



Kuwait Petroleum Corporation  
and subsidiaries | مؤسسة البترول الكويتية  
وشركاتها

# KPC

## SUSTAINABILITY REPORT

SUSTAINABILITY FOR A PROMISING FUTURE

**2022-2023**







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



**H.H. Sheikh**  
Sabah Khaled Al-Hamad Al-Sabah  
Crown Prince

# ABOUT THIS REPORT

At Kuwait Petroleum Corporation (referred to in this report as “KPC”) we take pride in our efforts to tackle environmental, social, and governance (ESG) challenges, all of which are deeply interwoven into our daily operations and carry great weight for our stakeholders.

Consequently, we’ve decided to publish comprehensive reports that cover the sustainability performance of KPC Group. This current report describes our approach to and progress on ESG strategy, with data from April 1<sup>st</sup>, 2022 through March 31<sup>st</sup>, 2023 (unless otherwise stated), which is in line with our financial reporting period. No restatements of information from the previous reporting period have been made in this report. Additionally, starting with fiscal year 2022–2023, KPC expects to publish ESG reports on an annual basis.




Kuwait Petroleum Corporation has reported the information cited in this GRI content index from April 1<sup>st</sup>, 2022 through March 31<sup>st</sup>, 2023 with reference to the GRI Standards. Additionally, KPC plans to comply with the International Sustainability Standards Board (ISSB). As a first step, we have included certain ISSB requirements in the current report.

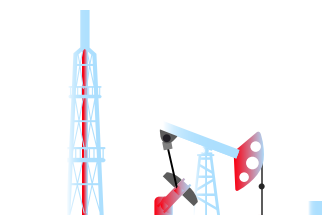
The report’s scope covers all of KPC’s fully owned assets, excluding our international offices and the Kuwait Vietnam Petrochemicals Company (KVPC).

For more information, please refer to Appendix A: Report Boundaries. Any mention of “Group” refers to both KPC Head Office (HO) and its eight subsidiaries.

If you have any questions or comments about this report, please email us at [SP-ESG@kpc.com.kw](mailto:SP-ESG@kpc.com.kw)

## UPSTREAM

-  Kuwait Oil Company (KOC)
-  Kuwait Gulf Oil Company (KGOC)
-  Kuwait Foreign Petroleum Exploration Company (KUFPEC)



## DOWNSTREAM

-  Kuwait National Petroleum Company (KNPC)
-  Kuwait Petroleum International (KPI)
-  Kuwait Integrated Petroleum Industries Company (KIPIC)
-  Petrochemical Industries Company (PIC)



## MIDSTREAM

-  Kuwait Oil Tanker Company (KOTC)



# KPC'S MISSION, VISION, AND VALUES

## MISSION

We optimize the value of the State of Kuwait's hydrocarbon resources by operating commercially and globally in an integrated and sustainable manner, while providing opportunities for our people to grow and contribute to Kuwait's economic development.

## VISION

Our vision is to be a global, integrated oil and gas leader. We accomplish this in the following ways:

- L**everaging innovation to maximize profit
- E**xcelling with capable and motivated people
- A**cting as a secure and reliable supplier
- D**elivering efficiently and effectively
- E**nsuring health, safety, and security
- R**especting the environment

## VALUES



**Partnership:** we build and sustain relationships that support growth and enhance operational excellence.



**Commitment to Health, Safety, Security, and Environment (HSSE):** we respect the environment and ensure safety, security, and the promotion of a healthy workplace wherever KPC operates.



**Integrity:** we act in a trustworthy manner with the highest standards of ethics, respect, and honesty.



**Excellence:** we encourage high performance, continuous improvement, and customer focus.



**Caring for People:** we create a culture where people develop and grow and are positively motivated to contribute to the success of others.



**Pride:** we create employee satisfaction on an individual level and promote a sense of loyalty and belonging to KPC.



**Innovation:** we develop and embrace new ideas, methods, and approaches to solving challenges that create value.



**One Team:** we care for the interests of KPC and ensure alignment to achieve corporate and country goals.



# MESSAGE FROM OUR CEO



**At KPC, we are committed to sustainability, recognizing its crucial role in shaping a greener future.**

As the world grapples with the critical importance of sustainability, Kuwait Petroleum Corporation recognizes and embraces its role in this global endeavor. Our commitment to sustainability is not only a response to the global call for environmental stewardship but also a reflection of our dedication to future generations. At KPC, we understand that the pursuit of sustainability is a journey that impacts every facet of our operations and aligns with our long-standing values.

Around the world, 2022 was a year of instability and change. The complex interplay of factors in the oil and gas sector, driven by geopolitical tensions, has demonstrated how crucial energy is for our society to thrive. This situation, together with the Covid-19 pandemic that began in 2020 and the increasing concerns for our environment,

has reshaped the way we see the world we live in, our community, and our values.

Since 1980, sustainability has been seamlessly integrated into KPC's corporate culture. Our priorities include the health of the communities we operate in, optimizing the value of Kuwait's hydrocarbon resources, and making sure our employees and operations are safe.

Global efforts are being made to accelerate the momentum toward a net-zero future while ensuring equitable and secure supplies of oil and gas today. The way to ensure the most competitive oil barrel worldwide is to navigate the complexity of the "energy trilemma": balancing energy reliability, affordability, and sustainability.

Moreover, in line with the recent global trend toward aligning businesses with sustainability goals, we have proactively decided to boost our commitment to sustainability. In fiscal years 2021-2022 and 2022-2023, we developed our 2050 Energy Transition Plan and our Sustainability Strategy, respectively, both of which serve as the basis for shaping KPC's path toward a future that is responsible and prosperous.

Our Sustainability Strategy is built around the three ESG dimensions:

## ENVIRONMENTAL

### Protecting our planet, ensuring our future

At KPC, we are committed to attain net-zero emissions by 2050. We will accomplish this by proactively reducing Scope 1 and Scope 2 greenhouse gas (GHG) emissions across domestic and international operations. In line with our efforts to strengthen sustainability, we are also investing in deploying effective water and waste management practices. For instance, in the fiscal year 2022–2023, we invested in cutting-edge wastewater treatment facilities to minimize the environmental impact of our discharges. Similarly, we pioneered a waste-sorting initiative in the State of Kuwait, partnering with the government to promote a circular economy.

*“We want to provide the lowest-cost oil and lowest-carbon-intensity oil.”*

## SOCIAL

### Driving equity, fostering prosperity

In our ongoing commitment to fostering a culture of health, safety, and inclusivity, we prioritize the wellbeing of our teams across our operating sites and offices. Demonstrating significant progress, we reduced fatalities in our assets compared to previous years.

Unfortunately, two fatal accidents were reported in the fiscal year 2022–2023 at our sites. Afterward, we conducted thorough investigations, drew meaningful conclusions, developed recommendations, and scheduled audits to ensure the recommendations are implemented.

Additionally, it is of utmost importance to boost employee recruitment, development, and retention, while upholding human rights. Likewise, we are marching on with determination toward promoting diversity among our workforce, ensuring opportunities for young talent and empowering our female colleagues. Regarding the presence of women at KPC, we stand out among our peers in the Gulf Cooperation Council (GCC): the female employee ratio at KPC’s Head Office (HO) reached 55% in the fiscal year 2022–2023.

## GOVERNANCE

### Adopting a robust governance approach

To govern our sustainability efforts in a transparent manner, we have a clear governance structure led by our board of directors and the Sustainability Executive Committee. In line with the Kuwait Vision 2035

and the Kuwait National Development Plan, we are strongly committed to developing and supporting the local economy. In this context, we optimized the sourcing of goods and services from local suppliers, which represented 45% of our total procurement budget in the fiscal year 2022–2023.

Looking ahead, we are confident that our journey will keep evolving and adapting to new challenges, technologies, social movements, and other events that may unfold. We are proud of the ground covered, the advances made, and the commitment demonstrated.

At KPC, we believe that, together, we can build a more sustainable and resilient future for the State of Kuwait and the world. As the CEO of KPC, I am honored to introduce our 2022–2023 Sustainability Report, which illustrates the pillars on which that future will be based.

Yours sincerely,

**Nawaf S. Al-Sabah**

Deputy Chairman and Chief Executive Officer

# CONTENTS

## 01

### PRESENTING KPC

2022-2023 performance

KPC and subsidiaries

KPC's 2040 strategy

Page 8



## 02

### ELEVATING SUSTAINABILITY AT KPC

KPC's ESG strategy

Materiality assessment

Corporate governance

Systematic risk management

Page 15



## 03

### ADDRESSING CLIMATE CHANGE AND COMMITTING TO AN ENERGY TRANSITION

Page 29



## 04

### REDUCING OUR ENVIRONMENTAL FOOTPRINT

Water management

Waste management and a circular economy

Air quality

Page 49



## 05

### ELEVATING OPERATIONAL SAFETY

Page 61



## 06

### SECURING EMPLOYEE WELLBEING

Employee recruitment, development, and retention

Diversity and inclusion

Page 71



## 07

### EMPOWERING OUR COMMUNITY

Human rights

Corporate ethics

Socioeconomic value creation

Page 85



## 08

### APPENDICES

Page 100



**KPC**  
SUSTAINABILITY REPORT

01

PRESENTING  
KPC

SUSTAINABILITY  
FOR A PROMISING FUTURE

# 2022-2023 PERFORMANCE



## FINANCIALS & PRODUCTION<sup>1</sup>

**43B KWD**

Revenue

**1.9B KWD**

Capex expenditure

**2.7B KWD**

Net income

**3.7%**

Share of the world's  
total crude oil production

**879 kbpd**

Local refining production

1. Financials and production include  
KPC and all its subsidiaries.

2. This figure excludes the land-based  
oil spill that occurred in March 2023,  
which was attributed to KOC.



## ENVIRONMENT

**20.7 MMT** CO<sub>2</sub>eq

Scope 1 emissions

**5.1 MMT** CO<sub>2</sub>eq

Scope 2 emissions

**+13 MW**

Solar capacity



## SAFETY

**15 hours**

Average training hours  
per employee

**416 barrels<sup>2</sup>**

Hydrocarbons spilled



## WORKPLACE

**23,410**

Number of employees

**481**

New employees

**90%**

Share of our employees in  
the State of Kuwait who are  
local workforce



## DIVERSITY & INCLUSION

**19%**

Share of total workforce who  
are women

**29%**

Share of our graduate  
workforce who are women

**31%**

Share of our workforce promoted  
to team leader or above who are  
women

KPC is a national oil and gas company, fully owned  
by the State of Kuwait. KPC was established in 1980  
to bring together all state-owned assets of the  
Kuwaiti oil sector under a corporate umbrella. KPC  
consists of a headquarters and eight integrated  
subsidiaries.

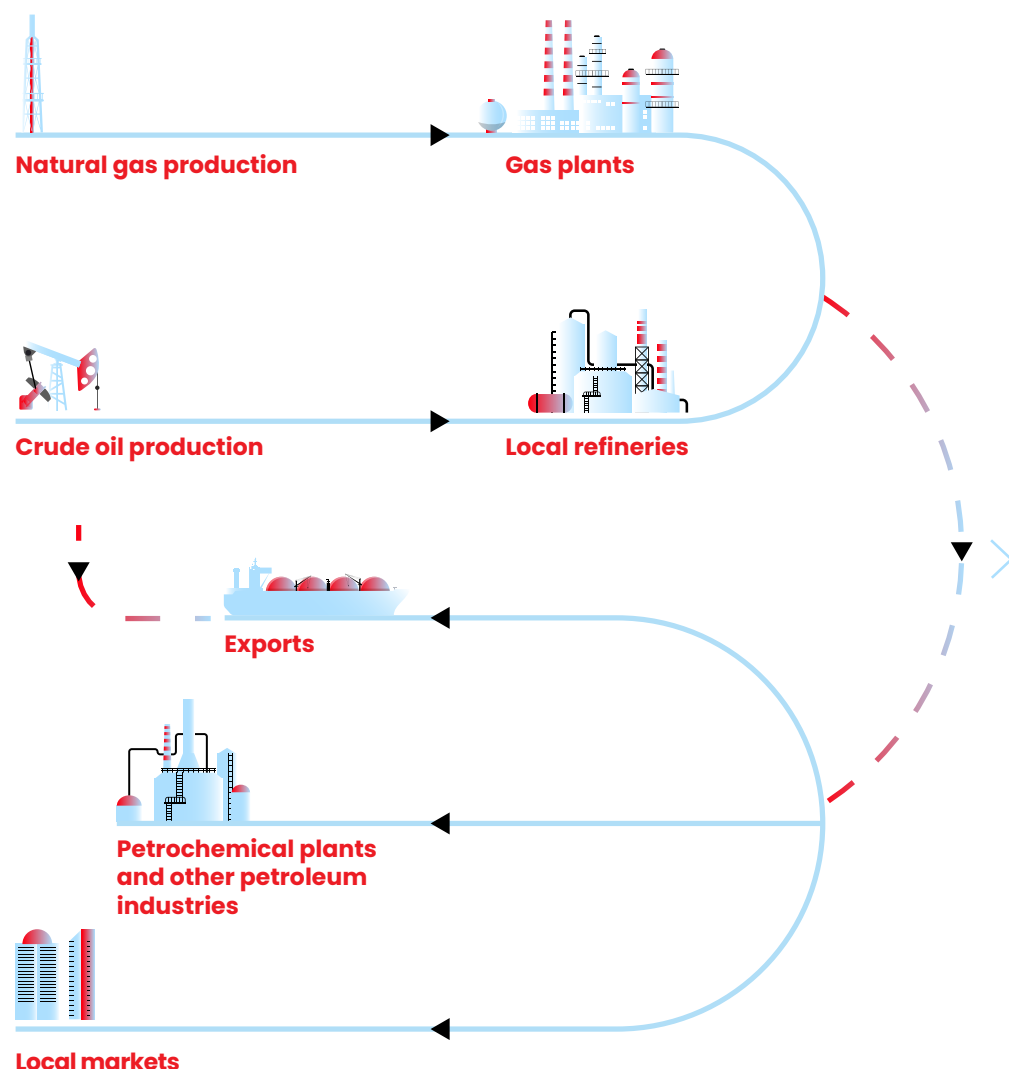


# KPC AND SUBSIDIARIES

KPC and its subsidiaries are involved in every activity of the hydrocarbon value chain. This includes everything from the (onshore and offshore) extraction of crude oil and natural gas and the production of end refined and petrochemical products (including gasoline, kerosene, gasoil, bitumen, naphtha, liquefied petroleum gas [LPG], and sulfur), to the transportation and marketing of all these products. Our end products are essential for several industries (including transportation, healthcare, batteries, and aluminum) and for developing petroleum-based products (like aromatics, detergents, and pharmaceuticals).

KPC and its eight subsidiaries are based in the State of Kuwait. Together, the Group's operations are spread across the Middle East, North Africa, Europe, the Far East, Canada, and Oceania (namely, Australia). KPC is recognized as one of the top 10 oil energy conglomerates, which produces about 3.7% of the world's total crude oil.

KPC's operations are categorized into three key lines of business – Upstream, Downstream, and Midstream – with specific subsidiaries overseeing the operations and activities of each line.





## UPSTREAM

The Upstream line of business comprises *exploration* (that is, the process of identifying hydrocarbon deposits), *development* (that is, the process of developing the facilities and infrastructure to produce reserves), and *production* (that is, the extraction of materials from underground/underwater) of natural gas and crude oil.

