shows the result of the assessment. Our materiality assessment is in accordance with the principles developed by the GRI Standards. This assessment provides the foundation of our ESG strategy and ensures that we address the issues of most relevance to all our stakeholders.

To identify the most significant ESG issues affecting **Boursa Kuwait**, we conducted a materiality assessment review. This review incorporated new ESG topics into the analysis while also integrating previously assessed issues from 2022. Our approach also considered the relevant issues outlined by the Sustainability Accounting Standards Board (SASB) Security and Commodity Exchanges guidelines.

We developed our materiality assessment to better understand how our stakeholders prioritize ESG topics by taking inputs from our internal and external stakeholders (investors) through a survey, which the materiality matrix shows the results of. This assessment provides a baseline of our ESG strategy and ensures that we address the issues of most relevance to all our stakeholders.



Material Topic	
1	Promoting Transparent and Efficient Capital Markets
2	Business Continuity and Technology Risks
3	Managing Conflicts of Interest
4	Corporate Governance and Compliance
5	Business Ethics
6	Risk Management
7	Data Privacy and Security
8	Sustainable Economic Growth
9	Market Education and Financial Awareness
10	Talent Attraction, Engagement and Retention
11	Training and Capacity Building
12	Kuwaitization
13	Diversity and Inclusion
14	Workplace Health, Safety and Wellbeing
15	Community Engagement
16	Responsible Procurement Practices
17	Environmental Impact Management and GHG Emissions

## United Nations' Sustainable Development Goals (SDGs)

The Sustainable Development Goals or Global Goals are a collection of seventeen (17) interlinked objectives designed to serve as a “shared blueprint for peace and prosperity for the people and the planet, now and into the future”. **Boursa Kuwait** aligns its sustainable directions with the United Nations' SDGs and has considered where it makes a direct or indirect impact. To that end, we have chosen the most relevant goals for our sustainability approach and direction, outlined below:



Ensure healthy lives and promote well-being for all at all ages



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Take urgent action to combat climate change and its impacts



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development



# 03 Our Environmental, Social and Governance Performance

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# Governance

Robust corporate governance forms the foundation of our sustainable economic growth, building stakeholders' confidence and strengthening the financial market. Our corporate governance is based on accountability and responsibility. The Board of Directors is responsible for steering our ESG objectives in an ethical and transparent manner to ensure long-term performance and sustainability.

Corporate Governance implementation has been consistent with the strategic vision of **Boursa Kuwait**, which aims at developing the Kuwaiti capital market and protecting the interests of relevant parties, particularly investors, shareholders, and listed and licensed companies.

**Boursa Kuwait** believes that compliance with the highest standards of corporate governance is essential to sustain business at any establishment. This belief has been deeply rooted since the company was founded to ensure fairness, objectivity, and transparency to protect the interests of shareholders and investors.





## The Board of Directors

The Board of Directors (Board) is responsible for setting the strategic direction of the company and maintaining an effective governance framework that serves the interests of the stakeholders while safeguarding the company's assets, in addition to overseeing the company's day-to-day business activities. The Board is responsible for the promotion of ethics and transparency to raise the confidence of investors in the capital market, protecting stakeholders' rights, and monitoring the design and implementation of vital policies and procedures, and overseeing the performance of management through clear key performance indicators and management reporting packs while ensuring that management maintains a system of internal controls assuring effective and efficient operations, internal financial controls, and compliance with laws and regulations.

**Boursa Kuwait's** Board of Directors is characterized by a solid structure in line with the nature and activities of the company. The composition of the Board is diverse in expertise and qualifications as Board members possess in-depth knowledge of capital markets, including legal and legislative knowledge, corporate governance, internal control, risk management, financial and economic management as well as aspects of strategic planning.

**Boursa Kuwait's** Board Audit Committee and Board Corporate Governance Committee were restructured on 13/07/2023 post summoning the reserve independent member Ms. Dalal Jaffar Bahbahani, to replace the resigned independent board member Mr. Faleh Abdullah Al-Rogobah.

## Board Members

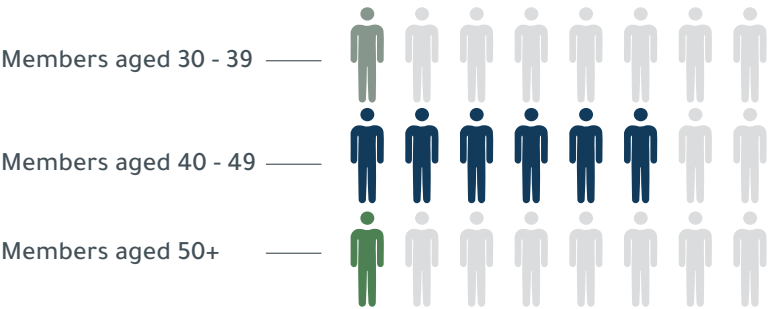
Name	Position	Non-executive/ Independent Member	Educational Qualification	Date of Election/ Appointment of Secretary
<b>Mr. Hamad Mishari Al-Humaidhi</b>	Chairman of the Board	Non-executive	BSc.	24/03/2022
<b>Mr. Bader Abdullah Al-Kandari</b>	Vice Chairman of the Board	Non-executive	MSc.	24/03/2022
<b>Mr. Bader Nasser Al-Kharafi</b>	Member of the Board	Non-executive	MSc.	24/03/2022
<b>Mr. Talal Jassim Al-Bahar</b>	Member of the Board	Non-executive	BSc.	24/03/2022
<b>Mr. Khaled Waleed Al-Falah</b>	Member of the Board	Non-executive	BSc.	24/03/2022
<b>Mrs. Dalal Jaffar Behbahani</b>	Member of the Board	Independent	MSc	13/7/2023
<b>Mr. Raed Jawad Bukhamseen</b>	Member of the Board	Independent	BSc.	24/03/2022
<b>Mr. Yousef Faisal Al-Mannai</b>	Member of the Board	Non-executive	MSc.	24/03/2022
<b>*Mr. Faleh Abdullah Al-Rogobah</b>	Member of the Board	Independent	MSc.	24/03/2022
<b>Mr. Diaa Saleh Al-Khars</b>	Secretary of the Board		BSc.	14/12/2014

\*Resigned on 19/06/2023.

# Governance (Continued)

## Board Independence and Diversity

According to the Capital Markets Authority’s Executive Bylaws, at least 20% of the members of the Board of Directors must be independent members. The company’s independent members constitute 25% of the Board.



**Boursa Kuwait** currently has one woman on its Board, which represents 12.5% of the total Board membership.

## Experience Diversity

  
Government Bodies

  
Banking

  
Investments

  
Telecom

  
Industrial



## FY2023 Board of Directors Responsibilities and Achievements

### Strategy & Business Planning

- Developed the strategy and approved the business plan and the annual budget.
- Approved the products and services initiatives developed by the Company in light of the approved plan.
- Approved the updated trading rulebook covering the new products released in line with the Market Development Plan.
- Approved the three-year budget.
- Supervised the Bursa Kuwait building renovation plan based on the Company's approved vision and strategy.
- Assessed market needs and ensured that the local market standards are aligned with international best practices.
- Oversaw implementation of the Company's plan to reduce the operational costs along with diversifying and increasing the sources of income.
- proposed distribution of profits for the fiscal year

### Governance and Internal Controls

- Approved the re-formation of the Board Committees.
- Reviewed the Company's financial performance.
- Approved the Company's interim and annual financial statements.
- Monitored the Executive Management team's performance and ensured their execution of all delegated responsibilities.
- Oversaw the internal control systems via reviewing the supervisory functions' reports (Internal Audit Department, Risk Department, and the Regulatory Compliance & Corporate Governance Department).
- Reviewed the Integrated Report.
- Oversaw the implementation of the Corporate Governance framework.
- Oversaw the duties of and ratified the recommendations raised by the Board of Directors' Committees.
- Approved the updated manuals and charters.
- Approved the updated organizational structure.
- Approved the draft agenda and the contents of the Ordinary General Assembly meetings.
- Approved the Audit Committee's recommendation regarding the appointment of the external auditor prior to presenting it before the General Assembly for ratification.

### Appraisal and Remuneration

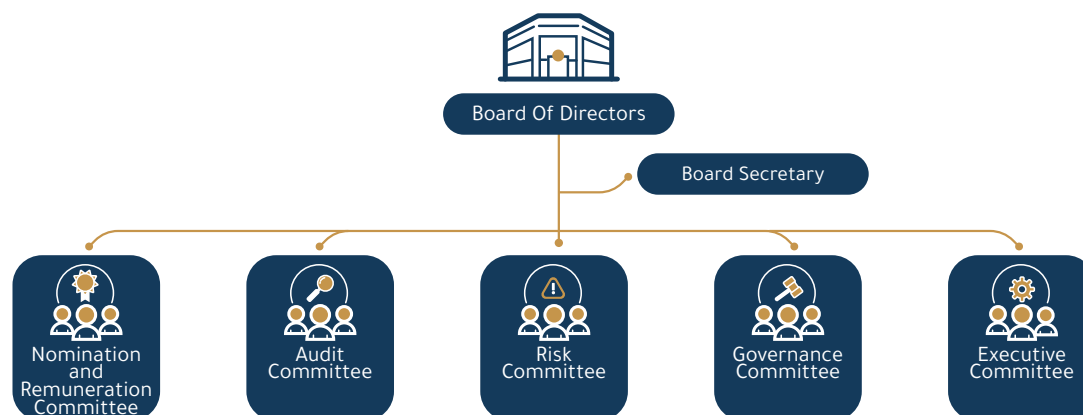
- Reviewed the Board of Directors' performance evaluation.
- Reviewed the Executive Management's general performance report.
- Approved the Executive Management and employees' remuneration.
- Approved the Board of Directors' remuneration recommended by the Nomination and Remuneration Committee prior to presenting it before the General Assembly for ratification.



# Governance (Continued)

## Board of Directors' Committees

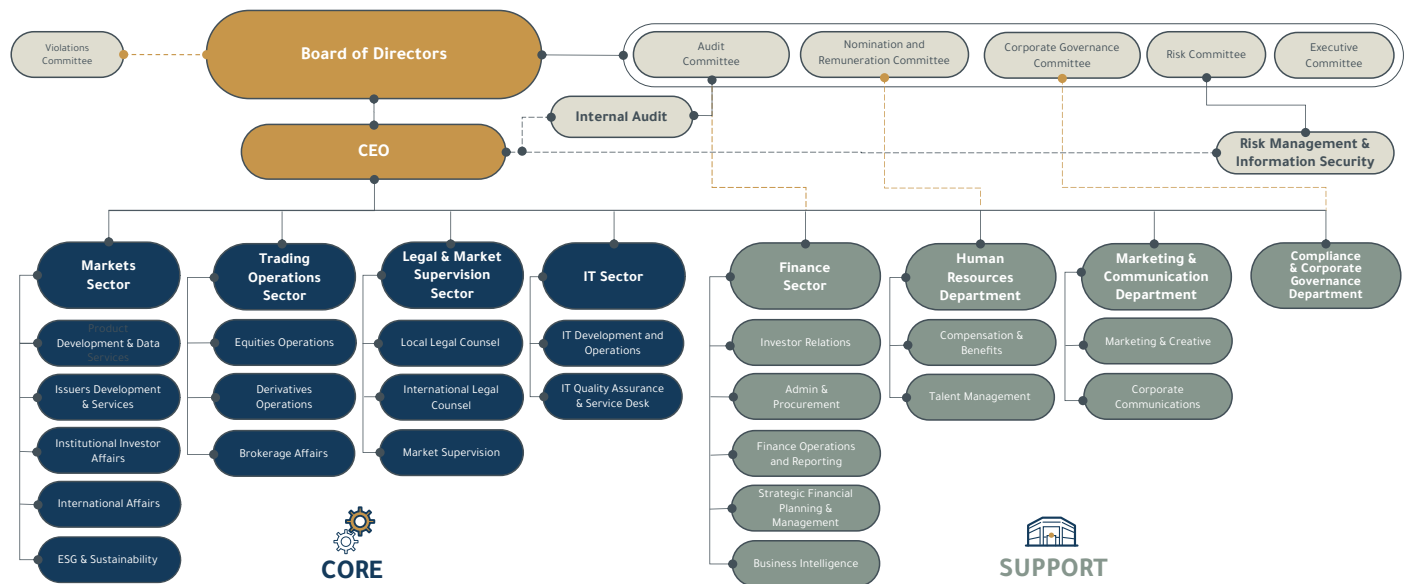
Within the framework of the Board's evolving role with respect to supervision, strategic planning, governance, risk management and controls of **Boursa Kuwait**, the following committees have emanated from the Board of Directors, to support the Board with the functions and responsibilities entrusted thereto.