KPC has three Upstream subsidiaries covering domestic and international operations: Kuwait Oil Company, Kuwait Gulf Oil Company, and Kuwait Foreign Petroleum Exploration Company.



**Kuwait Oil Company (KOC)** was established in 1934 by British Petroleum and the Gulf Oil Corporation, now known as Chevron. In 1975, KOC's entire operations moved under the State of Kuwait's control. KOC's activities are focused on exploring national hydrocarbon resources, conducting onshore and offshore surveys, and drilling wells. KOC manages the production operations of 35 oil fields in Kuwait. The company sells its products to local, regional, and international end users.



**Kuwait Gulf Oil Company (KGOC)** was established in 2002 as a wholly owned subsidiary of KPC, dedicated to the Upstream line of business. KGOC represents the State of Kuwait's interest in the Partitioned Zone (PZ), which lies alongside the

borders of the State of Kuwait and the Kingdom of Saudi Arabia. The natural resources found in the PZ are shared equally by both countries.

KGOC partners with representatives from Saudi Arabia to explore, develop, and produce oil and gas *onshore* operations through Wafra Joint Operations (WJO) and *offshore* operations through Khafji Joint Operations (KJO).



**Kuwait Foreign Petroleum Exploration Company (KUFPEC)**, established by KPC in 1981, is an international Upstream company. Currently, KUFPEC is active in five continents (Australia, Asia, Africa, North America, and Europe) and has stakes in joint ventures with similar exploration-and-production companies as an operating or non-operating partner. KUFPEC's headquarters are located in the State of Kuwait, with an additional eight offices around the world.

KUFPEC's major assets are categorized into three areas: offshore and onshore exploration leases, oil and gas appraisal and development properties, and oil and gas-producing properties.

## DOWNSTREAM

The Downstream line of business refines crude oil, purifies natural gas, and carries out petrochemical operations. It also includes the marketing and commercial distribution of products to consumers and end users.

KPC Group has four Downstream subsidiaries, which cover domestic and international operations: Kuwait National Petroleum Company, Kuwait Integrated Petroleum Industries Company, Kuwait Petroleum International, and Petrochemical Industries Company.



**Kuwait National Petroleum Company (KNPC)** was established in 1960 and came under the control of KPC in 1980. KNPC's business activities include the operation of two state-of-the-art refineries in Kuwait.

Mina Al-Ahmadi (MAA) refinery has a capacity of 346 kilobarrels per day (kbpd) and a gas-processing capacity of 2,631 million standard cubic feet per day (mmscfpd). The refinery also has onshore and offshore export facilities. Mina Abdullah (MAB) refinery operates with a capacity of 454 kbpd and is designed to refine high-sulfur heavy crude oil. MAB uses the export facilities of Sea Island.

KNPC is also responsible for the sale and distribution of all petroleum products in the local market. Currently, KNPC owns 66 filling stations (86 stations were privatized). Moreover, KPC aspires to construct 100 new filling stations across Kuwait's governorates, to meet the growing demand for gasoline and other fuels. As of March 2023, 18 of these stations have been commissioned and are operational, and three more are under construction.



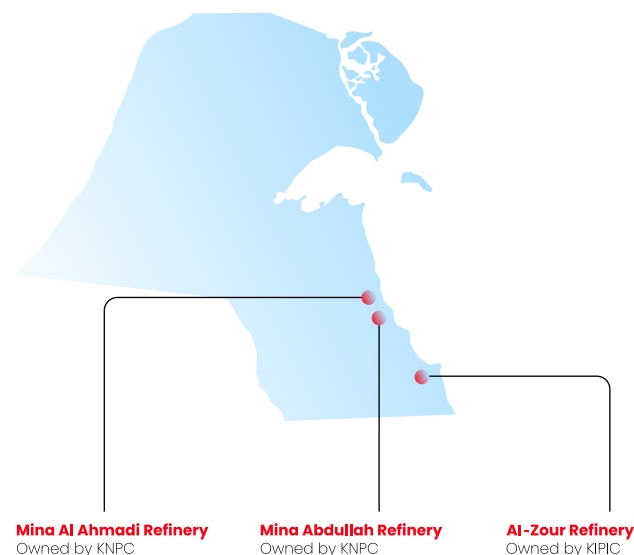
## Kuwait Integrated Petroleum Industries Company (KIPIC)

was established in October 2016 as a subsidiary of KPC. KIPIC operates and manages the largest integrated complex that specializes in refining, petrochemicals manufacturing, and liquified-natural-gas (LNG) imports: Al-Zour Refinery.

Al-Zour is the first of its kind in the State of Kuwait and was set up to meet the state's growing needs for a cleaner fuel (natural gas) to generate electricity, as well as the requirements of other natural gas consumers such as oil refineries and petrochemical

## Local refineries

KUWAIT



industries. It is the world's largest natural-gas storage and regasification greenfield plan, with a capacity of 3,000 billion British thermal units per day (Btupd) and 615 kbpd, Al-Zour is the largest natural gas storage and regasification greenfield plan in the world and one of the largest refineries in the Middle East.



**Kuwait Petroleum International (KPI)**, known by its trademark name "Q8," was established in 1983. Q8 is focused on refining and marketing fuel, lubricants, and other petroleum derivatives around the globe.

Today, Q8 markets approximately 450 kbpd through its aviation, direct sales, and lubricant activities. Q8 also has more than 3,880 retail service stations.

Q8 sells its products in Italy, Spain, Belgium, Luxembourg, the Netherlands, Sweden, Denmark, and Vietnam. In each country, Q8 markets bulk fuels, bitumen, LPG, and other petroleum products. The firm has a vast range of customers, including large organizations, public utilities, local authorities, transportation companies, light industries, and private individuals. In terms of aviation products and supply, Q8Aviation is one of the world's leading jet-fuel marketers, providing fuel at more than 70 airports worldwide.

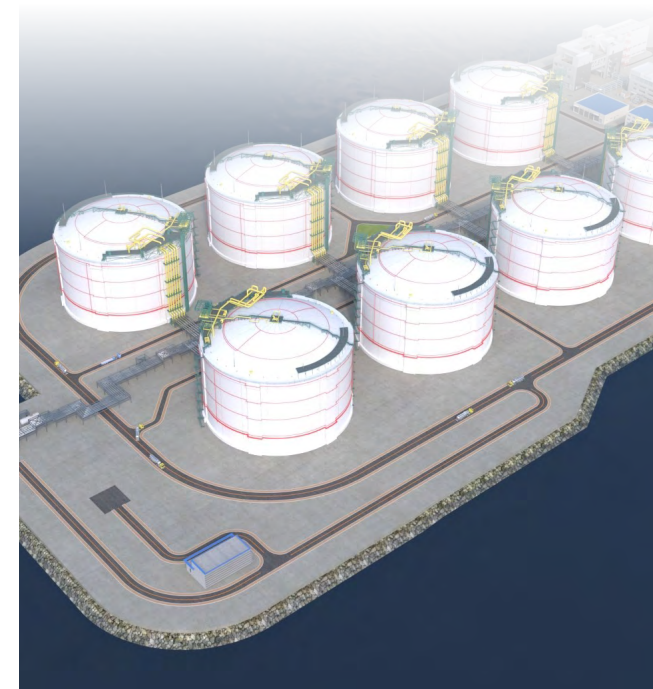
Additionally, KPI holds stakes in three refineries in Italy, Oman, and Vietnam. These assets have been excluded from the analysis in this report, as they are not wholly owned by KPC.



**Petrochemical Industries Company (PIC)** was established in 1963. It is the petrochemical subsidiary of KPC.

The company' main products are olefins, aromatics, and fertilizers. In the fiscal year 2022-2023, it produced 2,392 kilo metric tons (ktons) of olefins, 1,335 ktons, of aromatics, and 550 tons, of fertilizers.

PIC also holds a stake in nine national and international joint ventures. It fully owns the marketing branch in Vietnam.



## MIDSTREAM

The Midstream line of business covers the marketing, transportation, storage, processing, and trading of crude oil, natural gas, and refined products produced by the Upstream and Downstream lines of business.

Once oil has been extracted and separated, pipelines transport recovered products either to another carrier or directly to a refinery. Refined products are then transported from the refinery to the market by oil tankers, trucking fleets, or again through pipelines.

KPC has one subsidiary in the Midstream line of business: Kuwait Oil Tanker Company (KOTC). Furthermore, KPC International Marketing operates as

a sector within KPC, specializing in the marketing and sale of Kuwaiti crudes and products.



**Kuwait Oil Tanker Company (KOTC)** was founded in 1957 by a group of national investors. In 1980, KOTC was acquired by the State of Kuwait. Today, KOTC is the main subsidiary responsible for the Midstream segment of KPC in Kuwait.

KOTC's operations are divided into three main activities:

1. Shipment of oil and gas products:  
KOTC manages tankers engaged in the

transportation of crude oil, refined petroleum products, and LPG.

2. Marine agency: KOTC serves as the agent for all tankers calling at the State of Kuwait's seaport.
3. Gas branch: KOTC is responsible for filling and distributing LPG cylinders for local industry and domestic consumption, including the ownership of a gas filling plant.





# KPC'S 2040 STRATEGY

In line with our vision and mission, 2040 strategy was developed covering KPC and its subsidiaries. It represents KPC's strategic directions and where it is headed, projecting all subsidiaries' targets and the desired performance progression.

This strategy was built around three key underlying themes and four pillars supporting them.



## THEMES

1

### GROW SUSTAINABLY

KPC will expand our domestic and international portfolio and assets in oil, gas, refined products, and petrochemicals to support our global position and meet the current and future energy demands of Kuwait.

2

### OPTIMIZE THE PORTFOLIO

KPC will maintain and continuously optimize our portfolio to maximize the value of our domestic and international assets and rationalize noncore and unprofitable ones.

3

### INVEST IN AN ENERGY TRANSITION

KPC will provide an environmentally friendly mix of fuels and producing products, and consider initiatives and projects in line with the trend toward an energy transition (for example, clean fuels, alternative energy, a circular economy, and green hydrogen).

## PILLARS

1

### OPERATIONAL EXCELLENCE

KPC will adopt best practices, methodologies, and techniques to improve operations.

2

### BUSINESS EFFECTIVENESS

KPC will make functional areas act as strategic partners to KPC's businesses by adopting industry processes and procedures.

3

### SKILLED AND CAPABLE PEOPLE

KPC will develop workforce skills and building their necessary capabilities to better support core business objectives, including new or challenging requirements.

4

### PARTNERSHIPS AND COMMUNITY

KPC will partner with domestic and international oil companies, as well as contributing to the State of Kuwait's economy by strengthening the private sector's participation in KPC's investments.



**KPC**  
SUSTAINABILITY REPORT

02  
ELEVATING  
SUSTAINABILITY AT KPC

SUSTAINABILITY  
FOR A PROMISING FUTURE



# KPC'S ESG STRATEGY

Sustainability is an integral part of the business models of KPC and its subsidiaries, as we strive to conduct responsible operations across our value chains. We believe sustainability increases our profitability, protects the environment, and enhances the wellbeing of our stakeholders and communities. Therefore, we have instituted a robust governance framework that not only reinforces but also meticulously monitors our pursuit of sustainability.

We embarked on our sustainability journey long before the push from global banking institutions and regulatory bodies. Since 2005, we have been implementing several ESG initiatives, including the development of a code of conduct, Sidra project (the first utility scale solar project developed in the State of Kuwait), and the establishment of a Diversity and Inclusion Council.

Our sustainability journey has been built around five commitments:

مجلس التنوع والشمولية  
Diversity & Inclusion Council



## Complying with regulations and standards:

we conform to all socioeconomic and environmental regulations and strive to meet international sustainability standards in all the locations we operate in.



**Minimizing environmental impact:** we prevent pollution and the negative impact of our operations on the environment by reducing waste and emissions and using resources efficiently.



## Contributing to economic growth and engaging with local communities:

we promote both direct and indirect economic growth through local initiatives and products; we assess the impact of our operations on local communities; and we seek opportunities to foster community development.



**Remaining responsible for our products:** we produce, market, and distribute innovative and safe products that have a low environmental impact.



**Promoting healthy labor practices:** we adopt labor practices that encourage decent work and contribute to the development and wellbeing of our employees and contractors.





As part of our long-lasting ESG journey, in the fiscal year 2022–2023, we leveraged our sustainability commitments to devise a company-wide ESG strategy that is completely aligned with our 2040 Strategy, with Kuwait Vision 2035, and with the Kuwait National Development Plan 2020–2025. To this end, we defined actionable initiatives and established clear targets to propel us toward the realization of our ESG ambitions.

To reflect our commitment and ensure effective management of our ESG performance, we continue to update our Sustainability Reporting Policy. The policy applies to KPC and each of our subsidiaries, covering both national and international assets. Likewise, we expect all parties under KPC and our subsidiaries' control, like suppliers and partners, to follow this policy.

This policy emphasizes five primary principles that need to be adhered to: stakeholder engagement (creating value for all our stakeholders and responding to their expectations); governance and ownership (ensuring implementation of this policy); prioritizing what matters (focusing our efforts on managing the Group's ESG priorities); continuous improvement (setting the targets to regularly review the Group's sustainability performance); and transparent communication (reporting on our progress).

With respect to the governance of the ESG strategy, KPC board and top management play a crucial role.



On the one hand, the board supervises and ensures the implementation of the strategy, and oversees the development of a stakeholder engagement plan.

The Quarterly Performance Review Report serves as the designated venue for the comprehensive evaluation and analysis of ESG initiatives and performance.

On the other hand, top management (CEOs and MDs) have various responsibilities: define overall ESG objectives; define high-level ambition and targets; refresh ESG strategy; develop high-level initiatives and KPIs; detail out initiatives; define a roadmap for overall strategy; ensure alignment between ESG and corporate strategy; define a stakeholders' engagement plan; allocate budget for ESG strategy; assign budget on an initiative level; and appoint topic champions.

ESG matters are addressed during the quarterly to chief executive officer (CEO)/managing director (MD) meetings and are also a key focus within our existing Strategic Steering Committees. These platforms provide ongoing oversight and management of ESG-related topics, ensuring that they remain a prominent and integral part of our corporate agenda.

# MATERIALITY ASSESSMENT

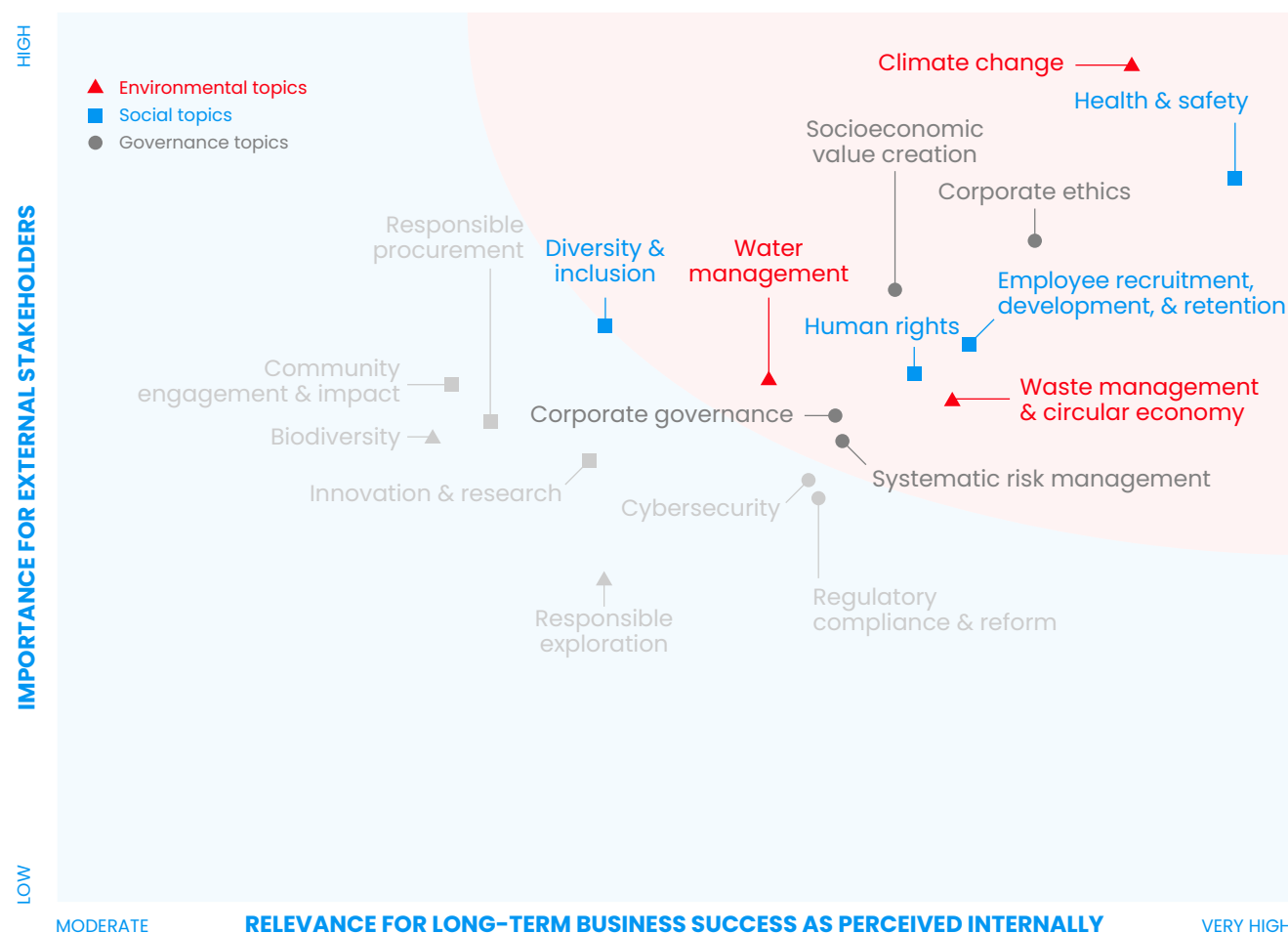
In fiscal year 2022-2023, we performed an exercise to remold our materiality assessment, understand the interests and expectations of our internal and external stakeholders regarding ESG, and reprioritize our efforts in that field.

First, we compiled a list of 80 industry-relevant ESG topics and ranked them in accordance with peer benchmarks and KPC's past materiality matrix. Then, to assess the relevance of KPC's material topics, we interviewed internal and external stakeholders and collected feedback via an online survey.

All in all, to build the materiality matrix and define priority areas, we leveraged input from more than 80 stakeholders, peer benchmarks, and market trends. Through this assessment, we identified the 18 ESG material topics that are most important to our stakeholders and deliver the greatest impact. Out of these topics, 11 were prioritized for short-term action and focus. The remaining 7 topics will be progressively incorporated into our ESG scope in the forthcoming years.

As a final step, and aligned with principle three of our Sustainability Reporting Policy, we matched the 11 ESG topics with KPC's sustainability commitments.

## Materiality matrix



Our promising journey toward a better future



Complying with regulations and standards



Remaining responsible for our products



Minimizing environmental impact



Promoting healthy labor practices



Contributing to economic growth and engaging with local communities

**1. Corporate governance:** the structure through which a company is governed and led, its transparency, and how ESG is embedded.

**3. Climate change:** the company's impact on climate change and its mitigation strategy, including carbon footprint reduction and energy transition.

**4. Water management:** water withdrawal, consumption, discharge, and quality.

**6. Health and safety:** occupational health and safety, including safe site operations and processes, and prevention of major accidents.

**9. Human rights:** monitoring the performance of the organization on human-rights issues such as discrimination, freedom of movement, freedom of expression, and human trafficking.

**2. Systematic risk management:** enterprise risk management on E, S, and G dimensions.

**5. Waste management and a circular economy:** waste sources, quantity, disposal, reduction measures, and the company's circularity strategy.

**7. Employee recruitment, development, and retention:** wellbeing of employees and contractors, including training opportunities and satisfaction.

**10. Corporate ethics:** corporate values and principles and how they are applied to business practices, a code of ethics, whistleblower policies, and a commitment to ethical practices.

**8. Diversity and inclusion:** equal opportunities of gender, age, race, and ethnicity.

**11. Socioeconomic value creation:** direct and indirect socioeconomic impact on countries where we operate, by contributing to state and local employment, and through local procurement and donations.



# CORPORATE GOVERNANCE

The Kuwaiti oil industry is governed by a single organizational structure, with crucial roles played by the Supreme Petroleum Council, the Ministry of Oil, and KPC.

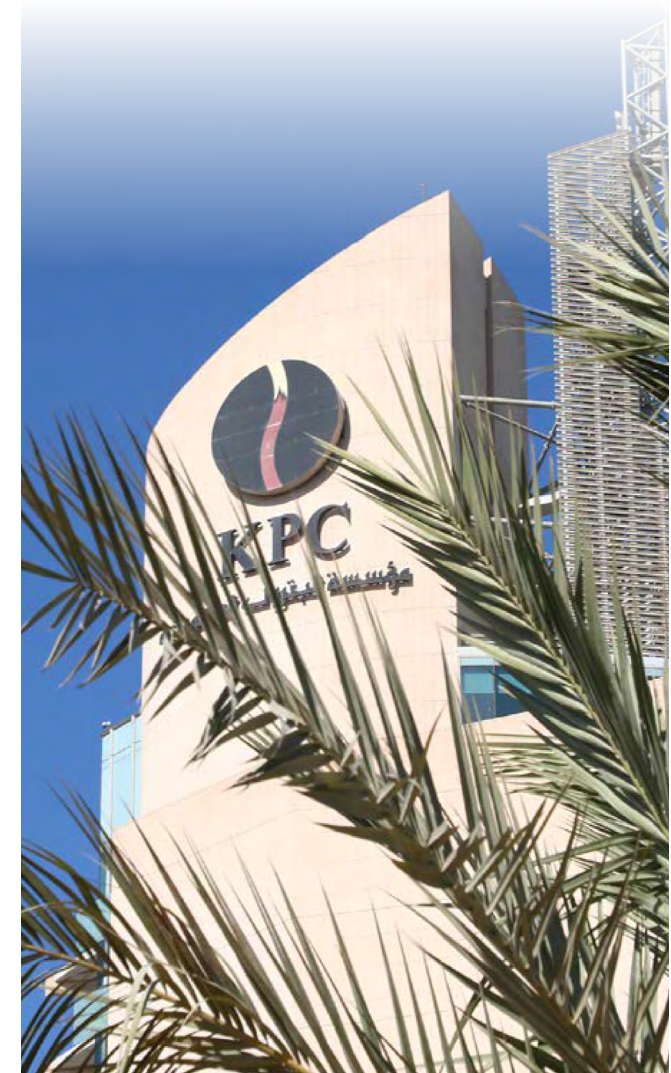
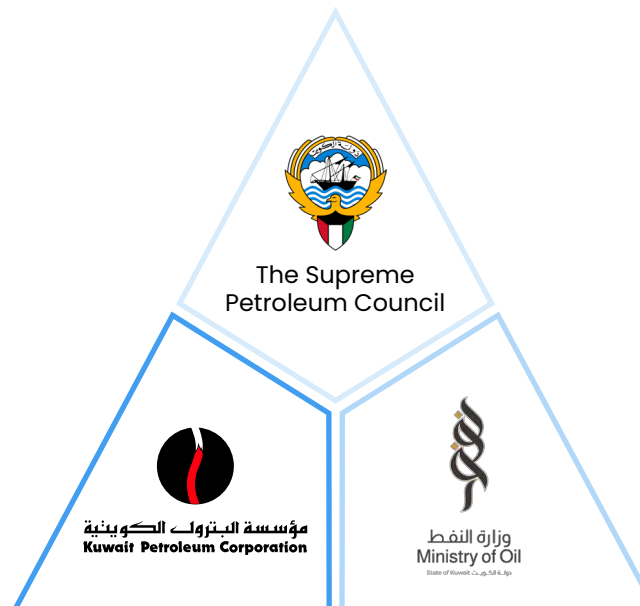
As the highest authority, the **Supreme Petroleum Council** holds the power to approve the underlying policy and administrative and financial regulations of the industry. This council also has the authority to green-light annual budget proposals, financial statements, and profit sharing. In addition, it approves the establishment of new companies within the industry and participates in their incorporation process. Moreover, it has the prerogative to approve the liquidation of subsidiaries or their integration into KPC, ensuring a robust and well-regulated oil sector in the State of Kuwait.

The **Ministry of Oil** plays a major role as well. It is tasked with proposing the general policy for the oil and gas sector and following up on its implementation. Furthermore, the ministry is responsible for developing and nurturing relations with Arab and foreign international bodies and institutions involved in oil affairs and related matters.

**KPC** holds the critical responsibility of managing and executing all aspects of the petroleum and hydrocarbon industries, both inside and outside

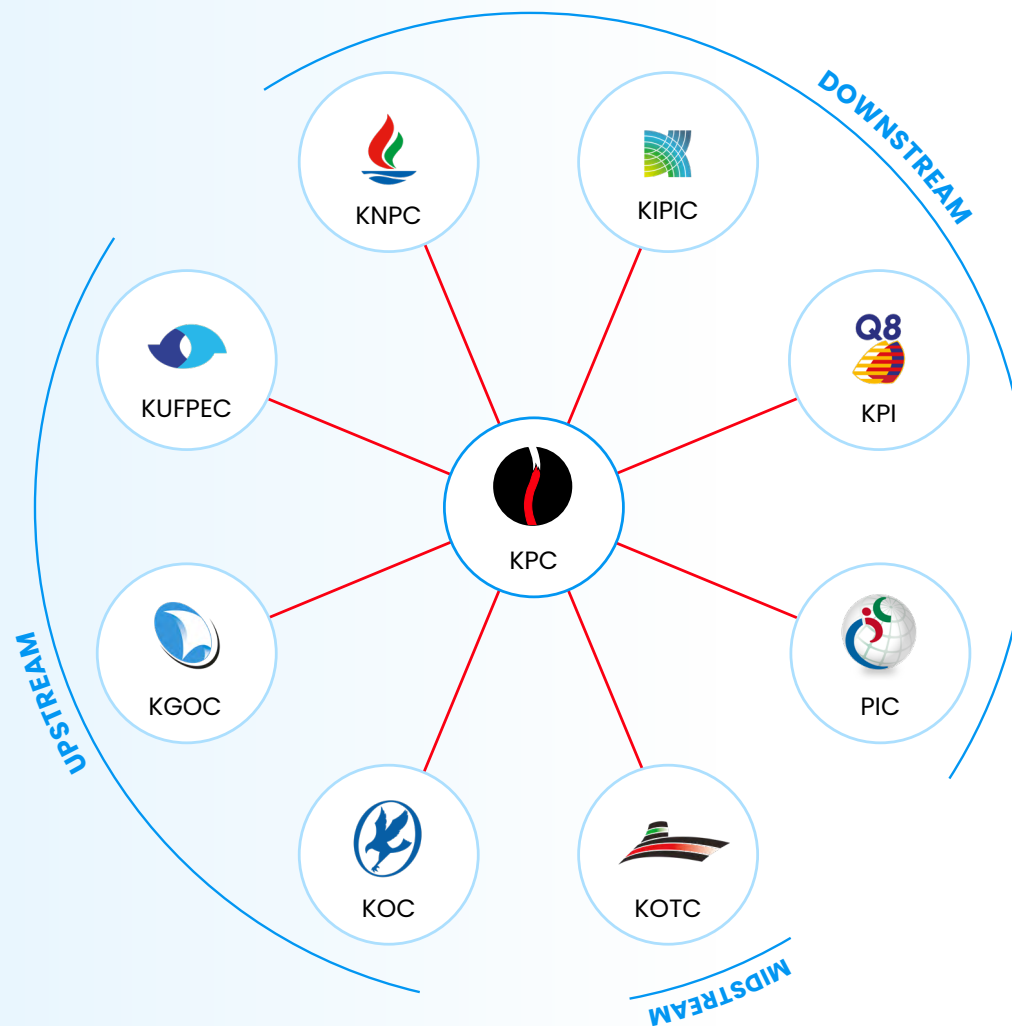
the State of Kuwait. This includes overseeing the various stages of oil production, exploration, refining, and distribution, making KPC a central player in the country's oil sector.

Together, this organizational structure ensures that the management of the State of Kuwait's oil industry is comprehensive and coordinated.



## KPC'S CORPORATE STRUCTURE

KPC is composed of a Head Office (corporate functions) and eight subsidiaries. This structure encompasses operations in the Upstream, Downstream, and Midstream sectors within the State of Kuwait and international joint ventures. The board of directors governs both KPC and its subsidiaries, acting as the highest authority for the entire Group. The organizational structure is illustrated at the right.





## BOARD OF DIRECTORS

The board of directors is at the top of the governance structure at KPC. It has the responsibility of governing the organization and plays a crucial role in overseeing the overall corporate governance structure and strategy. The board reports directly to the Supreme Petroleum Council, which oversees the regulation and direction of the State of Kuwait's oil industry.

Dr. Bader Al-Mulla, the State of Kuwait's Minister of Oil, acts as the chairman of the board, which is composed of himself, a deputy, and seven members. Eight out of nine of board members are independent, nonexecutive directors, which not only safeguards against potential conflicts of interest but also promotes a transparent decision-making process. The only executive member of the board is the CEO of the corporation, who acts as deputy.

The members of the board of directors are appointed for three years by an Amiri decree, based on the proposal of the Minister of Oil, after obtaining the approval of the Council of Ministers. Our diversity policy is considered for this nomination, encompassing gender and age with respect to the members of the board and senior management. This policy reflects KPC's resolution to incorporate women in leadership positions. For example, Aseel Al-Munifi, Undersecretary of the State of Kuwait's Ministry of Finance, is a current director.

Every director is expected to uphold and embody the utmost ethical standards and responsible for the enforcement of KPC's code of conduct throughout the Group. Furthermore, our board members must comply with a Selection Policy that helps avoid conflicts of interest and ensures transparency. This Policy explicitly states that board members are not allowed to simultaneously hold any other position outside KPC that might cause a conflict. They should also refrain from disclosing or using confidential information for their own or others' benefit. During the fiscal year 2022-2023, 15 meetings took place involving KPC's board of directors.

At the end of each fiscal year, board members receive fixed compensation of 6,000 KWD. Additionally, they are granted attendance-based compensation, the value of which may vary but which never exceeds 2,000 KWD per year. However, they do not receive any sign-on or performance bonuses or recruitment incentives. Other benefits such as termination payments or retirement plans are not applicable either.







**Dr. Bader Al-Mulla<sup>3</sup>**  
Chairman

Deputy Prime Minister  
and Minister of Oil, PhD in  
Civil Law.