Committees	Functions	Members
<b>Corporate Governance Committee</b>	<ul style="list-style-type: none"> <li>Ensure that the company adheres to strict compliance and application of a proper governance system.</li> <li>Support the Board of Directors and its Committees to oversee the development of the governance system in accordance with the Capital Markets Authority's instructions and leading practices.</li> </ul>	<b>Mr. Hamad Mishari Al-Humaidhi</b> (Committee Chairman) <b>Mr. Bader Abdullah Al-Kandari</b> (Non-Executive) <b>Mr. Yousef Faisal Al-Mannai</b> (Non-Executive) <b>Mrs. Dalal Jaffar Behbahani</b> (Independent)
<b>Executive Committee</b>	<ul style="list-style-type: none"> <li>Review the progress in completing the company strategy and its relevant business plan.</li> <li>Oversee all strategic projects of the company associated to its operational activity.</li> </ul>	<b>Mr. Bader Nasser Al-Kharafi</b> (Committee Chairman) <b>Mr. Hamad Mishari Al-Humaidhi</b> (Non-Executive) <b>Mr. Talal Jassim Al-Bahar</b> (Non-Executive)
<b>Nominations and Remunerations Committee</b>	<ul style="list-style-type: none"> <li>Review the remuneration policy and recommend the nomination / renomination of the members of the Board of Directors and Executive Management.</li> <li>Review the job descriptions of the members of the Board of Directors.</li> <li>Oversee the assessment of Board Directors and Executive Management.</li> </ul>	<b>Mr. Talal Jassim Al-Bahar</b> (Committee Chairman) <b>Mr. Bader Nasser Al-Kharafi</b> (Non-Executive) <b>Mr. Raed Jawad Bukhamseen</b> (Independent)
<b>Risk Committee</b>	<ul style="list-style-type: none"> <li>Support the Board of Directors in performing its duties and responsibilities concerning risk management, through assessment and follow up of the risks framework and management in line with the company's strategy.</li> </ul>	<b>Mr. Khaled Waleed Al-Falah</b> (Committee Chairman) <b>Mr. Yousef Faisal Al Mannai</b> (Non-Executive) <b>Mr. Raed Jawad Bukhamseen</b> (Independent)
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Support the Board of Directors in the control and oversight of the efficiency and independence of the internal audit processes, and the external audit of the company.</li> <li>Oversee the preparation of periodic financial statements and reports of reviewing the internal control system.</li> </ul>	<b>Mrs. Dalal Jaffar Behbahani</b> (Committee Chairman) <b>Mr. Khaled Waleed Al-Falah</b> (Non-Executive) <b>Mr. Bader Abdullah Al-Kandari</b> (Non-Executive)

## Organizational Structure

**Boursa Kuwait** is committed to maintaining the highest governance standards and believes it to be essential for effective and responsible decision-making. Our governance structure is built for long-term resilience and sustainability to better support the Board and Executive Management in driving and achieving the company's vision and ensuring transparency and accountability.

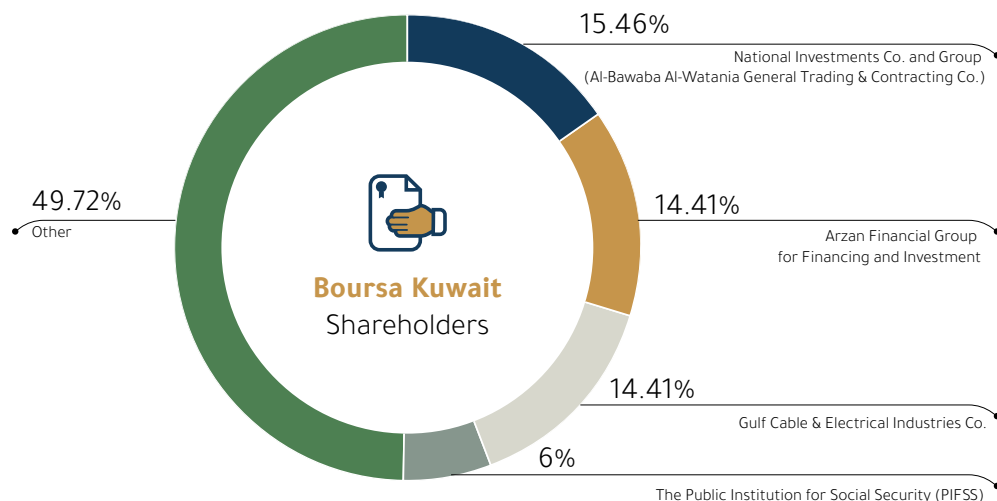


## Executive Management

**Boursa Kuwait's** Executive Management leads and manages the business plan to achieve the company's strategic objectives.

Position	Name
Chief Executive Officer	Mohammad Saud Al-Osaimi
Chief Financial Officer	Naim Azad Din
Executive Director of Trading Operations	Saud Jassem Bin Eid
Executive Director of Legal and Market Supervision	Ashraf Samir
Head of Markets	Noura Omar AlAbdulkareem

## Ownership Structure



# Governance (Continued)

## Corporate Governance Principles

### Disclosure and Transparency

The company is committed to applying the highest levels of transparency, as the Board of Directors approved the disclosure policies and procedures to ensure the provision of accurate and timely information to both our shareholders and stakeholders. The Compliance and Corporate Governance Department discloses such information post co-ordinating with all relevant internal business functions.

### Encourage and Enhance Performance

**Boursa Kuwait** works on developing the skills of the members of the Board of Directors and Executive Management by developing training programs, which are tailored to both the individual and business needs whilst taking into consideration the dynamic market developments and requirements. All new Board members are provided with an introductory booklet to ensure that they have a clear understanding of the company's business and operations, and become aware of their authorities, responsibilities, and obligations. Similarly, employees are enrolled in induction programs upon their appointment and engaged in annual trainings specific to the business function at which they serve. All training programs cover training requirements mandated by the governing regulatory entities.

### Corporate Social Responsibility

**Boursa Kuwait** is committed to its responsibility towards the community and its employees, adopting a policy that ensures the achievement of both company and community objectives. **Boursa Kuwait** is committed to aligning its values and business strategy with its social and economic needs, while providing the community with the support necessary to achieve business and social benefits in the long-term and to ensure the sustainability of its operations in a manner that minimizes harmful effects on society and the environment. **Boursa Kuwait** has developed the foundations for an effective framework for social responsibility and corporate sustainability, including responsibilities towards society, the environment and different community groups, as well as the responsibilities of stakeholder participation and staff development.

Moreover, **Boursa Kuwait** also strives to raise social responsibility awareness among its employees by ensuring that they are aware of the importance of these programs and their objectives, which contributes to improving the company's performance level and helps it achieve its strategic objectives.

### Shareholders Rights

In ensuring the highest standards of transparency and equality in all current or potential transactions of shareholders, company policy ensures the protection of shareholders' rights in accordance with its articles of association, internal policies and regulations, and the necessary procedures and controls. This is to ensure that all shareholders exercise their rights to achieve justice and equality, in a manner that does not conflict with the applied laws and regulations and issued decisions and instructions. The company also seeks to treat all shareholders equally, fairly, and without distinction.

### Code of Conduct and Business Ethics

**Boursa Kuwait** adopted a code of conduct that includes best practices and professional conduct in this field in order to achieve the interests of the company and its shareholders and stakeholders, in addition to providing the opportunity for members of the Board of Directors, Executive Management and employees to achieve the objectives of the company to the fullest.



## Conflicts of Interest

In order to eliminate any potential conflicts of interest cases, the company has developed a conflict-of-interest policy that sets guidelines for identification, notification, reporting, disclosure, prevention, or strict restraints of potential conflicts of interest cases. In addition, appropriate procedures have been set to identify and effectively deal with cases posing as a conflict of interest, in addition to ensuring that the Board of Directors handles existing and potential conflicts of interest cases in a manner that serves the company's best interests.

In efforts to manage conflict of interest cases and in line with the CMA Executive Bylaws, the company prohibits their employees, along with their dependents, from dealing in securities under **Boursa Kuwait** that are listed or have applied for listing. To ensure adherence, all employees upon their recruitment must disclose all listed securities under their ownership or that of their dependents and sign a form of not dealing with any securities that are listed or have applied to be listed under **Boursa Kuwait**, unless it is within the cases exempt as per the CMA Executive Bylaws. In addition, the company submits an annual report including the securities owned by their employees and their dependents along with details of transactions on these securities conducted throughout the past year to the CMA.

In line with CMA resolutions 41 and 42 of the year 2020, and in efforts to ensure its independence post-listing under **Boursa Kuwait**, the company has developed an operations manual to prevent conflict of interest cases that may arise when conducting its duties as a securities exchange and those of a listed company under that same securities exchange.

Furthermore, **Boursa Kuwait** has prepared the below set of policies and procedures to ensure that its assets and resources are not exploited to achieve personal interests as well as limit the exploitation of internal information and promote the principle of avoiding conflicts of interest.

## Related Parties Transactions

The related party transactions policy provides guidelines on how to conduct and manage transactions with related parties, whether those transactions are between the company and its Board of Directors or Executive Management and employees. A related party register has been prepared and circulated to the relevant departments.

Any new business relationship within the company is initiated only after verification that it is not featured on that list, and in the event of any association with those parties, it is recorded in the transaction log with the related parties, reviewed by the Risk Committee and presented to the Board of Directors for discussion and approval.

## Whistleblowing Policy

The whistleblowing policy provides a collaborative and transparent working environment for all employees, as the company has created an e-mail address on **Boursa Kuwait's** website through which any stakeholder can convey their concerns or suspicions about any violations, malpractice or misconduct to the Board of Directors. The procedures in place ensure protection of the whistleblower, provision of the necessary investigation, and supervision of such procedures.

# Governance (Continued)

## Protect Stakeholders Rights

In order to recognize and protect the rights of stakeholders, the company has developed a policy on the protection of stakeholders. This policy is designed to ensure respect and protection of the rights of stakeholders in accordance with the laws and instructions issued by the relevant regulatory authorities.

The aim of the stakeholders' protection policy is to ensure that the rights of stakeholders, as set out in relevant laws and regulations, are respected and protected by the company. Boursa Kuwait protects the rights of all stakeholders and provides stability and sustainability through its good financial performance. The policies identify the type of stakeholders and provide guidelines on how to protect their rights.

### Shareholders

The shareholders' protection policy has been developed in accordance with the relevant law and regulations and forms part of **Boursa Kuwait's** corporate governance framework as well as effective communication channels with shareholders to identify their views on various matters pertaining to the company.

### Regulatory Bodies

The company is committed to the laws, regulations, and instructions issued by the Capital Markets Authority (CMA), the Ministry of Commerce and Industry, and any other relevant regulatory bodies. It also ensures and maintains continuous good relationships with all regulatory authorities and cooperates fully with the CMA and relevant regulatory bodies during inspection processes. Moreover, the company provides information, data, registers, records, and tools required by the representatives of the regulatory bodies, and provides all the data, information, and statistics requested by the CMA and the relevant regulatory bodies.

### Customers and Market Members

The company vows to provide the best services and products to its customers, in addition to constantly following up with clients' suggestions and complaints. This is in addition to improving communication with clients by devising modern means of communication to provide easy access to support at any time.

### Employees

Recruitment of Kuwaiti nationals and the development of the skills of all staff are deemed key priorities, as **Boursa Kuwait** focuses on providing professional development opportunities and necessary training programs as well as directing recruitment efforts to sign and train the best national labor.

**Boursa Kuwait** seeks to provide a working environment characterized by cooperation, integrity, honesty, moral values, and compliance with laws in all dealings of its employees or through its dealings with stakeholders. The company has adopted reporting procedures that ensure the freedom to report any violations or illegal or unethical practices through direct communication channels and ensure adequate protection of the informant until completion of the investigations concerning these reports.

## Anti-money laundering and combating the financing of terrorism (AML/CFT)

The Anti-money laundering and combating the financing of terrorism (AML/CFT) manual at **Boursa Kuwait** is designed to prevent the use of the Company facilities and its subsidiaries for laundering of money derived from any illegal activities in line with the provisions of Article (25) of Law No. (106) of 2013 Anti-Money Laundering and Combating Financing of Terrorism, and in compliance with the Ministerial Resolutions that are necessary for the implementation of the resolutions of the United Nations Security Council pursuant to Chapter Seven of the United Nations Charter Related to Terrorism and Combating Proliferation of Weapons of Mass Destruction, and the rules issued by the Capital Markets Authority (Module 16 of CMA bylaw issued in resolution (72) of 2015 and its amendments). To ensure awareness of the AML & CFT practices, the Company ensures that all of its employees read, understand, and acknowledge the AML & CTF manual. In addition, the Company conducts awareness sessions on an annual basis for both the Board of Directors and the employees covering various topics of which includes, but not limited to: ML stages and techniques, local regulations, roles of Board of Directors and Employees, non-exhaustive indicators of potential ML published by Kuwait Finance Intelligence Unit, and sample case studies covering an actual AML or CFT case along with highlighting the indicators and conducting a high-level assessment of the entity's controls.





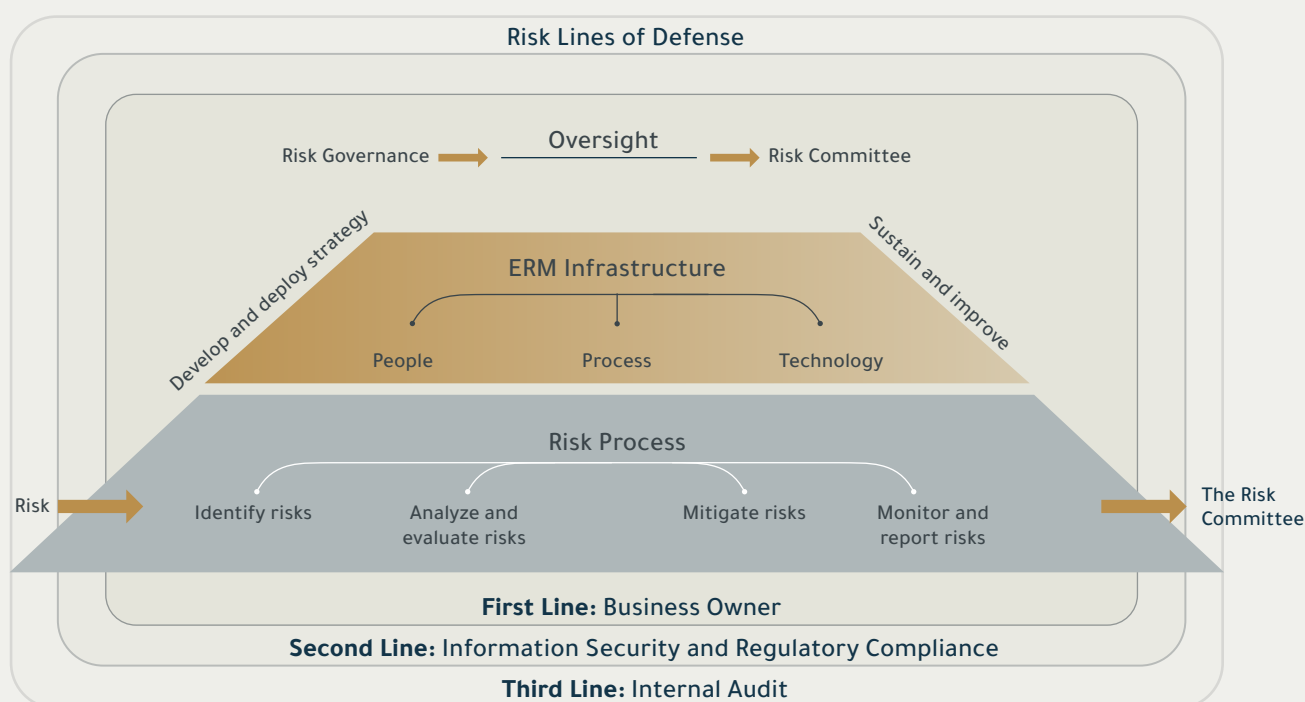
# Governance (Continued)

## Risk Management

The Risk Management Department is fully independent through its direct subordination to the Risk Committee. This is evidenced by the organizational structure adopted by the Board of Directors, as well as the job description of the Risk Management Officer, which clearly demonstrates the functions entrusted thereto and ensures that no tasks of the company's operational activities are assigned to the risk management function, to enable them to fully carry out their duties and responsibilities to the fullest extent.

The goal of the Company's risk management framework is to optimize the risk exposure while accepting some degree of risks in the pursuit of Company's vision, mission, and business objectives. The Company's risk appetite varies according to the undertaken activity and any acceptable risk is always subject to a cost-benefit analysis before approval coupled with established sensible measures to mitigate risks.

Within the Company's risk management framework, it has developed a systematic process to identify, analyze and evaluate the strategic and operational risks it faces while conducting business. Starting with its employees, a risk-reporting network has been established, and the appointment of a risk champion at each market Department/Sector. Once the risk has been identified, it is recorded and tracked through the risk register. A specialized team runs the Risk Management and reports to the Risk Committee and the Board of Directors. The Company continuously develops its risk management framework by providing a series of risk awareness workshops and assigning different roles and responsibilities to risk champions identified in each department.



The Risk Management Department adopts a comprehensive methodology for managing the various risk categories facing the company. These risks are monitored and tracked according to the following four categories:



The methodology is applied on basis of the risk policy adopted by the Board of Directors, which is implemented through a risk assessment matrix that includes quantitative and qualitative indicators, as well as periodically issuing and monitoring the Key Risk Indicators (KRIs).

Adding to the above, risk management has a strategy that is aligned with the overall business strategy and focus on enhancing risk management tools and methodology to protect the stakeholders.

Below is the illustration of the Company's risk management strategy:



# Governance (Continued)

## Internal Audit and External Audit

The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The purpose of **Boursa Kuwait's** Internal Audit Department is to provide independent, objective assurance, and consulting services designed to add value and improve **Boursa Kuwait's** operations. The Internal Audit Department helps **Boursa Kuwait** accomplish its objectives by bringing a systematic, disciplined approach to evaluate, and improve the effectiveness of governance, risk management, and control processes. The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence to provide independent assessments to the Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes at **Boursa Kuwait**.

### External Audit

At **Boursa Kuwait**, we uphold integrity of financial statements as key for good governance and for the overall sustainability. Ensuring accuracy and reliability of our financial statements is not just a matter of statutory compliance, but also a cornerstone of our commitment to ethical business practices. Hence, **Boursa Kuwait** undergoes external audit of its financial statements, to fulfil the statutory obligation and to adhere to the highest ethical standards.

The apt selection of external auditor is of prime importance towards ensuring integrity of **Boursa Kuwait** financial statements. Our Audit Committee undertakes this responsibility and recommends appointment, re-appointment, or replacement of the external auditor to the Board of Directors. The Board of Directors then seek shareholder approval thereof, at the ordinary AGM.

Upon obtaining shareholder approval and, thereupon, successfully engaging with the external auditor, our Audit Committee monitors their services taking vigilant approach in eliminating any potential conflicts of interest and in maintaining their independence. They duly scrutinize all the services performed by the external auditor, including audit and other assurance as well as non-assurance services.

Below is the breakdown of the total fees for all the services that were provided by the external auditor to **Boursa Kuwait**, for the fiscal years of 2022 and 2023:

Fee-related information	2023	2022
	KD	KD
<b>Audit fees</b>		
The Parent Company	13,440	13,440
Consolidated controlling entities	19,125	16,650
<b>Total audit fees</b>	<b>32,565</b>	<b>30,090</b>
<b>Other fees</b>		
The Parent Company	21,050	21,050
Consolidated controlling entities	13,850	7,500
<b>Total other fees</b>	<b>34,900</b>	<b>28,550</b>

Through implementing good governance practices, including proper selection of external auditor, monitoring of audit processes, and adhering to principles of transparency, **Boursa Kuwait** aims to reinforce the trust that our stakeholders have in us and affirm our ongoing commitment to sustainable and responsible business practices.



## Data Privacy and Information Technology

**Boursa Kuwait** places a paramount emphasis on information security, data privacy, and cybersecurity as integral components of its operational framework. The company upholds stringent standards, including the implementation of both the ISO 27001 and ISO 20000-1 frameworks, demonstrating a steadfast commitment to international best practices in safeguarding information assets.

To ensure the highest levels of security, **Boursa Kuwait** conducts regular penetration testing to proactively identify and address potential vulnerabilities. Additionally, the company adheres to relevant regulatory standards, ensuring alignment with data privacy regulations and other industry-specific requirements.

The focus on employee awareness and training programs equips staff with the necessary knowledge and skills to uphold information security standards. This proactive approach extends to addressing emerging cybersecurity threats and fostering a culture of vigilance throughout the organization.

**Boursa Kuwait** maintains transparent communication with stakeholders, providing timely updates in the event of any security incidents. The company has implemented robust incident response and resilience measures, underscoring its commitment to effectively manage and mitigate risks.

Furthermore, **Boursa Kuwait** continues to invest in cutting-edge cybersecurity technologies, including advanced threat detection, Hyper-converged infrastructure, secure development practices, and state-of-the-art network technologies. These strategic investments reflect **Boursa Kuwait's** commitment to staying ahead of evolving threats and maintaining the trust of its stakeholders. With these comprehensive measures in place, **Boursa Kuwait** has successfully avoided any breaches or incidents that could compromise privacy/data or disrupt business operations. This accomplishment underscores the effectiveness of **Boursa Kuwait's** proactive and holistic approach to information security and cybersecurity.



# Social

Our company is built on our social assets, from community members to employees, and in recognition and appreciation of their critical role in driving our success, we have incorporated the social aspect of ESG into our sustainability strategic goals by leading community initiatives and ensuring that our human capital is engaged, motivated, satisfied, and productive.

We understand that investing in our employees will be the foundation of our company's success. As a result, we have pledged to continuously care for our employees by addressing their most pressing concerns, attracting and cultivating talent, bolstering diversity and inclusion, and creating a safe workplace where employees feel at ease, content, and willing to devote their best efforts.





## Our People

We attribute the remarkable achievements witnessed in 2023 to the resolute dedication and collaborative endeavors of our highly skilled workforce. Throughout the year, our commitment to prioritizing employee well-being and fostering a sense of engagement remained unwavering. Simultaneously, we continued to foster inclusivity and enhance our standing as a highly regarded employer in Kuwait, solidifying our position as the employer of choice.

### Retaining and Attracting Talent

**Boursa Kuwait** offers rewarding employment opportunities to young professionals who are interested in advancing their careers and takes advantage of every opportunity to attract diverse talent and create a path for employees to acquire the necessary skills to rise within the organization. **Boursa Kuwait** provides an attractive workplace with a friendly culture, employee recognition programs, constant training and development opportunities, and flexible attendance through the Trust-Based Attendance System.