**Shaikh Nawaf S.  
Al-Sabah**  
Deputy Chairman

Deputy Chairman and  
CEO of KPC, JD in Law  
and BA in International  
Relations.



**Assad Al-Saad**  
Member

Ex-CEO of PIC  
and KAFCO, BSc in  
Mechanical Engineering.



**Yousef Al-Qabandi**  
Member

Ex-Deputy Managing  
Director of Marketing  
Middle Distillates,  
Fuel Oil and Special  
Products, BA in Industrial  
Management.



**Ghanem  
Al-Ghenaiman**  
Member

Managing Director of  
the Kuwait Investment  
Authority, BSc in  
Accounting.



**Dr. Fadhel A. Safar**  
Member

Ex-Minister of Public  
Works, Planning and  
Development Affairs,  
PhD in Chemical  
Engineering.



**Manaf Al Hajri<sup>4</sup>**  
Member

Ex-CEO of the Kuwait  
Financial Centre, MSc  
in Civil Engineering and  
BSc in Civil Engineering.



**Aseel Al-Munifi**  
Member

Undersecretary of the  
Ministry of Finance, BSc  
in Accounting.

3, 4. Once this report is released, Dr. Bader Al-Mulla and Manaf Al Hajri will vacate their board positions, while Dr. Imad Mohammad Al Atiqi will join as a member.

## ROLE OF THE BOARD OF DIRECTORS

Each subsidiary maintains an independent board through which its chief executive officer directly report to KPC's board of directors. KPC's board offers supervision and guidance on the operational endeavors of each company.

With this objective in mind, each company is asked by the board of directors to hold annual independent meetings with nonexecutive directors. The aim is to supervise the business-related affairs of the Group and address the concerns of relevant stakeholders.

## BOARD OF DIRECTORS' COMMITTEES

The highest governance body within KPC Group consists not only of the board of directors but also three subcommittees. Each committee is established through board resolutions, and additional committees may be created, if deemed necessary by the board. These committees report directly to the board.

At their first meeting, the committees will elect a chairperson and his/her deputy, except for the Executive Higher Committee, which is chaired by the Deputy Chairman of the board of directors — the CEO. As for annual compensation, committee members receive a fixed amount of 3,000 KWD. Additionally, they are entitled to attendance-based compensation, the value of which may vary but which never exceeds 2,500 KWD per year.

The three committees at the top of our governance structure pertain to Executive Higher, Executive Compensation, and Audit and Risk.

The **Executive Higher Committee** is comprised of Shaikh Nawaf S. Al-Sabah, Deputy Chairman of the board of directors and KPC's CEO, and the sole executive member of the committees, along with three additional members. In this committee, no one else shall be entitled to chair the committee, as its resolutions are issued on behalf of the board of directors. This committee held 10 meetings this year, with the following main responsibilities:

- Review annual budget estimates of KPC and its subsidiaries.
- Authorize budgetary adjustments and capital programs up to specified limits, including those not initially included in the budget.
- Approve pricing policies for fuels and feedstocks, and sanction contracts for marketing crude oil, gas, and other products.
- Approve the signing and renewal of contracts for marketing crude oil, gas, and other products, in accordance with the financial authorities specified by KPC's financial regulations.
- Assess and approve interim consolidated financial statements and interim audit reports by independent auditors (after approval of the Audit and Risk Committee) without requiring presentation to the corporation's board of directors.



### The **Executive Compensation Committee**

consists of three people (one chair and two members), all of whom are elected during the first meeting. These members are nonexecutive and adhere to principles similar to those outlined in the composition of the board of directors. This committee has been called 13 times this year, with the following main responsibilities:

- Assess and endorse changes in the organizational structures of KPC and its subsidiaries.
- Consider the establishment or elimination of leadership roles within the organization and its subsidiaries, and provide recommendations to the board of directors.
- Approve proposed amendments about matters falling under the jurisdiction of the board, like management of travel allowances, accommodation and training expenses, attendance at conferences, and seminars for leaders and employees.
- Evaluate wage systems, allowances, and benefits, making the necessary adjustments based on market surveys, and review distribution and recognition systems for leaders and employees to ensure alignment with strategic objectives.
- Review the outcomes of candidates for executives positions, and endorse executives' succession plans.

The **Audit and Risk Committee** consists of three people (one chair and two members), all of whom are elected in the first meeting and are nonexecutive directors. This committee, which had 10 meetings this year, plays a central role in overseeing audits, with the following main responsibilities:

- Evaluate the criteria to select external auditors, establish their fees, and express opinions on their appointment or replacement.
- Assess the extent and quality of additional services provided by external auditors, guaranteeing their independence through a written statement.
- Scrutinize financial policies, international accounting principles, and notable changes

in financial statements, and engage in discussions regarding financial statements with management and external auditors, ensuring adherence to international accounting standards.

- Review the legal cases filed against the corporation and its subsidiaries that could have a substantial impact on financial data and business results.
- Review the risk management policies and plans for the corporation and its subsidiaries, make recommendations to the board of directors, and ensure the availability of programs for risk management.





# SYSTEMATIC RISK MANAGEMENT

Risk management is at the heart of KPC's sustainability journey, which ensures the enduring success of our business and the wellbeing of our stakeholders. This year, we embarked on a comprehensive review of our risk management processes. More importantly, we are incorporating ESG risks into our system, so as to align our system with sustainability principles.

## COMMITTED TO PROACTIVE RISK MANAGEMENT

At the core of our operations lies KPC enterprise risk management (ERM) framework, which serves as our guiding compass. This framework guarantees a consistent methodology for monitoring, assessing, managing, and reporting on key risks. It not only fosters informed decision-making but also reveals areas where we can optimize value. Our methodology gains an extra edge through automation with a top-tier software tool, thus boosting the agility of our risk management process.

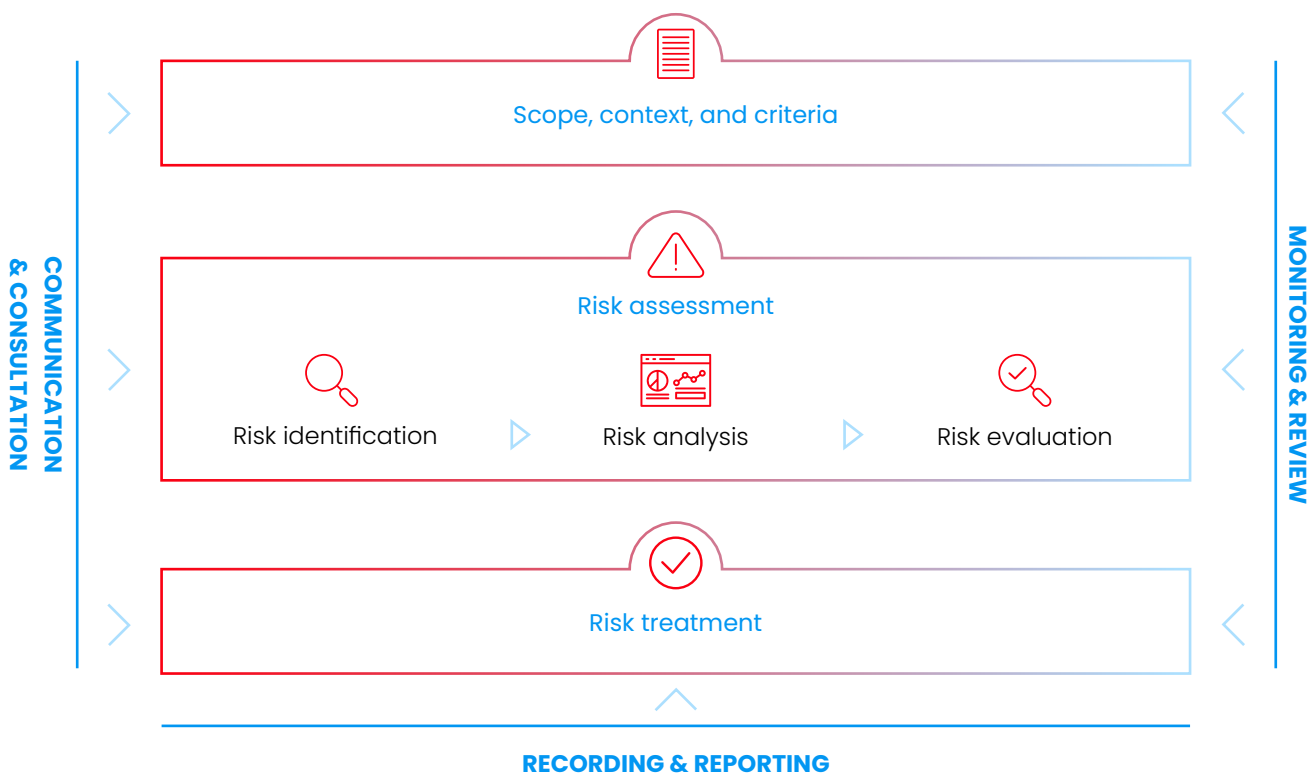
Aligned with KPC 2040 Strategic Directions, our commitment extends to nurturing a culture of risk awareness and fully integrating risk-based processes and procedures. This recognition underscores the pivotal role of risk management in our everyday operations, allowing us to not only mitigate risks but also to identify and seize

opportunities, thus ensuring the resilience and value generation of our operations.

In collaboration with Kuwait University, KPC conducted two ERM campaigns for KPC Head Office's employees in October 2022 and February

2023. The campaign aimed to promote risk awareness and share best practices.

## Risk Management Process





## ADVANCING EXCELLENCE IN RISK MANAGEMENT

### ACHIEVING ISO 31000 COMPLIANCE ACROSS SIX SUBSIDIARIES

At KPC, we are fully committed to excellence in risk management. Our ERM system adheres to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. We are advancing toward ISO 31000 compliance, with an ambitious goal to attain full compliance across our subsidiaries by 2024.

We are proud to report that **six of our eight subsidiaries are already compliant with ISO 31000:2018**. All subsidiaries are taking three key steps:

1. **Benchmarking and gap analysis:** we assess our current risk management processes in order to opportunities for improvement.
2. **Strategy development:** we proactively create and implement strategies to addresses the risks.
3. **Continuous monitoring and review:** we review and update our processes on an annual basis.

### FOSTERING EMPLOYEE GROWTH

KPC emphasizes continuous development as the pathway to excellence. We sponsored 21 ERM team members (over 368 training hours) so that they could obtain the Institute of Risk Management (IRM) certification. As of today, 76% (16 out of 21) of our ERM employees have taken the certification exam, with the remaining participants working toward certification by 2024.

## NAVIGATING RISKS ACROSS BORDERS

Kuwait Petroleum International (aka Q8) won the Cross-Border Risk Management Award at the 13<sup>th</sup> CIR Risk Management Awards. This recognition pertains to an integrated risk management system across global operations, and it highlights Q8's commitment to robust risk management, where local and organizational goals are aligned.

## INTEGRATING SUSTAINABILITY INTO RISK MANAGEMENT

At KPC, we recognize the growing significance of ESG risks for business performance. We intend to integrate ESG-related factors into our risk management practices in order to enhance KPC's adaptability and responsible growth. As part of this promise, we are planning to establish a dedicated ESG category within our top 10 risk domains.

We aim to upgrade our risk catalog so that ESG risks are incorporated into our management framework. While ESG elements are considered in our annual risk registers across categories, we understand the importance of consolidating them into a specific ESG category, in line with international best practices.

Additionally, we are bridging the gap between risk management and ESG reporting. In this sense, we are aligning our ESG-related risk and opportunity assessments and reporting the requirements set forth by the ISSB. These standards, which reflect a rising trend in corporate reporting, integrate sustainability into financial outcomes.

## LEADING THE WAY IN RISK MANAGEMENT FOR SUSTAINABILITY



Our Downstream subsidiary, KPI, is taking the lead on this initiative. The company has already embedded ESG commitments as an integral part of its risk register.

KPI utilizes the double-materiality approach to prioritize those ESG risks and opportunities that matter the most to the company. As part of its energy transition strategy, KPI analyzed risk management scenarios, considering various climate-related possibilities, policy changes, and market dynamics. This process enabled KPI to identify potential risks, devise effective long-term risk mitigation strategies, and capitalize on emerging opportunities within the energy transition landscape.

*"In the world of risk, the greatest danger often lies in not taking any risks at all."*

— Manager of KPC Corporate Risk Management Department





**KPC**

SUSTAINABILITY REPORT

# 03

ADDRESSING CLIMATE  
CHANGE AND COMMITTING  
TO AN ENERGY TRANSITION

SUSTAINABILITY  
FOR A PROMISING FUTURE

واحة الصبيحية  
**SUBAIHIYA OASIS**



# ADDRESSING CLIMATE CHANGE AND COMMITTING TO AN ENERGY TRANSITION

Climate change is today's most pressing challenge. As society and businesses unite to foster sustainability, a new business landscape arises, representing an opportunity for companies to compete in the transition to a low-carbon, cleaner future.

Combating climate change requires comprehensive and transformative action across economic sectors. Furthermore, society now expects businesses to play a pivotal role in tackling such global challenges. This evolution opens up extraordinary opportunities for businesses to contribute meaningfully to global solutions while achieving growth and profitability.

## A NET-ZERO FUTURE

At KPC, we have embarked on a sustainability journey whose aim is to significantly contribute to a net-zero future. We are committed to facilitating adaptation to climate change, protecting and restoring our ecosystems, and forging an environmentally sustainable world.

Moving forward, we will collaborate with the Kuwaiti government and enter into partnerships across our supply chain and beyond to rise to the challenges posed by climate change.



KPC's path to sustainability is marked by strong commitments, a determined approach to reducing our operational emissions, and a proactive pursuit of sustainable growth and profit opportunities.

Our strategy revolves around two paramount objectives:



**Mitigating operational emissions:** our primary objective is to reduce emissions from our operations and supply chain.

**We are committed to achieving the ambitious target of attaining net-zero Scope 1 and 2 greenhouse gas (GHG) emissions by 2050** and to supplying energy resources with the lowest emission intensity globally.

To guide our efforts, we strictly adhere to the GHG emission hierarchy, prioritizing the avoidance and reduction of emissions throughout our operations and value chain.

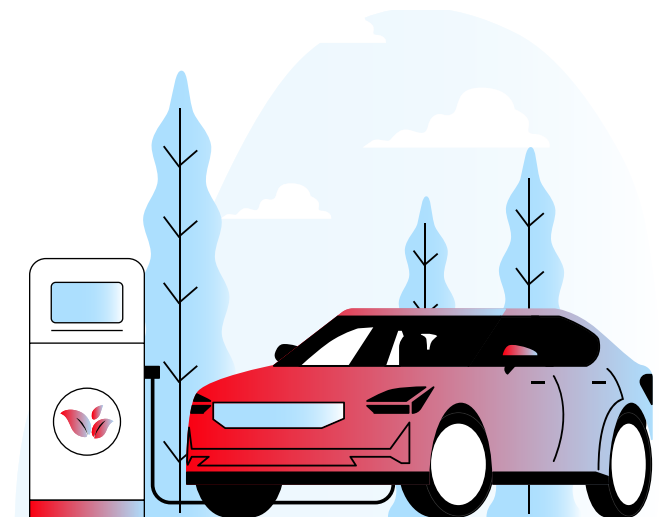
For any emissions that persist, we pledge to implement long-term offsetting and neutralization strategies.