**Boursa Kuwait** maintained its high level of staff retention in 2023

Employee retention rate	98%
Turnover rate	2%
Number of new hires	1

### Enhancing Employees' Wellbeing:

In continuation to our previous initiatives to enhance our employees' wellbeing, we continued introducing new initiatives during 2023 to promote work-life balance and improve their morale. During 2023, **Boursa Kuwait** introduced a telecommuting (work from home) benefit to help our employees manage their schedules in the way they see best, minimize sick leave days, and save commuting times. This also might contribute to a lesser carbon footprint.

**Boursa Kuwait** has also partnered with selective service providers to offer discounted rates on a number of services such as medical tests, gym memberships, and healthy meals.

We have also encouraged our employees to utilize their leave days throughout the year.

	2022	2023
Annual Leave days utilized	1,710	1818
Paid Sick Leave days	146	90

### Updating Operational Infrastructure:

In the first half of 2023, all employees were provided with laptops to enable them work from anywhere, facilitate agility, and help in building resilient infrastructure. This also acts as a tool to employees benefit from "work from home" policy once they need it. While we constantly explore new ways to improve our processes, **Boursa Kuwait** launched its new Enterprise Resource Planning (ERP) system in the second half of 2023. This advanced platform revolutionized our operations, streamlining data processes, enhancing data security, and significantly reducing paper usage. The real-time reporting capabilities have notably improved operational efficiency. The new ERP also helped **Boursa Kuwait** with its data protection and privacy practices, through controlling access to sensitive data and regular data backups.

### Revising our Rewards & Benefits:

Following conducting 2022's Employee Engagement Survey and based on the received inputs, it was important for us to revise elements of our rewards and benefits schemes provided to our employees. Updated elements of our rewards and benefits were implemented during 2023. We believe that regular revision of our rewards and benefits schemes drives success through increasing employees' motivation and productivity, improving job satisfaction, and boosting employees' loyalty.



# Our people (Continued)

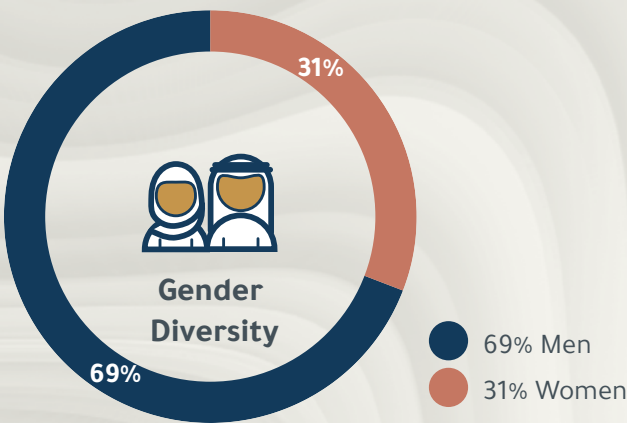
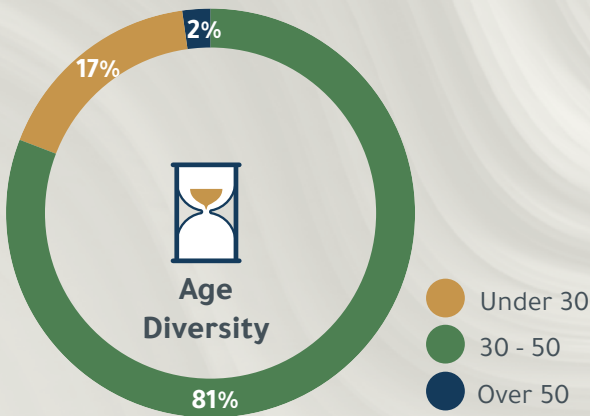
## Diversity and Inclusion

We believe that diversity and inclusion serve as a catalyst for innovation and economic stability, fostering healthier workplaces, and communities. We strive to establish a workforce that is representative of the communities in which we operate. We are fostering a work environment that is safe and inclusive, based on cooperation, trust, and equality. A diverse and inclusive workforce can aid in innovation, employee engagement, job satisfaction, productivity, and value creation.

In continuation of our diversity and inclusion activities during 2023, HR policies were issued in bilingual format, , Arabic and English, to ensure that all our employees are able to communicate leading to improved productivity. We have also launched our employees' handbook to help in setting the expectations and employment relationships, to help in creating the culture we aim for.

### 2023

Total number of employees	Count	Male	Female
Senior Management	9	8	1
Middle Management	26	20	6
Junior	17	8	9



Women represent 31% of our total workforce and hold 20% of senior and middle management positions.

In line with our commitment to creating an inclusive and equitable work culture and environment, we continued to prioritize hiring female employees across our various recruitment activities throughout the year.

## Women Empowerment

**Boursa Kuwait** is committed to maintaining its discrimination-free environment and supporting equal opportunities for women. We act to empower women through our ongoing support of the Women's Empowerment Principles (WEPs) and follow a strict anti-harassment and/or non-discrimination policy, with all employees enjoying equal work freedom and career-development opportunities.

In 2023, **Boursa Kuwait** rang the bell for the sixth consecutive year on International Women's Day in commemoration of gender equality and women's empowerment and with the participation of the Kuwait Clearing Company (KCC), recognizing the significant role women play in the development of the Kuwaiti capital market and the private sector. The event brought together female staff members from both companies to highlight the power of diversity, equity and inclusion (DEI) as well as celebrating the contribution of women in capital markets and the wider community.

Held annually on March 8, the global "Ring the Bell for Gender Equality" initiative is supported by the International Finance Corporation (IFC), the Sustainable Stock Exchanges (SSE) initiative, the United Nations Global Compact (UNGC), the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), and the World Federation of Exchanges (WFE).

The "Ring the Bell for Women's Empowerment" event underscored the two companies' commitment to gender equality and women's empowerment and their efforts to create an inclusive workplace. Both companies recognize the importance of diversity and its contribution to a more sustainable future for the financial industry in Kuwait and are keen on promoting equality among their employees and preventing gender discrimination. This year's theme was "Innovation and Technology for Gender Equality" and is aligned with the company's CS strategy as well as the United Nations Sustainable Development Goals (SDGs).

**Boursa Kuwait** also organized an extensive day-long tour for participants in the National Investment Company's Shift program. Company representatives led the candidates through the tour, offering insightful and educational sessions to enhance their understanding. The bourse team also provided their services in managing the graduation ceremony.

Shift is a program designed exclusively for women to jumpstart their careers in investment. The program is a collaboration between Creative Confidence and the National Investment Company (NIC). Shift is designed to give you insights into the investment sector.



# Our people (Continued)

## Kuwaitization

In line with Kuwait's initiative to promote localization in the financial services industry, **Boursa Kuwait** has been proactively implementing a dynamic and vigorous strategy of Kuwaitization. By unleashing the potential of Kuwaitis, we aim to empower them to play a pivotal role in fostering our company's growth. We proudly maintained above the regulatory Kuwaitization threshold, with 90.40% of our workforce being Kuwaiti nationals.

Kuwaitization rate at  
**Boursa Kuwait**

**90.4%**

Kuwaitization of senior  
management

**66.7%**

## Training and Development

Enhancing individual growth continues to be a fundamental aspect of **Boursa Kuwait's** employee value proposition. Our aim is to drive significant enhancements in performance and establish a well-defined talent pool capable of fulfilling our strategic goals through effective identification, development, and deployment of skills.

The year witnessed a shift in our training approach. Employees were given the option to undertake training, emphasizing the application of skills learned in previous years. Select employees participated in programs at renowned universities, including Harvard, preparing them for future senior management roles.

<b>Total training hours</b>	<b>829.5</b>
Average training hours	<b>18.9</b>
Number of employees	<b>44</b>
Number of males	<b>22</b>
Number of females	<b>22</b>
Number of training topics	<b>26</b>
Certifications	<b>3</b>

Amount invested in training: **KD 30,176.220**

For a full list of training courses, please refer to Appendix A.

## Occupational Health and Safety

At **Boursa Kuwait**, prioritizing the health and safety of our employees remains a fundamental aspect of our operations. We have recently solidified agreements with a pest control management company renowned for its use of eco-friendly chemicals. These chemicals not only effectively manage pests but also ensure a safe and healthy environment for our workforce, devoid of any harmful side effects on human health.

Additionally, we take immense pride in our comprehensive safety policy that focuses on first aid preparedness across all floors of our building. Each floor is equipped with essential first aid supplies, diligently checked and replenished on a monthly basis. This proactive approach ensures that our teams have immediate access to crucial first aid resources, promoting a secure and prepared working environment. These initiatives underscore our unwavering commitment to fostering a safe, healthy, and supportive workplace for all our employees. **Boursa Kuwait** remains dedicated to continually enhancing occupational health and safety standards as part of our holistic sustainability approach.

## Evacuation Plan

At **Boursa Kuwait**, ensuring the safety and preparedness of our employees in case of emergencies is paramount. In collaboration with the Ministry of Interior's General Administration for Civil Defense, we meticulously organized and executed a comprehensive fire drill test.

This initiative aimed to evaluate and refine our evacuation plan, ensuring all employees are well-versed and organized in responding to emergencies within the building. Following the drill, we underwent an assessment by the Civil Defense, receiving an outstanding record. Our evacuation time of 6 minutes and an impressive score of 8 out of 10 validate the effectiveness of our evacuation procedures.

This achievement reinforces our commitment to maintaining a secure environment for all occupants of our building.

**Boursa Kuwait** remains dedicated to continual improvement in emergency preparedness, ensuring the safety and well-being of our employees is always at the forefront of our operations.



# Community Impact

## Engaging the investor community

**Boursa Kuwait** constantly engages with the international investment community to ensure that their requirements from the Kuwaiti capital market are met and that they are constantly updated with the latest news and developments from the market and its listed companies.

The bourse has also ensured that the Kuwaiti capital market meets international standards and practices, placing a high premium on transparency and ease of access, specifically in its flagship “Premier” Market, which is home to some of the standout companies in Kuwait and across the region.

“Premier” Market members are required to hold quarterly analyst conferences, publish those conferences’ scripts in both English and Arabic as well as publish all disclosures in both languages. Companies listed on the “Premier” Market are also required to have an investor relations department to ensure consistent and constant communication with prospective and current investors, making those companies some of the more attractive entities in the Kuwaiti capital market.

Additionally, through its series of Roadshows and Corporate Days, **Boursa Kuwait** continues to showcase some of the standout listed companies and the investment opportunities that reside in the Kuwaiti capital market. Putting these companies in touch with some of the world’s leading investment firms and financial institutions, the events aim to highlight these companies’ financial health, business strategies and outlooks.

In that vein, **Boursa Kuwait** organized two Corporate Days with HSBC and Jefferies Financial Group, which saw the participation of over 20 listed companies including

the exchange. A total of over 200 meetings between the listed companies and over 80 representatives from world-renowned financial asset management firms, investment companies and advisories resulted in these institutional investors gaining an in-depth understanding of the benefits and opportunities of investing in Kuwaiti companies.

**Boursa Kuwait** also participated in the London GCC Exchanges Conference, which brought together CEOs and senior executives from the GCC stock exchanges, as representatives from Kuwait, Saudi Arabia, Oman, Qatar and the United Arab Emirates showcased the benefits and prospects of investing in their respective countries.

As part of its ongoing and dedicated efforts to engage with local and international investors and raise awareness of the opportunities in the Kuwaiti capital market, **Boursa Kuwait** participated in the 17th Annual EFG Hermes One-on-One Conference in Dubai, meeting with representatives from financial asset management firms and investment banks and companies from across the region and the globe, shedding light on its performance and track record and providing the latest development on its Market Development plans.



In that same vein, **Boursa Kuwait** and its sister company, Kuwait Clearing Company (KCC), collaborated with Jefferies Financial Group to organize a non-deal roadshow in London, engaging in one-on-one discussions with prominent investment management firms and advisories to spotlight the latest updates of the Kuwaiti capital market, its investment opportunities and the latest products and services it has to offer to institutional investors. The roadshow also allowed the companies to exchange ideas and viewpoints and receive feedback about their perception of Kuwaiti capital market and what they require from it.

# Social (Continued)

**Boursa Kuwait** and KCC also made an exhaustive presentation about their achievements in the past few months, which included a series of stress tests to the CCP system to ensure its ability to adapt to the system and that brokerage firms can fulfil its settlement requirements with the Central Bank of Kuwait as well as with local banks.

**Boursa Kuwait** continuously seeks to engage with the international investment community and facilitate the transfer of knowledge and expertise between Kuwaiti capital market participants and international investors. To that end, the company began an initiative that empowers prominent and licensed Kuwaiti investment companies and their international counterparts to transfer knowledge and expertise and utilize new products and services to develop their business practices and strategies. The initiative also helped companies explore opportunities to collaborate and contribute to the enhancement of the Kuwaiti capital market.

As part of this initiative, **Boursa Kuwait** organized a “Financial Asset Managers Day” in collaboration with HSBC, the British-based multinational investment bank and one of the largest investment banks in Europe. Held in the bank’s headquarters in Dubai, the United Arab Emirates, the initiative brought together representatives from eight licensed Kuwaiti investment companies with the Markets and Securities Services Desk at HSBC (HSBC MSS).



Organizing these initiatives forms part of **Boursa Kuwait's** efforts to positively impact the capital market apparatus. The exchange launched several initiatives with investment institutions from around the world to develop the Kuwaiti capital market and highlight the opportunities it offers to the international investment community, as part of its mandate to enhance cooperation with investors worldwide, facilitate the transfer of knowledge and expertise, and support listed companies in their quest to develop their business strategies and practices for the enhancement of national economy and its ability to attract foreign investments.

## Fostering a sustainable environment and raising financial literacy

Throughout 2023, **Boursa Kuwait** has strived to raise the awareness of the Kuwaiti capital market’s participants and ensure that the market is aware of the latest trends, standards and practices followed by the international investment community, including those in the field of ESG reporting and corporate sustainability.

To that end, the company has organized a series of workshops in collaboration with several organizations, including the CFA Society and its chapters in Kuwait and Bahrain as well as Sustainable Square, a consultancy firm based in the UAE.



The workshops shed light on the latest trends and practices in the fields of ESG and corporate sustainability and highlighted the growing importance of these two factors on how investors across the international community base their decision-making. The informative sessions also delved into an examination of bonds and sukuk, which are a form of fixed income and detailed the different types of bonds, including green and social bonds. The workshops gave a pragmatic and informative overview of sustainable finance, including region-specific insights and actionable guidance for sustainable bond investments.





The workshops were held in commemoration of World Investor Week, an annual celebration that promotes investor education and protection.

This year's campaign, the seventh annual edition, focused on the three main themes of Investor Resilience and Sustainable Finance, complemented by other themes such as Fraud and Scams Prevention, Basics of Investing, and Technology and Digital Finance.

Organizing workshops and developing informative content on its Boursa Academy Online platform and social media channels comes as part of **Boursa Kuwait's** Corporate Sustainability strategy which aims to meaningful impact on the communities where it operates.

Through these initiatives, the bourse seeks to equip all market participants with an in-depth understanding of the functioning of capital markets and various tools and techniques required to make informed investment decisions and effectively meet investors' needs. It is also in line with Goal 4 - Quality Education - and Goal 17 - Partnership for the Goals - of the UN's Sustainable Development Goals (SDGs).

### Continuing collaboration with the Middle East Investor Relations Association (MEIRA)

In line with our mandate to promote Investor Relations (IR), best practices, and international standards in corporate governance in our markets, **Boursa Kuwait** continued to create value through our ongoing partnership with the Middle East Investor Relations Association (MEIRA) - an independent organization that seeks to enhance the reputation, efficiency

and attractiveness of the Middle East capital markets. **Boursa Kuwait** collaborated with MEIRA and its Kuwait chapter to organize an IR seminar entitled "Strategic Communications: Challenges and Opportunities for Listed Companies", which aimed to increase transparency - considered the backbone of the IR industry - in communications with current and prospective investors, locally and around the world.

The workshop considered key trends and put these into the context of the local market by inviting the participation of expert guest speakers from Kuwait, the region and the UK, and was made up of a discussion featuring keynote speakers and a workshop providing practical takeaways for IR professionals. The event also allowed IR experts and practitioners to network and discuss the latest developments and trends in the field.

The collaboration between **Boursa Kuwait** and MEIRA is part of **Boursa Kuwait's** Corporate Sustainability strategy and is an example of its endeavors to raise financial literacy and capital market awareness among current and prospective investors. The company has launched several initiatives to empower and equip businesses and investors with the ability to capture market opportunities as well as transform the Kuwaiti capital market into a robust capital market ecosystem and Kuwait into an attractive investment destination. The initiative also forms part of the company's efforts to create a lasting meaningful impact on the communities where it operates and is in line with Goal 4 - Quality Education - and Goal 17 - Partnership for the Goals - of the UN's Sustainable Development Goals (SDGs).



## Social (Continued)

### Boursa Kuwait continues to raise awareness of financial literacy

The CFA Society Kuwait hosted Mr. Mohammad Saud Al-Osaimi, **Boursa Kuwait's** Chief Executive Officer, as its guest of honor and chief keynote speaker during its 2023 graduation ceremony. In his speech, Mr. Al-Osaimi highlighted the importance of developing human capital, specifically in the financial industry and capital markets, a key tenet of **Boursa Kuwait's** strategy and its commitment to sponsoring financial literacy programs.

**Boursa Kuwait's** CEO also participated in the Kuwait Financial Centre's annual seminar entitled "Markaz 2024 Outlook: Investment Trends and Opportunities". Mr. Al-Osaimi was the guest of a special one-on-one interview, themed "Sharing takes on learnings, success stories, and future vision" and conducted by Ali Khalil, CEO of Markaz. During the interview, Al-Osaimi shed light on his professional career in both the private and public sectors, the phases that **Boursa Kuwait** went through before and after privatization as well as how

this experience can be implemented in other institutions, in addition to his aspirations for the Kuwaiti capital markets. He concluded by providing advice to the youth encouraging them to follow their aspirations to achieve career success.

In addition, **Boursa Kuwait** continued to push financial literacy and raise its awareness to all sectors of market participants, from seasoned industry professionals to those just starting their investment journeys. The company's representatives participated in a discussion with the Finance Department at Kuwait University about the future of trading in Kuwait, shedding light on the history of trading in Kuwait and the evolution of the Kuwaiti capital market, as well as **Boursa Kuwait's** role in developing the capital market to get it reclassified into an Emerging Market in some of the world's leading index providers. Some of the other topics discussed were the use of technology in Kuwait's capital market and where the market is headed.

Furthermore, **Boursa Kuwait** actively engaged in the 'Driving Sustainable Finance' event, a collaboration between Refinitiv





and the Kuwait Financial Market Association. The event brought together industry leaders to discuss Environmental, Social, and Governance (ESG) reporting and implementation best practices. The company delegation contributed insights during a panel discussion, focusing on the GCC Exchanges Committee's recent release of unified ESG disclosure metrics in January.



**Boursa Kuwait** also participated in the BDO Kuwait organized seminar entitled Navigating ESG in Business, joining a panel discussion about the challenges and opportunities in ESG. The discussion delved into the topics of sustainability, ESG implementation and reporting as well as climate change.

**Boursa Kuwait's** participation in these panel discussions and seminars stems from the exchange's belief that the foundation of a robust and sustainable market lies in the knowledge and financial literacy of its participants. The company recognizes the profound impact that education and awareness have on empowering investors to make informed investment decisions.

The bourse also sponsored the Kuwait Times' Summer Program for 2023 with a focus on Economic and Financial Journalism, aiming to nurture the next generation of journalists and content creators. The four-week initiative exposed 20 interns to various aspects of journalism, including news production, reporting, photography, and social media.



As part of the program, participants visited **Boursa Kuwait**, gaining valuable insights into stock trading and investment strategies. This experience not only deepened their understanding of Kuwait's financial landscape but also emphasized the crucial role of the stock market in fostering economic growth and prosperity.

Finally, and as part of its commitment to nurturing a new generation of well-informed retail investors and securities professionals, **Boursa Kuwait** continued to host universities, schools, and professional organizations, including the American University of Kuwait, Kuwait Technical College, the American United School, and representatives from Bloomberg and the Young Professionals Organization (YPO), for a tour of the stock exchange, providing them with a deep understanding of the capital market operations.



Visitors were able to get an inside look at the recent developments made at **Boursa Kuwait**, and how their efforts have significantly improved their international ratings and allowed Kuwait to become more attractive to local and international investors. The company's representatives also gave visitors a presentation that shed light on the various aspects of the company's activities and operations, which included major milestones in **Boursa Kuwait's** journey to a leading stock exchange, as well as its being the crown jewel of the market's development and one of the key cogs in the reclassification of Kuwait from a Frontier to an Emerging Market in three of the world's top index providers.

By fostering an environment where market participants are equipped with the necessary know-how, the company contributes to the overall improvement of the market and is committed to cultivating a community of knowledgeable and discerning investors through continuous efforts to enhance financial literacy and education initiatives. This dedication not only strengthens the integrity of the market but also ensures that participants are well-prepared to navigate the dynamic investment landscape, ultimately fostering a healthier and more resilient financial ecosystem.

# Social (Continued)

## Social Partnerships

Boursa Kuwait's commitment to making a positive, long-lasting impact in the community reflects its dedication to corporate social responsibility (CSR) and sustainable business practices. The company actively champions a series of initiatives and programs to benefit and contribute to the well-being of the community in which it operates, including philanthropic projects, community development programs, financial literacy outreach, and partnerships with non-profit organizations.

Boursa Kuwait understands its role as a responsible corporate entity. It supports various local and international organizations in their efforts related to healthcare, social welfare and other areas which may directly impact the quality of life for community members.

### Boursa Kuwait Humanitarian Partner with the Kuwait Red Crescent Society

Continuing its obligations towards corporate social responsibility, **Boursa Kuwait** continued its partnership with the Kuwait Red Crescent Society (KRCS) as a Humanitarian Partner for the third consecutive year, sponsoring the Society's Humanitarian Aid initiative, which has helped carry over tons of medical supplies and food to the occupied territories in the Middle East. The campaign, which set out to provide hospitals with the necessities to treat the wounded, is driven by KRCS's humanitarian sense of duty to provide the necessary relief and medical provisions to those in need.

The KRCS is a voluntary organization that offers aid and assistance to the most vulnerable cases, whether because of a social situation, an outbreak of war, or a natural disaster. KRCS is self-independent and operates as the humanitarian support arm of the official authorities in the country.

Supporting refugees and internally displaced persons (IDPs) In line with its efforts to support and shed light on life-changing humanitarian causes, **Boursa Kuwait** lit up its office premises in blue in commemoration of World Refugee Day 2023, an initiative initiated by the United Nations High Commission for Refugees (UNHCR).

World Refugee Day is an international day designated by the United Nations to honor refugees around the globe, celebrating the strength and courage of people who have been forced to flee their home country to escape conflict or persecution. Falling on June 20 of every year, it is an occasion to build empathy and understanding for the plight of refugees and recognize their resilience in rebuilding their lives. In 2023, World Refugee Day focused on the power of inclusion and solutions for refugees, with the theme of "Hope away from Home".