**Embracing sustainability opportunities:** in our pursuit of sustainability, we are exploring opportunities in new energy businesses. This involves a strategic approach to identify, invest in, and lead in areas that are not only aligned with our operational capabilities but also offer substantial financial returns.

Beyond reducing our GHG emissions, we are enthusiastic about the abundant opportunities presented by climate change and the evolving energy landscape. These opportunities offer avenues for our businesses to thrive and achieve enduring prosperity. We plan to invest in select areas that fulfill our criteria, encompassing substantial financial gains, scalability, and a close alignment with our competitive advantages.

These investments will be channeled into advanced mobility solutions; biofuels; green hydrogen; and carbon capture, utilization, and storage (CCUS).





# KPC'S GREENHOUSE GAS FOOTPRINT

Our efforts to address climate change start with creating transparency about our carbon footprint. This lays the foundation to prioritize and execute our emission-reduction strategies.

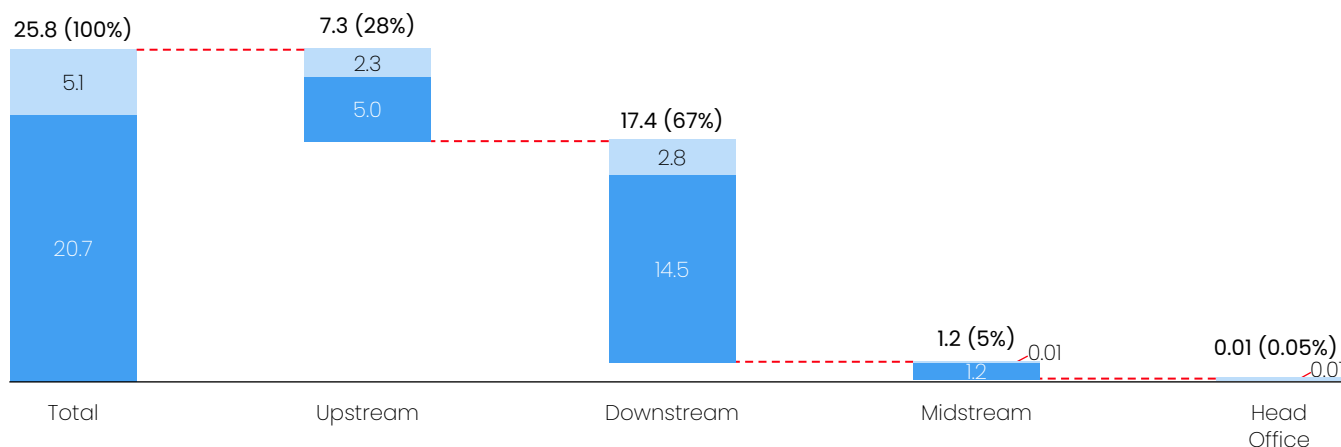
At KPC, we calculate our Scope 1 and 2 emissions on an annual basis. We meet the GHG Protocol Standard and employ a tool developed by a reputable third party for the estimation. Our assessments encompass emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). It is worth noting that hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>) are intentionally excluded from emission calculations, since we do not emit these gases in our operations.

During fiscal year 2022-2023, our operational activities resulted in 25.8 MMt CO<sub>2</sub>eq. emissions. Of this amount, 20.7 MMt CO<sub>2</sub>eq. corresponded to Scope 1 emissions, while 5.1 MMt CO<sub>2</sub>eq. were attributed to Scope 2 emissions.

Downstream emissions entailed 67% of total emissions, with KNPC notably contributing 57% to our overall count, refer to Appendix B: Performance Data.

Calculations include those emissions from our wholly owned domestic and international properties. For a comprehensive description of our reporting boundaries, refer to Appendix A: Report Boundaries.

## Total emissions by value chain segment (MMt CO<sub>2</sub>eq.)



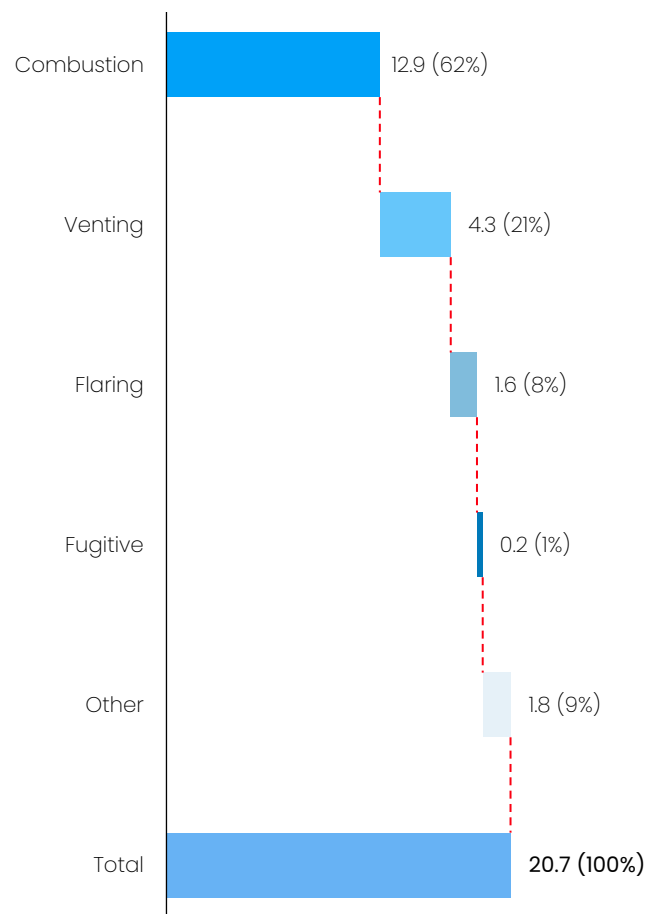
● Scope 1 ● Scope 2



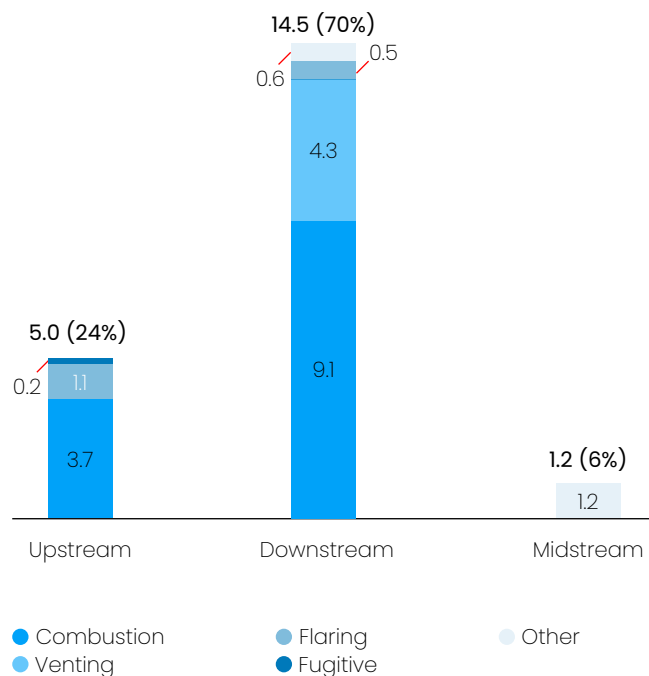
## ZOOMING IN ON OUR SCOPE 1 EMISSIONS

Around 80% of KPC's emissions (20.7 MMt CO<sub>2</sub>eq.) are classified under Scope 1, driven predominantly by combustion (62% of total Scope 1 emissions) and venting processes (21% of total Scope 1 emissions).

### Scope 1 emissions by source (MMt CO<sub>2</sub>eq.)



### Scope 1 emissions by source and value chain segment (MMt CO<sub>2</sub>eq.)

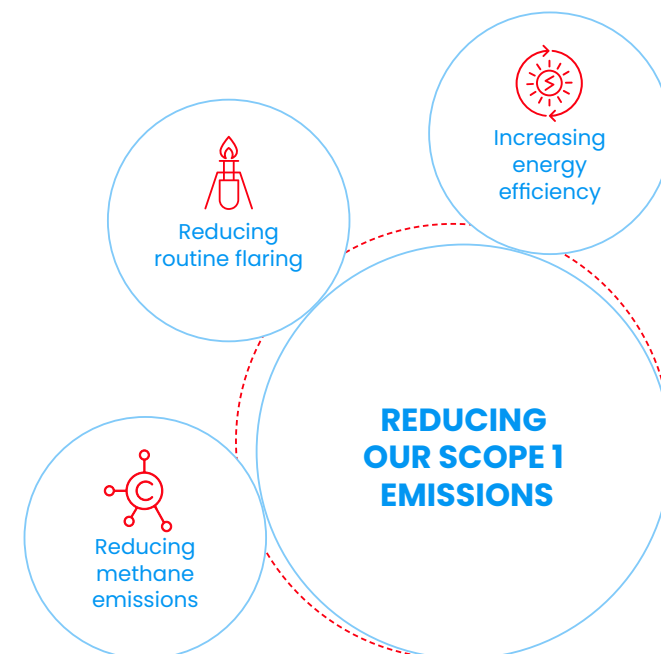


During the fiscal year 2022-2023, our Scope 1 emissions showcased distinct patterns across sectors. The Downstream sector was the predominant contributor, representing 70% of the total with 14.5 MMt CO<sub>2</sub>eq. Combustion and venting accounted for 9.1 and 4.3 MMt CO<sub>2</sub>eq., respectively. The Upstream sector contributed 24%, or 5.0 MMt CO<sub>2</sub>eq., primarily from combustion at 3.7 MMt CO<sub>2</sub>eq. and flaring (1.1 MMt CO<sub>2</sub>eq.) The Midstream sector had minimal impact, contributing just 6%, or 1.2 MMt CO<sub>2</sub>eq.

## REDUCING OUR DIRECT EMISSIONS

Scope 1 emissions encompass the direct emissions from our operations. We acknowledge our responsibility for reducing these emissions.

In the subsequent pages of this report, we outline the specific measures undertaken to reduce our Scope 1 emissions. Our approach encompasses increasing energy efficiency, reducing routine flaring, and cutting our methane emissions. These initiatives form an essential part of our commitment to environmental stewardship and reflect our ongoing efforts to minimize our direct impact on the environment.



## INCREASING ENERGY EFFICIENCY

By 2050, we aim to increase energy efficiency by 8-12%, using 2022 as our baseline.

In pursuit of this goal, we're launching initiatives centered on continuous improvement. This approach includes assessing and benchmarking energy efficiency performance for each asset, identifying potential improvements, and establishing clear targets for reduction. We prioritize these initiatives at both corporate and asset levels, implementing the most effective ones while consistently tracking progress and harnessing the latest technology.

### MILESTONES AND ACHIEVEMENTS FOR FY 2022-2023

#### UPSTREAM



KOC is working to boost energy efficiency by connecting Electric Submersible Pumps (ESPs) to the grid to reduce diesel consumption and emissions, and by conducting a holistic energy audit to improve overall efficiency.



KUFPEC is proactively exploring energy efficiency solutions by collaborating with the

Kuwait Institute for Scientific Research (KISR). The company implemented hydropower technologies for generating power from the shore at one of its facilities in Norway.

#### DOWNSTREAM



KIPIC is advancing its energy management through the Energy Cell, which coordinates KIPIC's Energy Management System activities. The company established an energy efficiency baseline for Liquefied Natural Gas Import, thus enhancing its data collection capabilities.

At Al-Zour refinery, KIPIC took multiple steps to reduce GHG emissions and boost energy efficiency. This included upgrading control systems for fuel efficiency, improving insulation in furnaces and heaters, optimizing steam use, reusing boiler condensate, and effectively utilizing waste heat. The refinery prioritizes energy-efficient equipment, and its administration building is recognized for sustainable design with energy-saving features.

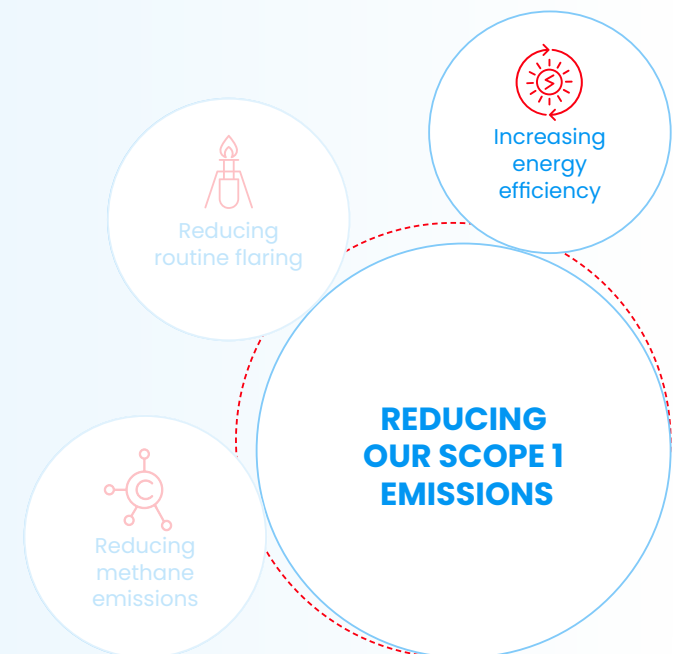


KPI is consistently implementing energy-saving measures across its refineries and other assets in diverse locations, spanning Brussels, the Netherlands, Luxembourg, Italy, and Spain. These measures include LED installations and efficiency enhancements at the Naples Marine Terminal.

#### MIDSTREAM



KOTC enhanced its maritime fleet's energy efficiency with new measures and installed Energy Performance Labels on 20 ships, thus aligning with global standards. The company is also working on a decarbonization report to emphasize its dedication to sustainable practices. Additionally, in its LPG-Bottling Plants Branch, KOTC established an Energy Management team and completed a review to identify and implement energy efficiency improvements.





## REDUCING ROUTINE FLARING

Flaring, the third largest source of our Scope 1 GHG emissions, releases both carbon dioxide and methane, with the latter having a notably high global warming potential. In alignment with our sustainability goals, **we aim to completely eliminate routine flaring by 2040.**<sup>5</sup> In our ongoing efforts to address emissions from flaring, we implemented a suite of initiatives, encompassing the implementation of a comprehensive monitoring system to track flaring emissions across assets and the active evaluation of all the available options for reducing flaring emissions.

### MILESTONES AND ACHIEVEMENTS FOR FY 2022-2023

#### UPSTREAM



**KOC** is working to achieve Zero Routine Flaring by 2030. A central part of this effort is the new gas export line from North Kuwait to MAA, aiding significantly in efficient gas management and reducing flaring. **This initiative helped lower flaring to less than 0.5%.**



**KUFPEC** is intensifying efforts to engage operators and partners, advocating for the reduction or complete elimination of flaring in their collaborative ventures. This initiative is part of a broader strategy to foster sustainable partnerships focused on environmental responsibility.