On the occasion, the company announced that it would continue to support initiatives launched by the UNHCR. The company has been an advocate of the UNHCR and has supported the Agency's efforts to make a difference in the lives of refugees and the internally displaced. Over the past few years, **Boursa Kuwait** has contributed to the annual Winterization Assistance Program as well as the Refugee Agency's many humanitarian aid initiatives, particularly in the Middle East and North Africa regions.

In 2023, **Boursa Kuwait** supported the emergency efforts in Sudan, where large numbers of civilians have been forced to flee following the outbreak of armed conflict, including people who were already internally displaced because of previous conflicts in Sudan and refugees from other countries who had sought safety in Sudan. In addition to new internal





displacement, over 450,000 people, including Sudanese refugees and refugees of other nationalities hosted by Sudan have fled Sudan to neighboring countries or returned home in adverse circumstances - notably to Chad, South Sudan, the Central African Republic, Egypt and Ethiopia.

The bourse also sponsored the Winterization Assistance Program for the third consecutive year, and its efforts have helped over 450 individuals in the MENA region. In addition, **Boursa Kuwait** supported the UNHCR's emergency humanitarian aid efforts in the Middle East.

**Boursa Kuwait's** partnership with the UNHCR is the embodiment of the company's sincere desire to raise awareness of the importance of helping those who are in need and have been deprived of their right to live with dignity. This initiative will contribute to greater awareness of the importance of helping the victims of wars, conflicts and persecution build better futures for themselves.

The initiative forms part of **Boursa Kuwait's** efforts to create a lasting meaningful impact on the community as part of its Corporate Sustainability strategy, and is in line with Goal 1 - No Poverty, Goal 2 - Zero Hunger, Goal 3 - Good Health and Well-Being, Goal 4 - Quality Education, Goal 6 - Clean Water and Sanitation, Goal 10 - Reduced Inequalities and Goal 17 - Partnership for the Goals - of the UN's Sustainable Development Goals (SDGs).

## Promoting public health

**Boursa Kuwait** has extended its support to the Kuwait Association for the Care of Children in Hospital & Bayt Abdullah Children's Hospice (KACCH & BACCH) for the fourth consecutive year, supporting the Association with the renovation of KACCH & BACCH Playrooms in Al-Sabah Hospital.

KACCH & BACCH currently operates child life programs in eight hospitals: Al Amiri, Al Farwaniya, Al Jahra, Jaber Al Ahmed, Al Adan, Ibn Sina, Al Razi, and NBK Specialized Children's Hospital, providing specialized child life and therapeutic play programs for children and their families



in hospital wards, playrooms, bedside, and other hospital departments where children are treated. They work closely with doctors, nurses, and other healthcare professionals to support children undergoing difficult procedures anywhere in the hospital.

Additionally, **Boursa Kuwait** and the Kuwait Clearing Company (KCC) organized a blood drive in partnership with the Central Blood Bank in commemoration of World Blood Donor Day,

Started in 2004 by the International Federation of Red Cross and Red Crescent Societies, the World Health Organization and other international partners, the annual event is held on June 14, coinciding with the birthday of Austrian biologist and physician Karl Landsteiner, considered the founder of modern blood transfusion.



The theme for the 2023 campaign was "Give blood, give plasma: share life, share often", shedding light on the patients requiring life-long transfusion support, as well as underlining the role every single person can play by giving blood or plasma. It also highlighted the importance of giving blood or plasma regularly to create a safe and sustainable supply of blood and blood products that can always be available for patients to receive timely treatment.

The campaign aimed to celebrate the individuals who regularly donate blood, encourage more people to become new donors, highlight the critical roles of voluntary regular blood and plasma donations in achieving universal access to safe blood products for all populations, as well as mobilize support at the national, regional and global levels among governments and development partners to invest in, strengthen and sustain national blood programs.

Held in line with Goal 3 - Good Health and Well-Being - and Goal 17 - Partnership for the Goals - of the UN's Sustainable Development Goals (SDGs), **Boursa Kuwait's** blood drive leveraged sustainable partnerships to promote the important social cause.

# Social (Continued)

## Raising awareness of global health concerns

Supporting and serving the communities and people across Kuwait is a responsibility that **Boursa Kuwait** takes very seriously. The company seeks to be a force for good for both external and internal stakeholders, actively giving back and driving positive impact through an ongoing and diverse range of community and social impact endeavors.

In 2023, the company implemented a Breast Cancer Awareness campaign with an awareness session presented by Dr. Mervat Saud Al-Saleh, a General and Breast Cancer Consultant, for its female employees as well as those of the KCC and brokerage firms located in the **Boursa Kuwait** building.

The company's month-long campaign for October also included a series of informative posts about the disease and the benefits of early detection and downstaging on its social media platforms. Additionally, like many buildings across Kuwait and around the world, the **Boursa Kuwait** building was lit up in pink, the color associated with breast cancer since 1992, to commemorate this month.



**Boursa Kuwait** also lit up its building in blue in commemoration of Movember, the global awareness month for men's health and organized an awareness session for employees and building patrons given by Dr. Mohammad Abdulmohsen Al-Ghanem, Consultant Urologist at Jaber Al-Ahmad Armed Forces Hospital, which shed light on critical men's health issues including prostate cancer.

Commemorated around the world every November, the Movember campaign aims to promote physical and mental well-being among men, addressing issues such as prostate cancer and mental health challenges. The campaign provides a platform for open discussions on men's health, fostering support and encouraging proactive steps towards a healthier life.



As part of the initiatives, **Boursa Kuwait** also partnered with MedCell to offer a range of medical services, including lab tests, consultations, and dermatology treatments, on the day of the sessions.

Supporting and serving the communities and people across Kuwait is a responsibility that **Boursa Kuwait** takes very seriously. The company seeks to be a force for good for both external and internal stakeholders, actively giving back and driving positive impact through an ongoing and diverse range of community and social impact endeavors.

**Boursa Kuwait's** participation in this annual event underscores the company's commitment to the well-being of the community in which it operates and is part of the company's corporate social responsibility mandate as well as Goal 3 - Health and Well-Being - and Goal 17 - Partnership for the Goals - of the United Nations' Sustainable Development Goals (SDGs).









# Social (Continued)

## Corporate Sustainability Highlights and Achievements

Boursa Kuwait maintained its focus and commitment in 2023, leveraging its expertise, capabilities and resources to take positive steps across our Corporate Sustainability pillars as the company continued to seek meaningful collaborations and partnerships across its integrated stakeholder ecosystem, working with various local and international institutions and organizations on carefully selected initiatives to educate stakeholders, support the community, and safeguard the environment.

The company was successful in achieving prominent awards and accolades from several prestigious organizations and publications, establishing strategic partnerships with local and international organizations to organize more than 30 programs and initiatives within the pillars of its Corporate Sustainability (CS) strategy of community and the environment throughout 2023 as part of its commitment to supporting CS standards and practices as well as instilling concepts of socially and environmentally responsible operations,

The company is dedicated to continuing its mission to give back to the community and contribute to a brighter future, creating an ever-lasting legacy of corporate social

responsibility and sustainable development and making an impact that is positive and supportive of a more sustainable tomorrow.

**Boursa Kuwait** continues to support initiatives to combat pressing social issues, such as education, healthcare and the preservation of the environment to ensure the well-being of the community where it operates. These efforts are part of the company's comprehensive and diverse approach to engraining its responsibility towards society and its dedication to its service.



# Boursa Kuwait awarded for its Corporate Sustainability efforts

## Global Finance

Boursa Kuwait received two esteemed awards at the third annual Sustainable Finance Awards ceremony hosted by Global Finance, as the company has been acknowledged for its exceptional achievements in “Outstanding Financial Leadership in Sustaining Communities Award” and “Outstanding Leadership in Sustainability Transparency” in the category of Middle East regional awards.

These distinguished awards serve as a testament to **Boursa Kuwait's** unwavering commitment to promoting sustainability initiatives and cultivating awareness regarding climate change within the community. The company recognizes the significance of assuming a pivotal role in achieving Kuwait's ambitious roadmap by advancing corporate sustainability practices within the capital market and aims to foster an investment climate in the State of Kuwait that attracts and nurtures sustainable investments from a diverse range of participants.

Global Finance's Sustainable Finance Awards are designed to honor remarkable accomplishments in sustainable finance worldwide, spanning global, regional, and national levels. Furthermore, they commend financial institutions for their endeavors in mitigating the adverse impacts of climate change. The awards and recognition programs presented

by Global Finance boast an impressive legacy of 35 years, characterized by editorial accuracy and integrity. Over time, they have become a trusted and revered standard of excellence within the global financial community.

## The European

**Boursa Kuwait** has been honored with the prestigious “Best Sustainable Corporate Governance - Kuwait” award for 2023 by The European magazine, a renowned business publication catering to decision makers worldwide, covering various business affairs such as energy, banking and finance, as well as foreign direct investment (FDI). Its awards program acknowledges businesses that have shown resilience and contributed to the economy in different sectors despite global challenges like climate change and social responsibility.

**Boursa Kuwait's** exceptional achievements in corporate governance have been recognized, with the company implementing governance practices consistent with its strategic goals, mission, and vision. The exchange firmly believes that adhering to the highest governance standards is crucial for sustainable business operations, and has emphasized fair, objective, and transparent implementation of activities to safeguard the interests of shareholders, investors, listed and licensed companies since its establishment.





# Social (Continued)

## Investment in the Community

Boursa Kuwait invests in our community through a range of areas, which include events and initiatives as well as sponsorships.



**KD 46,616**

Community investments



**KD 88,695**

Contribution to  
Kuwait Foundation for  
Advancement of Sciences  
(KFAS)



**KD 109,070**

Zakat



**KD 428,793**

National Labour Support  
Tax (NLST)



## Responsible Procurement

We acknowledge that we have both the ability and the duty to ensure sustainable practices and the mitigation of negative ESG impacts throughout our supply chain. As a result, we engage and collaborate with our vendors and suppliers in order to manage operational, financial, regulatory, and reputational risks, with the goal of maximizing our positive impact through responsible procurement practices. We adopt and implement ethical standards in our procurement transactions. **Boursa Kuwait** has a centralized procurement department that manages the procurement activities

for the entire company while recognizing the distinctive services required by each business function. The objective of our procurement practices is to support and cultivate local suppliers while adhering to established standards on sustainability, quality, and profitability.

**Boursa Kuwait** is contributing to sustainable economic development by signing with local suppliers and vendors. In 2023, 77% of our vendors were local compared to 23% foreign, and 75% of our procurement spending went to local vendors and suppliers.

# KD 665,020

Procurement spending on foreign vendors

# KD 2,017,545

Procurement spending on local vendors

# 75%

Percentage of spending on local vendors



## Contractor Code of Conduct

At **Boursa Kuwait**, our commitment to ethical business practices extends to our contractors and vendors. To uphold our values and standards within the **Boursa Kuwait** building, all vendors are required to adhere to our established code of conduct. As part of our policy, we mandate vendors to sign agreements that outline our limitations and restrictions within the building premises.

This ensures that all contractors working within our space operate in alignment with our ethical guidelines and respect the restrictions set forth by **Boursa Kuwait**. Upholding these standards is crucial in fostering a professional, ethical, and harmonious working environment for all stakeholders involved.

Our commitment to ethical conduct and responsible business practices remains unwavering, as we continually seek to reinforce these principles throughout our operations and engagements.

We encourage our vendors and suppliers to maintain policies, procedures, and practices to address these topics. We also encourage our suppliers to implement efficient management systems, utilizing internationally recognized standards on the following matters:

- **Environmental protection**
- **Data privacy**
- **Employee rights and interests**
- **Business ethics and human rights**

# Environment

While the company's environmental footprint as a stock exchange is relatively limited when compared to the industrial and oil sectors, Boursa Kuwait is acutely aware of its responsibility to mitigate the environmental impact resulting from its operations. This consciousness stems from the exchange's recognition of the interconnectedness between financial markets and the broader global ecosystem as it understands that even small contributions to environmental preservation can collectively make a significant difference. As such, Boursa Kuwait remains steadfast in the commitment to environmental stewardship.