#### DOWNSTREAM



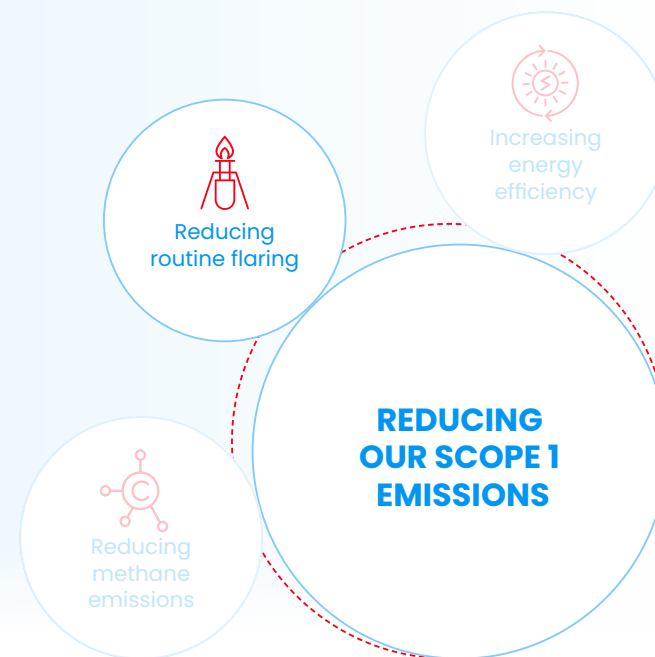
**KNPC** is advancing its Zero Non-Emergency Flaring initiative, focusing on minimizing flaring at its refineries and gas plants. This includes accurately quantifying flare losses for effective management and reduction strategies. Concurrently, the company is developing an advanced 3D model, using sophisticated technology to analyze and optimize the flaring systems. These initiatives aim to identify and implement improvements, significantly reducing routine flaring.



**KIPIC** completed a critical study at the Liquefied Natural Gas Import terminal to determine optimal flaring thresholds. This analysis is designed to minimize gas flaring, especially during periods of reduced gas output from the terminal. The findings ensure that the terminal operates efficiently with the least necessary flaring.



**KPI** effectively eliminated routine flaring at Milazzo refinery and is in the process of designing Duqm refinery to align with high environmental and efficiency standards. Looking ahead, KPI plans to evaluate the potential for reducing flaring at the Nigh-Son refinery in Vietnam, continuing its determination to achieving zero routine flaring.



5. This excludes technical flaring.

## REDUCING METHANE EMISSIONS

Methane has important implications for climate change, particularly in the near term.

Methane, though shorter-lived in the atmosphere than CO<sub>2</sub> (about 12 years), has a significantly more potent greenhouse effect: it absorbs much more energy during its atmospheric lifespan.

The International Panel on Climate Change estimates methane's Global Warming Potential (GWP) at 84-87 over 20 years (GWP20), compared to 28-36 over 100 years (GWP100). Thus, a metric ton of methane can have an impact equivalent to up to 87 metric tons of CO<sub>2</sub> in the short term.

Additionally, methane contributes to air quality issues by helping to form ground-level ozone, a harmful air pollutant.

**266.1** kMt Co<sub>2</sub>eq  
of methane was emitted during  
the fiscal year 2022-2023

In 2021, the State of Kuwait committed to the Global Methane Pledge through the Climate and Clean Air Coalition, aiming to reduce methane emissions by 30% by 2030. This pledge is part of

a voluntary framework that encourages nations to collectively reduce methane emissions by 30% from 2020 levels by 2030, and global warming by over 0.2°C by 2050.

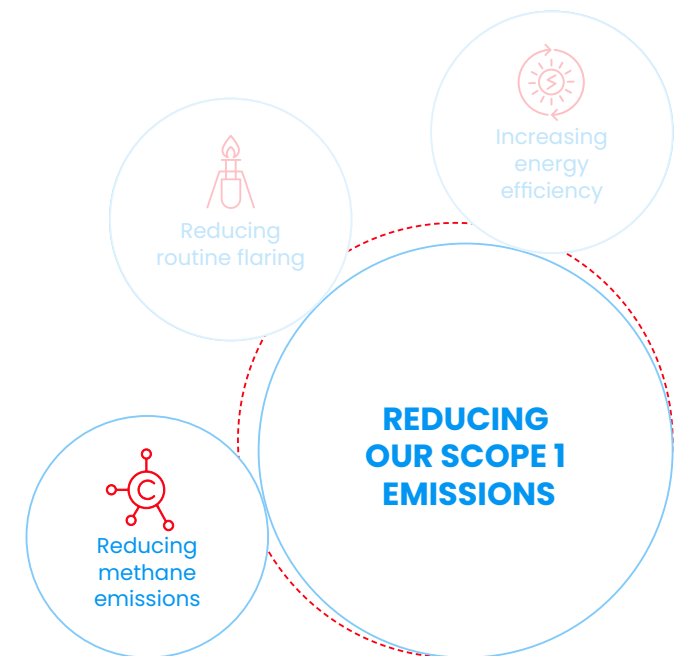
At KPC, we cooperate with the Kuwaiti Government, regularly reporting on methane-reduction initiatives and closely monitoring of our methane emissions. We maintain strict compliance with local regulations, which limit gas burning to 5% of daily production.

Through our concentrated efforts on flaring reduction, alongside additional initiatives aimed at venting and fugitive emissions, KPC is dedicated to substantially reducing both methane and overall greenhouse gas emissions.

Our determination to sustainability extends well beyond the immediate horizon. KPC is proactively involved in the development and execution of future projects, affirming our steadfast promise to our community, the environment, and a future we all share.



**KOC.** In our efforts to mitigate methane emissions, our Upstream subsidiary, KOC, plays a pivotal role in advancing our sustainability initiatives. KOC modernized its infrastructure and incorporated advanced technology to minimize methane release. Meticulous maintenance of its facilities further aids in preventing methane leaks. These measures, combined with KOC's reduction of flaring to under 0.5%, significantly contribute to emissions reduction.



## ZOOMING IN ON OUR SCOPE 2 EMISSIONS

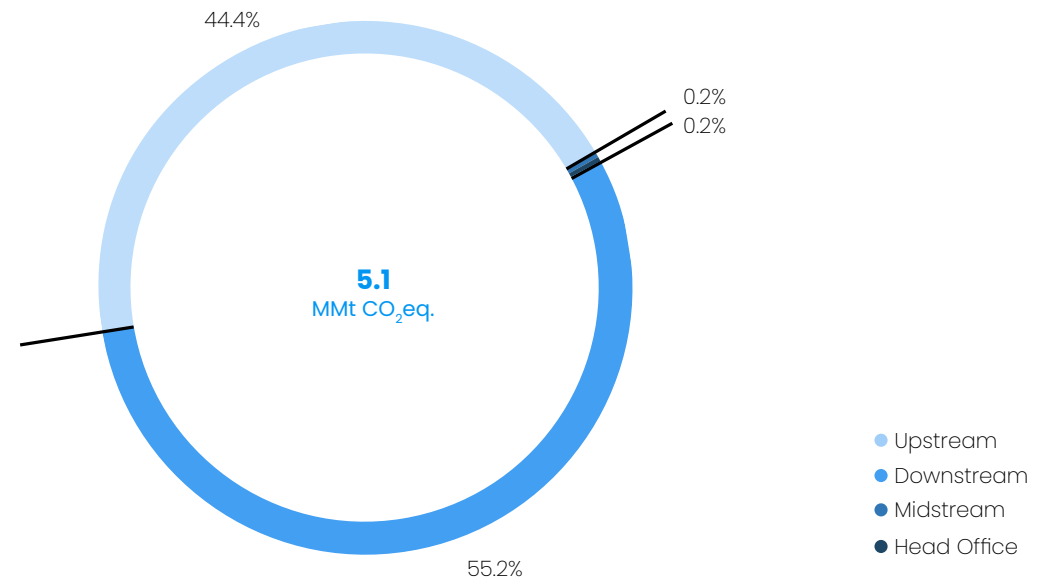
Scope 2 emissions primarily comprise the indirect emissions from the energy consumed at our facilities.

During fiscal year 2022-2023, our Scope 2 emissions reached 5.1 MMt CO<sub>2</sub>eq., representing around 20% of our cumulative emissions. These emissions mainly stem from electricity consumption, as most of our steam requirements are met in-house. An exception is our PIC subsidiary, which procures steam from external sources.

Our emissions per unit of electricity consumption exceed the industry's average. This deviation arises primarily because, as of now, the State of Kuwait's power grid lacks a significant renewable energy component. We are actively monitoring developments in this field and exploring ways to procure more sustainable electricity.



## Scope 2 emissions (MMt CO<sub>2</sub>eq.)



## DECARBONIZING OUR ENERGY

To reduce our indirect carbon footprint, we are transitioning to renewable energy sources and beginning to generate clean electricity on-site. Our strategy encompasses the development of renewable energy capacity for KPC's plants, with the objective of **reaching a combined renewable capacity of 17,000 megawatts (MW) by 2050.**

To achieve this, we plan to:

- Establish and operate renewable energy plants, including photovoltaic (PV) and wind power,

to meet our energy requirements both in the State of Kuwait and on an international scale.

- Collaborate to integrate and optimize our systems with the Kuwaiti Ministry of Electricity and Water's grid, enhancing grid stability and ensuring backup solutions. We will also work with international Independent Power Producers and grid providers.
- Initiate pilot programs for energy-storage solutions and research other renewable energy options.



## Generating our own renewable energy

As of the end of the reporting period, March 31<sup>st</sup>, our total installed PV capacity surpassed 13 MW.

A significant portion of this, amounting to 10 MW, is attributed to Sidra project, initiated in 2016. Sidra project has not only contributed substantially to our PV capacity but has also garnered international recognition due to its innovative approach and environmental impact. Here are a few of Sidra's achievements:

- It is the first utility-scale solar project in the State of Kuwait.
- It is the world's first solar plant to power electric submersible pumps.
- In terms of global responsibility and acknowledgment, it is the first KOC project to be registered with the United Nations.
- It won the Corporate Responsibility Award at the Middle East North Africa Solar Conference in Dubai, in 2015; was named the Best Upstream Project at the Kuwait Sustainable Energy Conference and Exhibition in 2015; it was a finalist for the Environmental Innovation Award at the Global Petroleum Show in Canada in 2016.

During the reporting period, we continued to strengthen our renewable energy capacity, underscoring our pledge to sustainability and

innovation. Through dedicated efforts and strategic projects like Sidra, we are leading the way toward a greener and more sustainable energy future for the State of Kuwait and beyond.

- We are engaged in a feasibility study for a project to supply 1 gigawatt of renewable energy to KOC fields by 2030, encompassing both solar and wind energy sources. We also initiated land assessments to identify suitable sites for renewable energy projects.
- Our Midstream subsidiary, KOTC, signed contracts for 2.8 MW and 4.0 MW PV projects at its LPG plants. This power will fully meet both filling plants' electricity demand, reducing fossil fuel consumption by 15,170 barrels per year and CO<sub>2</sub> emissions by 8,360 tons annually. Both projects are expected to be commissioned in 2024-2025.

*"As we transition beyond primary production, marking eight decades of success in our fields, we are adopting secondary recovery methods, including the utilization of ESPs to sustain oil flows from our reservoirs. **Given the electricity-intensive nature of ESPs, we've initiated a first-phase project to exclusively power the ESPs in our Minagish field through solar energy. This not only reduces our reliance on the State's electricity grid but is also aligned with our commitment to environmental responsibility. Named Sidra 500, this initiative symbolizes the environmental impact of planting 500,000 cedar trees. Additionally, we are actively working toward achieving net-zero carbon emissions, with plans to strategically plant mangroves — an effective carbon sink — in identified locations. Together, these efforts propel us closer to our ambitious sustainability goals.**"*

**— Shaikh Nawaf S. Al-Sabah**  
Deputy Chairman and CEO



## Sourcing sustainable electricity

We are not alone in our decarbonization efforts. The Kuwaiti Government also embarked on a journey to reduce its CO<sub>2</sub> footprint and promote sustainability across the country.

In 2023, the State of Kuwait achieved a significant milestone by halving its electricity GHG emissions intensity and transitioning from crude oil to low-sulfur fuel oil for power generation.

Looking ahead, the Kuwaiti Government has set ambitious goals. It's committed to providing **15% of the country's electricity from renewable sources by 2030**, a large step toward further reducing GHG emissions and aligning with global sustainability objectives.



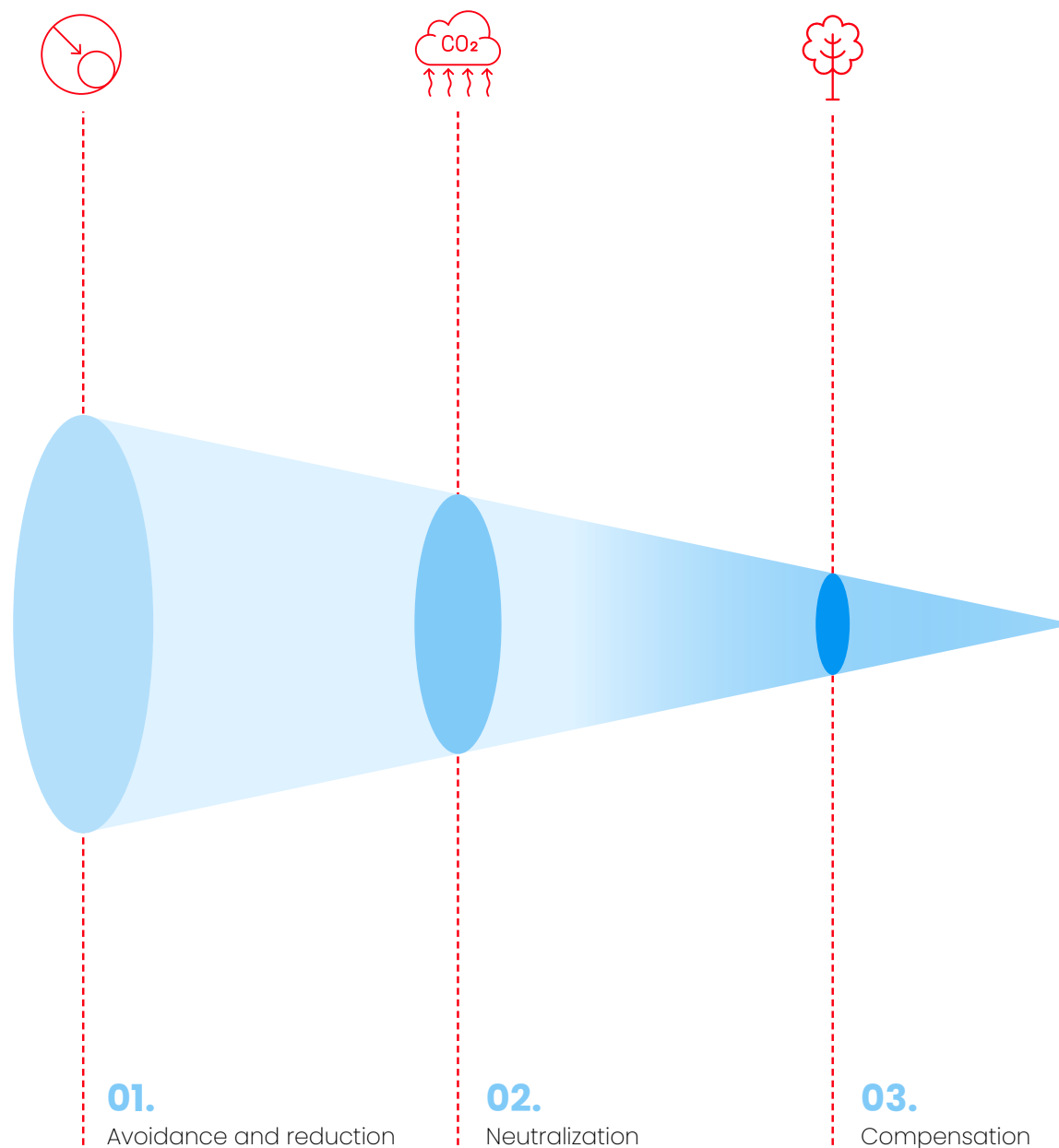


# THE KEY LEVERS TO REACH OUR NET-ZERO TARGET ARE CARBON CAPTURE AND OFFSETTING

Our net-zero roadmap, anchored in the GHG emission hierarchy, prioritizes avoidance and reduction within our value chain before turning to neutralization (through carbon capture) and external compensation (via offsetting) to fulfil our emission reduction targets.

These latter phases have a long-term horizon and are instrumental in our efforts to meet our emission reduction targets by 2050.

Carbon Capture, Utilization, and Storage (CCUS) and offsetting are pivotal in our strategy to significantly reduce and eventually abate our emissions, thus becoming net zero by 2050. We anticipate that around 70% of CO<sub>2</sub>eq. reduction can be achieved.





## A SECOND LEVER TO REDUCE EMISSIONS

Carbon capture technologies serve as our second lever to fulfill our emission reduction targets, enabling further mitigation of emissions in our own assets after optimizing energy efficiency and renewable energy utilization.

We are closely monitoring market dynamics, regulatory developments, and technological advancements. Our current focus is on CCUS, a technology that has reached a medium to high maturity level.

We are firmly committed to delivering maximum value to our stakeholders. Accordingly, we will explore partnerships for pilot projects, both within the State of Kuwait and internationally.

During the reporting period, we took vital steps to identify primary carbon sources, including the assignment of initiatives owners and focal points, the development and approval of updated initiative plans, and ongoing assessments across our subsidiaries. As a result, our carbon capture strategies can be implemented in a targeted way.

## BEYOND OUR VALUE CHAIN: OFFSETTING GHG EMISSIONS

Driven by an absolute commitment to becoming net zero, our ambition extends to reforesting 500 square kilometres by 2050, while building a diverse, high-quality carbon offsetting portfolio.

Our strategy integrates different acquisition methods, such as early-stage credit sourcing,

project development funding, offtake agreements, and active participation in the spot market. Our primary focus is on securing high-quality carbon credits, specifically from carbon removal projects that meet strict standards and offer co-benefits for both the environment and local communities.

Aligned with these principles, we are determined to strengthen our carbon-trading capabilities by 2025. Additionally, we initiated afforestation projects, including mangrove tree planting in the State of Kuwait and Indonesia.

## GROWING GREEN VIA AFFORESTATION

In the State of Kuwait, we developed and secured approval for a comprehensive offsetting plan that was endorsed by KOC's Energy Transition Committee. In the spirit of collaboration, we established a multidisciplinary team, comprising representatives from both KOC and various governmental entities, to explore the CO<sub>2</sub> offsetting potential through mangrove plantations. The starting date for the mangrove plantation pilot is May 2023.

Kuwait Environment Public Authority (KEPA) played a crucial role in our environmental efforts by sharing its expertise during the mangrove plantation project with KNPC and taking the lead in planting mangroves in the Al-Jahra preservation area.

In addition, **KUFPEC Indonesia** celebrated World Environment Day with a significant

environmental campaign that featured a mangrove planting initiative. Likewise, KUFPEC Pakistan reached an environmental landmark, planting 20,000 trees of various species in the vicinity of the Makhad Block, enhancing its green footprint around this important area of operation.

*"Caring for the environment is key to preserving the ecosystem and upholding our reputation as a prudent, worldwide operator."*

— Exploration Manager



Tree planting campaign in Pakistan by KUFPEC.

## BUILDING NEW BUSINESSES THAT ARE SUSTAINABLE

Thanks to climate change, resource, scarcity, and the pursuit of sustainable development, energy transition is one of the world's most pressing collective challenges. In this transition, traditional paradigms of energy production and consumption are rapidly evolving.

Driven by technological innovation and an increased awareness of environmental and economic risks from carbon-intensive practices, new business models are emerging. These models are significantly influencing the strategic directions of companies worldwide.

Our energy-transition strategy underscores our determination, not only to attain net-zero emissions by 2050 but also to position ourselves as leaders in the continuously evolving energy landscape.

Our strategy is grounded in principles of financial viability, feasibility, and sustainability, driving us toward selective, high-yield investments. We strategically pursue large-scale profitable opportunities aligned with our unique strengths and capabilities. These include value chain integration, robust partner support, and cost competitiveness, all of which enables us to tap

into emerging opportunities and deliver long-term value to our stakeholders.

Our approach encompasses seizing energy-transition opportunities in areas such as transportation electrification, biofuels, low-carbon hydrogen, and new services such as shared mobility. This strategy ensures a cohesive and sustainable transition aligned with our overarching corporate objectives.



Profitable



Significant  
scale



Leveraging  
our strengths



## PIONEERING SUSTAINABLE MOBILITY AND RETAIL

As we progress toward a more sustainable future, advanced mobility and retail play pivotal roles in this journey. Our international subsidiary, KPI, is at the forefront of this evolution, leading the charge for cleaner and more efficient transportation across Europe.

The European Union is combating climate change, targeting carbon neutrality by 2050 and aiming for a 55% reduction in emissions by 2030, compared to 1990 levels. To support this, the EU launched the Sustainable and Smart Mobility Strategy. KPI is committed to contributing to this sustainable future by investing in innovative and eco-friendly energy solutions for mobility.

## TRANSFORMING SERVICE STATIONS

Our transformation journey at KPC, particularly manifested through our subsidiary KPI, offers our customers a truly sustainable experience. This ambition is the catalyst for a complete renovation of our service stations, transforming them into hubs of sustainability and customer-centric services.

At the heart of this transformation is a diverse array of energy options and mobility services. Similarly, we are evolving our food selection at KPI stations to include healthier, more sustainable choices, all presented in settings that are both environmentally friendly and aesthetically appealing.

In alignment with our climate goals, KPI is incorporating renewable energy, optimizing energy use, employing sustainable materials, and

minimizing waste at our service stations. Our efforts in recent years have laid a solid foundation for this transition. We implemented energy-saving measures, installed solar panels, and experimented with innovative technologies, all as part of our relentless pursuit to redefine the service-station experience in an eco-conscious era.

## EMPOWERING ELECTRIC MOBILITY

Leading the charge in electric vehicle (EV) infrastructure, our international Downstream subsidiary, KPI, made significant strides in expanding EV charging access across Europe. The network, encompassing 200,000 charging stations, is set to cover 95% of publicly accessible stations by 2030, following a doubling of the network size in early 2022.

In Italy, **KPI deployed electric chargers at 28 locations, with plans to expand further.** This is complemented by a partnership with Enel X Way, which is extending fleet access to over 14,000 charging points. Similarly, in Spain, KPI is expanding EV adoption by preparing 22 retail locations for electric charging installations.

Our commitment to EV charging solutions extends beyond traditional service stations. KPI is integrating charging solutions into company fleets, providing convenient recharge options for employees during working hours. Additionally, our vision includes the development of urban mobility hubs and the installation of public charging points in additional locations.





## ADVANCING WITH BIOFUELS



### Contributing to the BioSFerA project

Additionally, KPI participates in the BioSFerA project, an ambitious European initiative aimed at developing cutting-edge, high-performance biofuels to reduce GHG emissions in maritime and air transportation. The project focuses on validating an integrated thermochemical-biochemical approach to create cost-effective technology for sustainable aviation and maritime fuels. By the conclusion of the project, we expect to produce and validate next-generation aviation and maritime biofuels derived entirely from waste materials.

## DELIVERING ALTERNATIVE FUELS TO OUR CUSTOMERS

As part of our pledge to advancing an energy transition and adapting to our customers' evolving needs, we are expanding the availability of alternative fuels throughout our retail network. This expansion is a key part of our strategy to facilitate a more sustainable and diverse energy landscape for our customers.

### *Biodiesel*

KPI's diesel distribution includes biofuels like hydrotreated vegetable oil (HVO) and biomethane, with the specific blend varying by region due to regulatory requirements. In fiscal year 2022-2023, biofuels accounted for around 7.5% of their diesel offering.

In collaboration with Neste, a global leader in renewable diesel and sustainable aviation fuel, we introduced Neste MY Renewable Diesel™ in Belgium, pioneering the large-scale availability of sustainable diesel. This 100% renewable diesel reduces CO<sub>2</sub> emissions by 90% compared to conventional diesel. It seamlessly integrates as a "drop-in fuel," ensuring compatibility with existing systems. Furthermore, their HVO blend, which combines HVO with advanced detergent molecules, further reduces emissions while preserving engine and fuel system performance.

In Italy, KPI's Sigemi facilities in Genoa S. Quirico are fully equipped for HVO handling, with plans to roll out diesel blended with HVO at 30 retail sites and the Quaser Commercial depot.



## Sustainable aviation fuel

At KPC, we recognize the global imperative to reach net-zero carbon emissions. Through our subsidiary KPI, we are dedicated to promoting sustainable aviation fuel (SAF) as a crucial component of the broader strategy to support the world's transition to net zero by 2050.

Recognizing the growing demand for SAF, we endorse the upcoming SAF mandates in both the UK and the European Union that are expected to come into force in 2025. We are also proud members of the Jet Zero Council SAF Delivery Group, a UK initiative that fosters delivery of SAF to the market.

Our engagement with SAF is multifaceted, involving strategic partnerships to ensure its availability and securing premium supplies for our customers. In 2021, we marked a significant milestone by delivering SAF to London Gatwick Airport. This fuel was utilized by easyJet to power flights between London Gatwick and Glasgow during the United Nations Convention on Climate Change (COP26).

The SAF we procure is produced by Neste, and is entirely derived from 100% renewable waste materials, including used cooking oil and animal fat waste. **This choice of feedstock enables SAF products to reduce lifecycle GHG emissions by 80% compared to conventional jet fuels.**

Through KPI, we expanded SAF presence globally, sourcing sustainable aviation fuels and collaborating with logistics partners for efficient

distribution. With over 70 airports worldwide, KPC is playing a crucial role in steering the aviation industry toward a more sustainable future.



stations in Italy, in collaboration with the Italian Government:

- **Rome V. Ardeatina:** strategically positioned along the Scandinavian-Mediterranean Trans-European Transport Network (Ten-T) and approximately 20 kilometers from Rome's "Malagrotta" Hydrogen Valley, this station primarily caters to municipal service fleets.
- **Porpetto:** situated in the North Adriatic Hydrogen Valley and strategically positioned along two vital Ten-T corridors (the Mediterranean and the Baltic), this station serves a substantial number of haulage and fleet customers.

## DEVELOPING HYDROGEN STATIONS

Embracing the European Union's commitment to fostering sustainable hydrogen solutions, KPI remains dedicated to advancing research into the long-term replacement of hydrocarbon fuels with hydrogen. Currently, we are engaged in the development of two pioneering pilot hydrogen

# TACKLING CLIMATE CHANGE RISKS

## CLIMATE TRACKING AND REPORTING

Our initial stride toward climate risk management revolves around enhancing the precision and transparency of our climate change measurements and disclosures.

## PRECISE TRACKING

We are strengthening our tracking of climate-related indicators, which includes developing a comprehensive GHG inventory and standardizing tracking procedures across KPC's subsidiaries. We aim to complete this pivotal initiative by 2024, ensuring a more robust and unified approach to assessing environmental impact.

## COMMITTED TO TRANSPARENCY

The ISSB and the Task Force on Climate-related Financial Disclosures (TCFD) standards underscore the importance of disclosing climate-related risks and opportunities. These disclosures are essential for understanding how climate factors can impact an entity's cash flows, financial stability, and cost of capital in the short, medium, and long term.

In alignment with this imperative, KPC aims to commence ISSB-compliant reporting by 2026. Our disclosures will provide comprehensive insights into KPC's governance processes, strategies for managing sustainability-related

factors, methodologies for ESG risk assessment and prioritization integrated into the broader risk management framework, and performance evaluation. These evaluations will cover our progress toward self-imposed goals and compliance with legal mandates related to sustainability risks and opportunities.

To achieve this goal, we are defining our sustainability governance and risk assessment procedures.

As part of our commitment to align our climate reporting with ISSB/TCFD standards, we are preparing to perform climate-related scenario analyses from 2025 onward. These analyses will enhance our reporting on climate resilience and help identify climate-related risks and opportunities that will enrich our disclosures.





## CLIMATE ADAPTATION

At KPC, our climate adaptation strategy is multifaceted, focusing on strengthening infrastructure resilience, transitioning to renewable energy sources, and promoting sustainable natural resource management.

## RESTORING AND PRESERVING NATURAL HABITATS

A key aspect of our approach has been our ongoing investment and participation in the restoration and preservation of natural habitats in the State of Kuwait. This underscores our dedication not just to adapting our business to climate change but also to contributing to the wellbeing of the society in which we operate. We collaborate with the government and local environmental organizations on various initiatives.

We engage in tree-planting initiatives to revitalize areas adversely affected by human activities. Reforestation and landscape restoration are integral to sequestering CO<sub>2</sub>, reducing greenhouse gas concentrations, and mitigating the effects of climate change.

Our largest conservation effort has been focused on the revitalization and preservation of mangrove forests along Kuwait's coastline. Coastal mangroves play a crucial role in combating climate change, including rising sea levels and extreme weather, acting as a natural barrier against storm surges and coastal erosion and contributing to carbon sequestration through their extensive root systems.

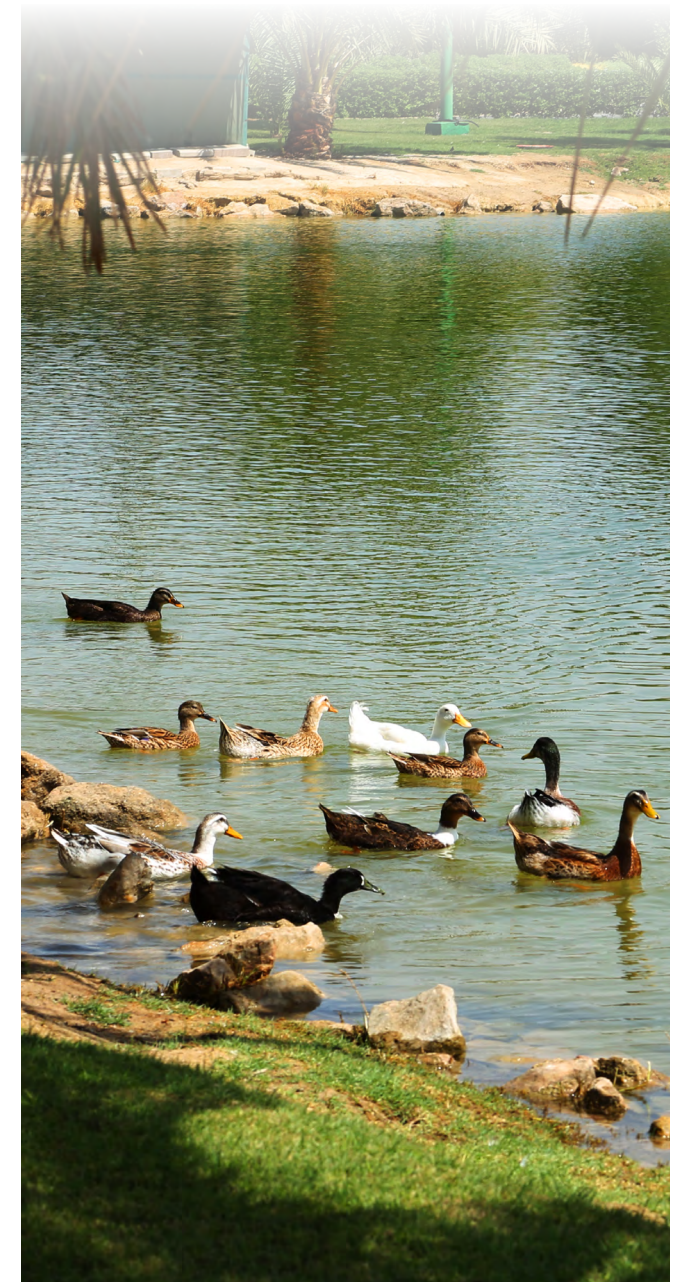
## PROTECTING THE STATE OF KUWAIT FROM TORRENTIAL WATER

In 2020, our Upstream subsidiary, KOC, created three lakes for collecting torrential water, with a capacity of more than 1.5 million cubic meters. These lakes address the effects of torrential rains in the State of Kuwait, and thus reduce losses in residential areas.