The company is fully cognizant of the consumption of natural resources in its operations and its impact, and it recognizes the effect that the infrastructure, technology and tools used to facilitate trading has on the planet. This is why **Boursa Kuwait** prioritizes the reduction of its environmental footprint, deeming it an essential tenet of company culture and a main driver of the company's business decisions.



SUSTAINABLE  
DEVELOPMENT  
GOALS

كويت جديدة  
NEWKUWAIT

13 CLIMATE  
ACTION

17 PARTNERSHIPS  
FOR THE GOALS

SUSTAINABLE LIVING  
ENVIRONMENT





## Boursa Kuwait obtains LEED Gold Certification for its iconic building

**Boursa Kuwait** obtained the Leadership in Energy and Environmental Design (LEED) Gold certification for its building, a distinguished award that makes the iconic structure one of only a few buildings in Kuwait to achieve this honor. The certification is a testament to the bourse's efforts of sustainable and responsible development, signifying its operational excellence, efficacy and efficiency in its energy usage, water preservation, recycling efforts and enhancing its overall environmental performance.

Developed by the U.S. Green Building Council (USGBC), LEED is the world's most widely used green building rating system for buildings, homes and communities that are designed, constructed, maintained and operated for improved environmental and human health performance. LEED-certified buildings have 34 percent lower CO<sub>2</sub> emissions, consume 25 percent less energy and 11 percent less water, and have diverted more than 80 million tons of waste from landfills. A building can achieve LEED certification after undergoing a technically rigorous process, including the incorporation of green strategies to achieve efficiency and healthy indoor environments.

The LEED Gold certification is the culmination of numerous reforms and renovations over the past few years, including the complete renovation of the building's facilities and the main trading hall. Trading screens across the building have also been replaced with more advanced ones that consume 50% less power, and the auditorium, training hall and many of the building's facilities have also been revamped. Additionally, many of the old resources have been recycled, either through reuse or by partnering with recycling companies, resulting in the recycling of over 2300 devices weighing approximately 50.5 tons.

The project also includes an upgrade to various utilities across the premises, such as elevators, the escalators, and heating ventilation and air conditioning systems (HVAC) and air diffusers. This upgrade helped reduce energy consumption by more than 20%, reinforcing the company's position as a socially responsible institution.

# Environment (Continued)

## Energy and Water Consumption

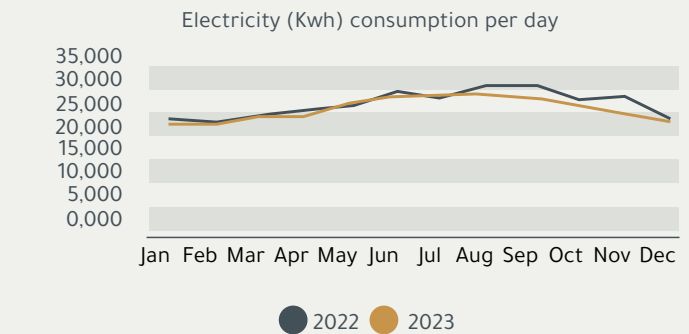
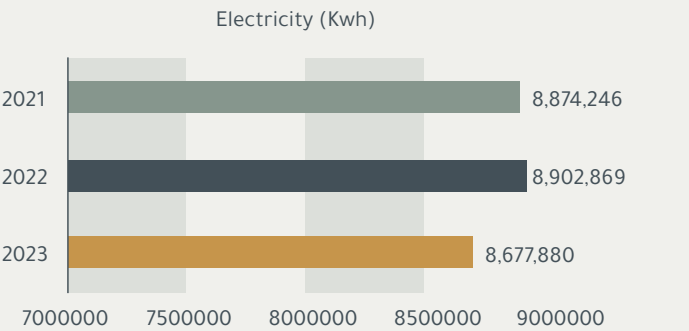
In line with our commitment to environmental protection, we have implemented various initiatives to reduce our environmental impact. This includes adopting energy efficient technologies in our building, transitioning to renewable energy sources wherever possible, and actively promoting sustainable practices among our employees and stakeholders.

Following negotiations and collaboration with LEED’s consultants, **Boursa Kuwait** successfully modified the operating parameters of the building’s HVAC system, a

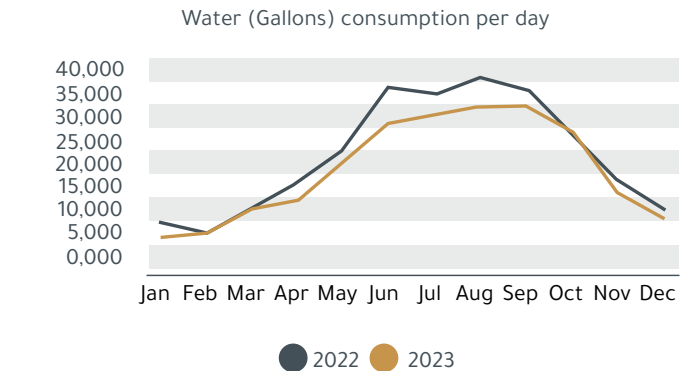
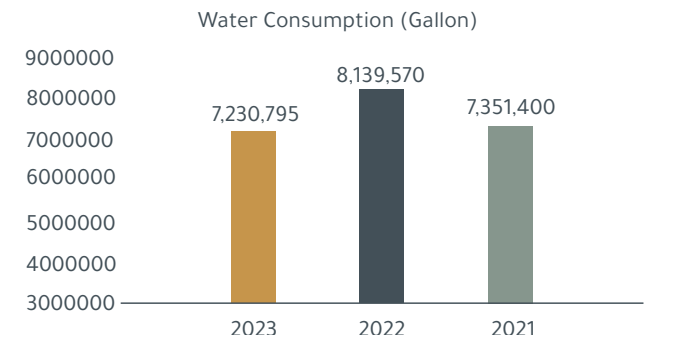
pivotal change that stands as the primary factor behind the reduction in our electrical consumption. The optimized HVAC operation has effectively minimized our energy usage, aligning seamlessly with our sustainability goals.

Moreover, the company’s restroom renovations have been instrumental in terms of water conservation. We’ve introduced innovative equipment designed to control visitors’ water consumption while embracing eco-friendly solutions. These renovations not only promote a more sustainable approach but also signify **Boursa Kuwait’s** commitment to responsible resource management.

In 2023, the energy consumption of the Boursa Kuwait Building amounted to **8,677,880** kilowatts, reflecting a notable **2.5%** reduction in electricity usage.



Our water consumption decreased by **908,775** gallons during 2023 to approximately **7.23** million gallons.



## Carbon footprint and GHG Emissions

### Scope 1 emissions:

Direct (Scope 1) GHG emissions are calculated based on diesel consumed by three back-up generators on site. In 2023, the amount consumed stood at approximately 800 litres marking a 20% decrease from last year.

Generator	Annual Diesel Consumption (in Liters)	GHG	Emission Factor (kg CO <sub>2</sub> /liter)	GHG Emitted (kg CO <sub>2</sub> )
B2 core 2- 1080 KV	400	CO <sub>2</sub>	2.67649	2141.1936
B2 core 2- 520 KV	200	CH <sub>4</sub>	0.00036	0.2889
B2 core 2- 520 KV	200	NO <sub>x</sub>	0.00002	0.01733
Total in 2023	800			

### Scope 2 emissions:

This category includes emissions that resulted from the generation of purchased or acquired electricity for the building. The actual amount of electricity consumed during 2023 was 8,677,880 kilowatts and the total Scope 2 CO<sub>2</sub> emissions in 2023 was 6,682 MT CO<sub>2</sub>e.

Type	Electricity Consumption in 2023 (kWh)	CO <sub>2</sub> Emissions (MT CO <sub>2</sub> e)	SO <sub>x</sub> Emissions (MT SO <sub>x</sub> )	NO <sub>x</sub> Emissions (MT NO <sub>x</sub> )
Amount	<b>8,677,880</b>	<b>6,682</b>	<b>0.0609</b>	<b>201.0</b>

### Scope 3 emissions:

Other indirect (Scope 3) GHG emissions are a consequence of an organization's activities, but occur from sources not owned or controlled by the company. Other indirect (Scope 3) GHG emissions include both upstream and downstream emissions. We calculated scope 3 from rented vehicles' fuel consumption and business travel.

#### Business Travel

This category includes emissions from transportation for business-related activities in vehicles owned or operated by third parties, such as aircraft.

The total number of business trips for 2023 is 24 trips to various destinations.

Business Trips: Scope 3 emissions:

2023	Number of trips	CO <sub>2</sub> Emissions (MT CO <sub>2</sub> e)	NO <sub>x</sub> Emissions (MT NO <sub>x</sub> )	SO <sub>x</sub> Emissions (MT SO <sub>x</sub> )
	<b>24</b>	<b>52.8</b>	<b>0.0005</b>	<b>1.589</b>

Destinations:	Number of Business Trips:
USA	1
Europe	11
GCC	12

Rented Vehicles: Scope 3 emissions:

Number of rented cars	Total yearly consumption volume (US gallons) (all cars)	CO <sub>2</sub> Emissions (MT CO <sub>2</sub> e)	NO <sub>x</sub> Emissions (MT NO <sub>x</sub> )	SO <sub>x</sub> Emissions (MT SO <sub>x</sub> )
<b>4</b>	<b>2,726</b>	<b>23.94</b>	<b>0.0002</b>	<b>0.720</b>



# Environment (Continued)

## DEMONSTRATING OUR SUPPORT FOR ENVIRONMENTAL PROTECTION

### Raising Awareness

**Boursa Kuwait** joined the fight to beat plastic pollution on World Environment Day 2023, reiterating its commitment to being a responsible and sustainable company that enters strategic partnerships to support initiatives and projects that contribute to the protection of the environment. The Kuwaiti stock exchange partnered with the United Nations Development Programme, the Regional Office for West Asia for the UN Environment Programme (UNEP), the Environmental Voluntary Foundation (EVF), and Omniya Collection System to remind society of the importance of people's actions to curb plastic pollution.

The celebration of World Environment Day comes in line with **Boursa Kuwait's** Corporate Sustainability (CS) strategy and is in line with Goal 13 - Climate Action - and Goal 17 - Partnership for the Goals - of the UN's Sustainable Development Goals (SDGs). The company's CS strategy, a fundamental component of its overarching business strategy, aims at creating long-term economic, social, and environmental value for **Boursa Kuwait's** stakeholders as well as informing and inspiring the company's efforts to contribute to the sustainable development of the community in which it operates.

### Preservation Of Kuwait Bay

**Boursa Kuwait** has strengthened its collaboration with the Environmental Voluntary Foundation (EVF) and the Kuwait Dive Team, in association with the United Nations Environment Programme (UNEP), as part of its ongoing commitment to support the Kuwait Dive Team's initiatives aimed at preserving Kuwait's marine environment. The company has consistently backed the Dive Team's efforts, which have successfully removed over 2000 tons of hazardous waste since 2009.

Established in 1986, the Kuwait Dive Team is a part of the Environmental Voluntary Foundation, boasting a rich 36-year legacy dedicated to environmental conservation. This dedicated group of compassionate volunteers has achieved numerous milestones in safeguarding Kuwait's marine environment, demonstrating a steadfast commitment to preserving the country's natural resources.

In 2023, the company sponsored the Kuwait Dive Team's initiative for the preservation of Kuwait Bay, concerted

efforts that have resulted in the successful removal of more than 111 tons of waste from Kuwait Bay through 91 missions. This included clearing 84 tons of hazardous waste over 72 missions, removing 11 tons of fishing nets, and taking out five ships and boats weighing more than 16 tons.



**Boursa Kuwait** proudly supports the Kuwait Dive Team in its endeavors to preserve Kuwait Bay, a vital economic resource for drinking water and desalination plants. Recognizing its coastal, recreational, and ecological significance, the company is committed to conserving its diverse habitats, a collaboration that underscores its dedication to corporate social responsibility and sustainability. As the second largest fish pond in the world, Kuwait Bay serves as a crucial meeting point for marine and terrestrial ecosystems.



## Recycle Plastic and Support Plastic Recycling Initiatives

**Boursa Kuwait** formed a strategic partnership with Omniya Collection System to actively engage in plastic recycling and support responsible initiatives for plastic waste management. Omniya Collection System, a non-profit organization in Kuwait, is dedicated to promoting environmental awareness and combating plastic pollution by encouraging the separation of plastic waste at its source and preventing its disposal in landfills or the sea.

**Boursa Kuwait** has been awarded the inaugural “Blue Bottle” certificate by Omniya in recognition of the company’s dedication to sustainable practices. This certificate is a testament to companies demonstrating commitment to plastic recycling and fostering a circular economy.

To ensure all employees and cleaning staff understand the importance of recycling, **Boursa Kuwait** conducted comprehensive tutorials and provided practical guidance on utilizing the Omniya application. This application streamlines waste organization and disposal methods, ensuring efficient recycling practices throughout the company’s operations.

To further acknowledge the crucial role of its janitorial staff, **Boursa Kuwait** implemented a rewards program that recognizes their efforts in collecting plastic waste, an ethical step offers tangible benefits and recognition for their contributions, particularly for those in low-income roles.

This initiative underscores **Boursa Kuwait’s** commitment to sustainable practices and emphasizes its dedication to fostering an inclusive and responsible workplace. The company is steadfast in its pursuit of innovative, ethical solutions for environmental conservation and social responsibility. Through this proactive approach, it aims to reduce our environmental footprint, playing a part in shaping a more sustainable future for Kuwait.

## Green Darb Program for Practical Training in Agriculture

In 2023, **Boursa Kuwait** sponsored LOYAC’s Green Darb program, which provides practical training in agriculture to equip trainees with advanced skills in the field, helping them secure employment opportunities in existing and upcoming agricultural projects. The program helps train and educate Kuwaiti youth about agriculture, creating job opportunities as well as promoting sustainable production and consumption practices.

The second edition of the program saw the graduation of 18 students, who have been empowered in the field of sustainable agriculture through immersive experiences and a comprehensive course in permaculture. The students

were successful in planting 400 trees which helped decrease the carbon footprint and contributed to a more biodiverse ecosystem.

The Green Darb program is aligned with the United Nations’ Sustainable Development Goals (SDGs), specifically Goal 8 - Decent Work and Economic Growth - and Goal 12 - Responsible Consumption and Production. The program helps train and educate Kuwaiti youth about agriculture, creating job opportunities as well as promoting sustainable production and consumption practices.



## Waste Management

**Boursa Kuwait** has taken significant steps in enhancing its waste management practices, furthering its commitment to sustainability. A notable achievement in this endeavor is the company’s collaboration with a certified recycling company specializing in IT scrap.

This partnership is a pivotal move towards responsible disposal and recycling of electronic waste generated within the company’s operations. By engaging with a certified recycling company, **Boursa Kuwait** ensures that its IT scrap undergoes proper recycling procedures, minimizing environmental impact and contributing to the circular economy.

This initiative underscores the company’s dedication to responsible waste management, aligning with its overarching sustainability goals. **Boursa Kuwait** remains committed to exploring additional avenues for waste reduction and sustainable practices, solidifying its commitment to environmental stewardship and sustainable business operations.



# 04 ESG Disclosures and Appendix

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Appendix A: Employee training courses in 2023	86







# ESG Disclosures and Appendix

## Global Reporting Initiative Standards (GRI) Index

GRI STANDARDS / OTHER SOURCE		DISCLOSURE	LOCATION / REMARKS
General disclosures			
GRI 2 : General Disclosures 2021	2-1	Organizational details	Information on the organization can be found in various sections of the report
	2-2	Entities included in the organization's sustainability reporting	<b>Boursa Kuwait Securities Company (K.P.S.C.)</b>
	2-3	Reporting period, frequency and contact point	January 1 to December 31, 2023 Annual reporting ESG@boursakuwait.com.kw
	2-5	External assurance	Save for selected financial data, which was extracted from the audited consolidated financial statements, other data has been internally reviewed and verified
	2-6	Activities, value chain and other business relationships	Please refer to page 16 and pages 30 - 33 of our Annual Report
	2-7	Employees	Please refer to pages 55 - 58
	2-8	Workers who are not employees	Nil
	2-9	Governance structure and composition	Please refer to pages 41 - 45
	2-10	Nomination and selection of the highest governance body	Please refer to page 44
	2-11	Chair of the highest governance body	Please refer to page 41
	2-15	Conflicts of interest	Please refer to page 47
	2-17	Collective knowledge of the highest governance body	Please refer to pages 41 - 42 and pages 76 - 79 of our Annual Report
	2-18	Evaluation of the performance of the highest governance body	Please refer to pages 43 - 44
	2-19	Remuneration policies	Please refer to pages 89 - 93 of our Annual Report
	2-20	Process to determine remuneration	
	2-22	Statement on sustainable development strategy	Please refer to pages 24 - 26
	2-23	Policy commitments	Please refer to pages 46 - 48
	2-24	Embedding policy commitments	Please refer to pages 46 - 48
	2-26	Mechanisms for seeking advice and raising concerns	Please refer to pages 47 - 48
	2-27	Compliance with laws and regulations	Please refer to pages 47 and 49
	2-28	Membership associations	Please refer to page 17
	2-29	Approach to stakeholder engagement	Please refer to pages 28 - 34
	2-30	Collective bargaining agreements	Not applicable

Material topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Please refer to page 36
	3-2	List of material topics	Please refer to page 37
Economic performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Please refer to page 14
	201-2	Financial implications and other risks and opportunities due to climate change	No financial implications and other risks and opportunities due to climate change
	201-4	Financial assistance received from government	No financial assistance received from government
Market presence			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	There is no gender pay gap. All benefits and wages are equal between males and females
	202-2	Proportion of senior management hired from the local community	Please refer to page 58
Indirect economic impacts			
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Please refer to pages 59 - 66
Procurement practices			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Please refer to page 71
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	<b>Boursa Kuwait</b> continues to maintain systems and controls to mitigate compliance risk
	205-3	Confirmed incidents of corruption and actions taken	No incidents of corruptions in 2023
Anti-competitive behavior			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions regarding anti-competitive behavior or violations of anti-trust and monopoly, cases or incidents where <b>Boursa Kuwait</b> is participating in, nor any legal actions, decisions or judgements
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Please refer to page 74



# ESG Disclosures

## and Appendix (Continued)

Water and effluents			
	303-5	Water consumption	Please refer to page 74
Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Please refer to page 75
	305-2	Energy indirect (Scope 2) GHG emissions	Please refer to page 75
	305-3	Other indirect (Scope 3) GHG emissions	Please refer to page 75
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Please refer to page 75
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Please refer to page 55
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Please refer to page 58
	403-9	Work-related injuries	No work-related injuries in 2023
Training and education			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Please refer to page 58
	404-2	Programs for upgrading employee skills and transition assistance programs	Please refer to Appendix A
	404-3	Percentage of employees receiving regular performance and career development reviews	Please refer to page 58
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Please refer to page 42
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination reported in 2023
Freedom of association and collective bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable

**Child labor**

GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	There is no significant risk for incidents of child labor in <b>Boursa Kuwait</b> procurement practices
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**Forced or compulsory labor**

GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There is no significant risk for incidents of forced or compulsory labor in <b>Boursa Kuwait</b> procurement practices
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**Local communities**

GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Please refer to pages 62 - 66
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**Supplier social assessment**

GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Please refer to page 71
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**Customer privacy**

GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints of breaches of customer privacy and losses of customer data were reported in 2023
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# ESG Disclosures and Appendix (Continued)

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Sustainability Accounting Standard- SECURITY & COMMODITY EXCHANGES

**Table 1. Sustainability Disclosure Topics & Accounting Metrics**

Topic	Code	Metric	Details	Units
Promoting Transparent & Efficient Capital Markets	FN-EX-410a.1	(1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility	(a) In 2023, there were 81 instances of halt related to public release of information by companies with varying degrees of average duration. (b) In 2023, there were 5,339 pauses related to volatility, each of which lasted for approximately 2 minutes	Number, Minutes
	FN-EX-410a.2	Percentage of trades generated from automated trading systems	Not applicable	Percentage (%)
	FN-EX-410a.3	Description of alert policy regarding timing and nature of public release of information	Based on CMA Executive Bylaws, Module Ten Article No. (4-1-1) Definition of Material Information and Article No. (4-2) Timing of Disclosure of Material Information	
	FN-EX-410a.4	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information	<b>Boursa Kuwait</b> has developed Environmental, Social and Governance (ESG) reporting guide with the aim of supporting Kuwaiti listed companies disclose on ESG issues and their corporate sustainability practices, in order to meet the growing needs of various stakeholders, including investors, customers, suppliers, and regulators for transparent and regular information. <b>Boursa Kuwait</b> has amended this guide to fulfill the requirements of Article No. (1-17-3) of Module Twelve Listing Rules of the Executive Bylaws of the CMA	



Managing Conflicts of Interest	FN-EX-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	There are no judgments ruled against <b>Boursa Kuwait</b> that include monetary losses.	Reporting currency
	FN-EX-510a.2	Discussion of processes for identifying and assessing conflicts of interest	Please refer to page 47	
	FN-EX-550a.1	(1) Number of significant market disruptions and (2) duration of downtime	No disruptions during the year and the duration of downtime is nil	Number, Hours
Managing Business Continuity & Technology Risks	FN-EX-550a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	No data breaches throughout the year including those involving personally identifiable information and no customers were affected	Number, Percentage (%)
	FN-EX-550a.3	Description of efforts to prevent technology errors, security breaches, and market disruptions	The company upholds a robust Layered Security Model, leveraging state-of-the-art technology. it adheres to different standards like ISO 20000-1, 27001. These standards cover the complete horizon of security including technology training and security awareness training for end-users, ensuring a comprehensive and effective approach to safeguarding information and systems.	

Table 2. Activity Metrics

Code	Metric	Details	Units
FN-EX-000.A	Average daily number of trades executed, by product or asset class	Total Trades: 2,389,098 Trading days: 242 Average daily number of trades executed: 9,872	Number
FN-EX-000.B	Average daily volume traded, by product or asset class	Total traded Volume: 39,567,392,790 Average daily volume traded: 163,501,623	Reporting shares

# ESG Disclosures and Appendix (Continued)

## Appendix A: Employee training courses in 2023

Training course	Department
ESG Investing Certification - CFA	Markets
Introduction to the FCA Listing, Disclosure and Transparency and Prospectus Rules	Markets
Navigating Change: Decision-Making, Negotiation and Leadership Strategies	Trading Operations, Markets
Compensation Decision and Pay-For-Performance Masterclass	HR
Certified Information Security Manager CISM	Risk
Tools for Audit Managers	IA
Introduction to Market Infrastructure	Trading Operations
Certificate in Organization Design	HR
High Impact Presentation	Finance
Presentation skills	Legal, Markets, Marcom
CertIFRS	Finance
Excel	Legal, Trading Operations, Markets
Equity Markets Fundamentals	Trading Operations
Strategy Programme	Markets
Advanced Excel	APD, Markets, CEO office, Risk, Trading Operations
ESG	Markets
Nasdaq System	Chairman Officer
Advance Enterprise Risk Management	Risk
Executive Leadership by <b>INSEAD</b>	Finance
HR Metrics & Workforce Analytics	HR
Total Rewards Management + Market Pricing - Conducting a Competitive Pay Analysis Pay	HR

Certificate in Intellectual Property

Legal

Certificate in Board Secretarial

CEO Office

Treasury & Risk Management

Finance