## OUR ONGOING CONTRIBUTION TO THE STATE OF KUWAIT'S ECOSYSTEMS

Kuwait Oil Company takes pride in its pioneering initiatives aimed at the preservation and enhancement of the State of Kuwait's ecosystems in the face of climate change. KOC has established a series of nature reserves that play a vital role in not only protecting but also rehabilitating diverse landscapes.

From the world's first marine colony to ambitious desert conservation projects, our endeavors demonstrate a holistic approach to safeguarding natural resources for the benefit of current and future generations. Detailed descriptions of KOC's nature reserves, highlighting our dedication and innovative efforts in ecological sustainability, can be found on the next page.





### MARINE COLONY

Established in 2004, KOC Marine Colony holds the distinction of being the world's first marine colony initiated by an oil company. The colony reflects our dedication to protecting, enhancing, and restoring the State of Kuwait's natural resources. Beyond safeguarding the marine environment, the colony has significantly enriched the biodiversity of the State of Kuwait's territorial waters.



### AL-QURAIN HILL NATURE RESERVE

In 2010, KOC dedicated its land to the Al-Qurain Hill Nature Reserve, which will cover no fewer than six square kilometers. This ongoing project aims to establish a wild nature reserve, with a primary focus on safeguarding ecologically significant sites and preserving biodiversity. While owned by KOC, the reserve is managed by the Kuwait Voluntary Work Center.



### ABDALIYA NATURE RESERVE

Launched in 2012, the Abdaliya Nature Reserve is a pioneering project that concentrates on cultivating hundreds of trees as part of our broader mission to conserve and rehabilitate desert areas. Located approximately 50 kilometers from Kuwait City, in Abdelliya, this initiative represents a noteworthy addition to KOC's extensive environmental endeavors, with plans for expansion in the future.



### AL-SIDR NATURAL RESERVE

Situated in North Kuwait, the Faydat Al-Sidr Natural Reserve stands as a testament to KOC's unwavering dedication to biodiversity preservation and ecological protection. This reserve acts as a stronghold for safeguarding endangered species, implementing various measures to ensure the overall wellbeing of the ecosystem.



### SPIRIT OF THE DESERT RESERVE

A refuge for local and migrating birds, as well as wild plants, the Spirit of the Desert Reserve transformed over 240,000 square meters of land. Encircled by a vast water shed spanning 67,614 square meters, this reserve represents a significant milestone in the treatment and rehabilitation of the natural landscape.



### SUBAIHIYA SANCTUARY

Nestled in the Burqan field, the Subaihiya Sanctuary serves as a welcoming refuge for migratory birds and diverse wildlife. With its charming fish lake and 4,000 carefully planted trees, the sanctuary embodies our commitment to creating a flourishing environment in a simple and authentic manner.



**KPC**  
SUSTAINABILITY REPORT

# 04

## REDUCING OUR ENVIRONMENTAL FOOTPRINT

SUSTAINABILITY  
FOR A PROMISING FUTURE



# WATER MANAGEMENT

Water is vital for both human life and prosperity, and it plays a crucial role in maintaining the integrity of ecosystems. The increasing competition for freshwater resources exerts unprecedented pressure on water availability in many countries. Furthermore, water quality continues to deteriorate, further restricting the supply of freshwater.

As a business based in Kuwait, we recognize the paramount importance of water. The State of Kuwait faces a significant challenge with water resources; we rank among the top 10 countries with the highest water stress and the lowest per capita availability of natural freshwater. Situated along the Arabian Gulf, the State of Kuwait uses desalination as an essential means to meet its freshwater requirements. While this technology provides a lifeline to this arid region, it is not free of complexities, like substantial energy demand and high operational expenses.

At KPC, we recognize the great importance of water in our present and future. This profound understanding drives our Group's commitment to responsible water management. Our dedication testifies to our commitment to the wellbeing of the communities we serve, the preservation of natural resources, and the long-term sustainability of our operations.

This commitment extends beyond the State of Kuwait, as we adopt responsible water management practices in all the countries where our company operates, ensuring that we contribute to the global effort to safeguard this invaluable resource for generations to come.

Our path toward sustainable water management is built upon actionable steps, guided by our collaboration with the Kuwaiti government. Two strategic lines of action underpin our determination:



**Water efficiency:** our efforts are geared toward reducing and optimizing water consumption across activities, promoting its efficient use.



**Responsible discharges:** we rigorously adhere to local and international regulations in our operations abroad, as part of our commitment to minimize our environmental footprint.



## ENHANCING LIFE QUALITY AND SUSTAINABILITY

KPC plays a leading role in improving water management in the State of Kuwait as an implementation partner for the Kuwait National Development Plan 2020–2025.

The program, **Building a Livable and Harmonious Environment**, aims to enhance the quality of life in the Kuwait's metropolitan area by modernizing water, energy, and waste systems.

The program comprises key water-related initiatives, including investing in technologies to mitigate the environmental impact of saline brine from desalination, promoting efficient water consumption, coordinating the management of reclaimed and produced water for economic and environmental gains, and supporting the goal of a **90% sewage water treatment rate by 2035**.

## BUILDING A ROBUST WATER METRICS SYSTEM

As part of our commitment to responsible water management, we launched a comprehensive initiative across our Upstream, Downstream, and Midstream subsidiaries. It is centered on standardizing water metrics and will involve the following activities:

- Monitoring water withdrawal, consumption, and recycling, as well as Upstream-produced water.
- Tracking wastewater discharge destinations and quality, with a focus on hydrocarbon content.

Our aim is to conclude this initiative by 2024. This will pave the way for sustainable water management practices and opportunities to enhance efficiency.





## OUR INTERACTION WITH WATER

This section details our water management practices, focusing on our approach to water sourcing, operational use, efficiency, and management of produced water, wastewater, and other effluents. **This approach to water sourcing, utilization, and effluent treatment represents a substantial move towards adhering to international environmental norms.**

### SOURCES OF WATER

In fiscal year 2022–2023, KPC's water withdrawal totaled 1,334 million cubic meters, predominantly consisting of raw seawater (84%), which was primarily used for cooling purposes in Downstream operations. The remainder included water produced in Upstream operations (12%) and potable water supplied by MEW (4%).

This data represents water withdrawals from assets within our reporting boundaries, excluding our international subsidiary, KPI, for which data was unavailable. Due to the absence of naturally occurring freshwater sources in the State of Kuwait, KPC did not consume any naturally occurring freshwater for the assets included in this report.

### OPERATIONAL USE AND EFFICIENCY

Downstream operations accounted for 85% (1,133 million cubic meters) of our total water consumption, as water is essential in this field for cooling, boiler feeds, and washdowns, where seawater (1,096 million cubic meters) and potable water (36 million cubic meters) are used.

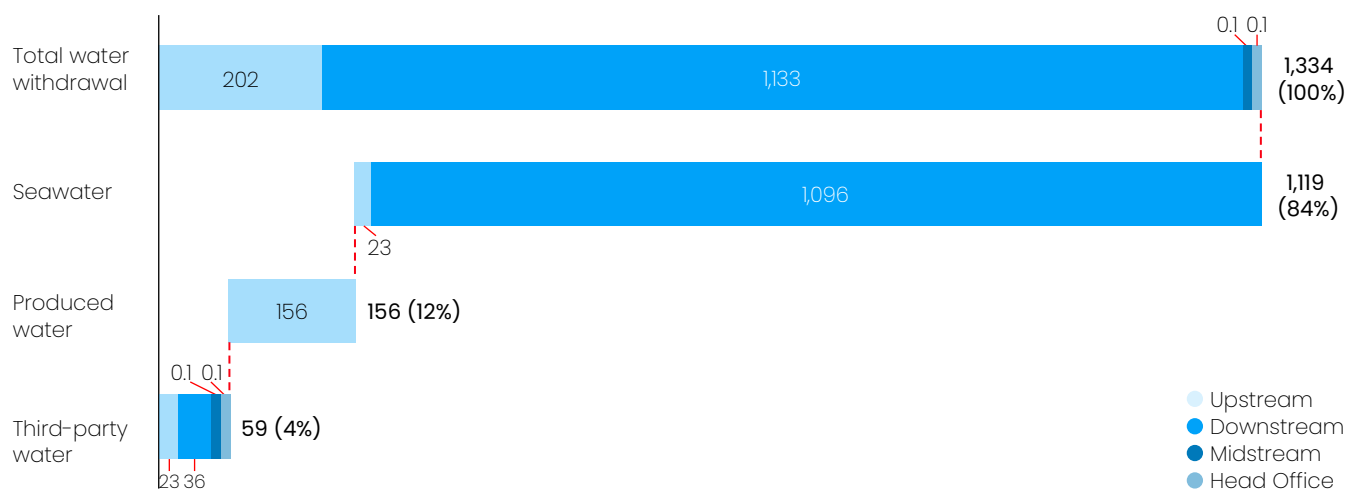
Upstream operations consumed the remaining 15% (202 million cubic meters) for drilling, cooling, washdowns, and reservoir pressurization, primarily

relying on recycled produced water (156 million), seawater (23 million), and treated sewage water provided by a third party (23 million). KPC is dedicated to enhancing water efficiency and implementing low-intensity and water-efficient technologies in line with the goals of KEPA and the Kuwait National Development Plan.

### PRODUCED WATER, WASTEWATER, AND MANAGEMENT OF OTHER EFFLUENTS

Effluent treatment is integral to our operations; it aims to minimize environmental impact while complying with legal standards. Treatment varies by activity and facility, including physicochemical (primary), biological (secondary), and advanced (tertiary) processes. We operate in-house wastewater facilities and collaborate with third parties, adhering to national regulations by means of daily quality-control analyses.

### Total water withdrawal (million cubic meters)



Key pollutants from our facilities during the reporting period include hydrocarbons, suspended solids, and materials measured by chemical oxygen demand. The oil and grease content in our effluent discharges remained below the 7mg/l local regulatory limit. We strictly followed KEPA's wastewater management standards, and regularly monitored hydrocarbon levels in discharged water.

As Upstream operations in the State of Kuwait are concerned, during the fiscal year 2022–2023, we reinjected 100% of produced water into reservoirs for pressure maintenance. Our priority was ensuring environmental compliance of produced water, achieved through separation, filtration, chemical treatments, and other methods to remove impurities.



## KEY EFFORTS TOWARD SUSTAINABLE WATER MANAGEMENT

### REDUCING NATURAL GROUNDWATER CONSUMPTION

Since 2021, our Upstream subsidiary ,KOC, transitioned from using brackish groundwater to treated sewage water for its operations. KOC now receives 12.7 thousand cubic meters per day of treated sewage water, resulting in a significant decrease in the utilization of natural water resources in the State of Kuwait.

Additionally, KOC initiated a project to secure an additional daily supply of 12.7 thousand cubic meters per day of industrial treated water from KNPC. This initiative not only minimizes KNPC's discharge of treated water into the sea but also prevents KOC from consuming the equivalent quantity of desalinated water.

### PROMOTING WATER REUSE AND ENSURING DISCHARGE QUALITY

#### Internal reuse of water

Closed-loop water management systems are instrumental in our refining and petrochemical operations in the State of Kuwait.

These systems are pivotal in minimizing water consumption and enhancing environmental sustainability. They function by capturing, treating, and recirculating water within our processes, thereby reducing our reliance on freshwater sources.

This approach helps to diminish the environmental impact of wastewater discharge and lessen the burden on local water supplies.

#### KIPIC: zero liquid discharge

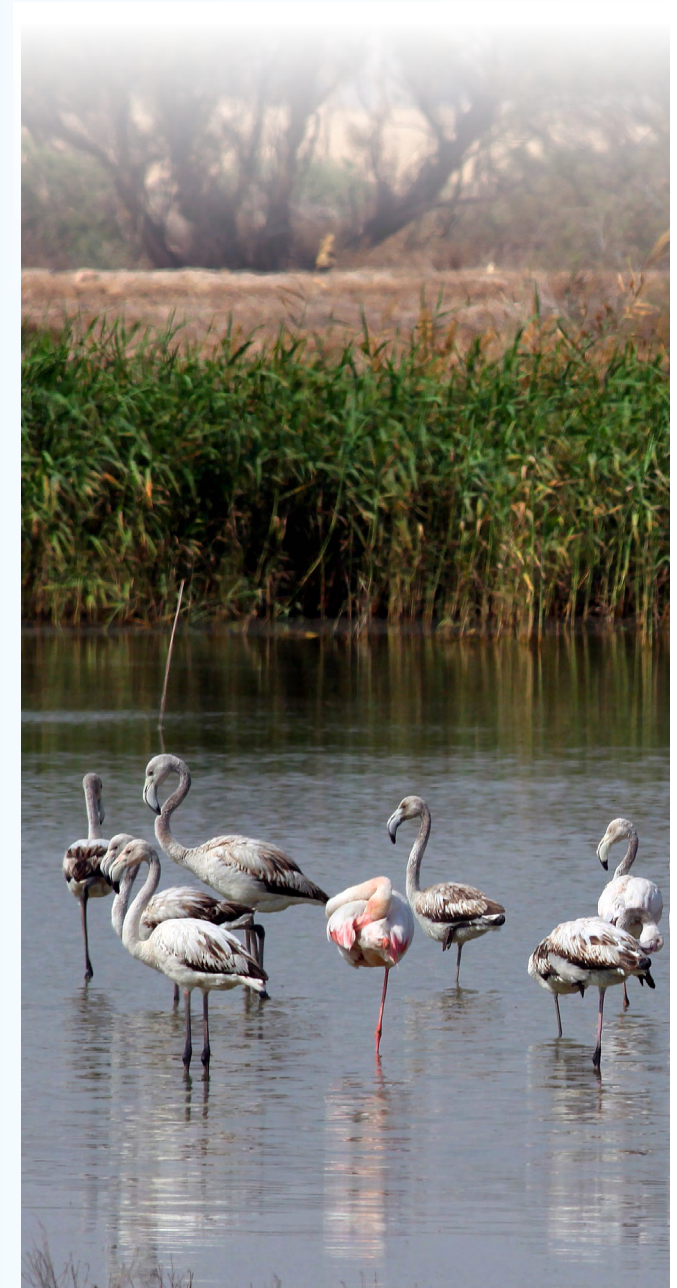
At KIPIC's Al-Zour refinery, the zero liquid discharge (ZLD) approach takes center stage in wastewater management, with the goal of minimizing industrial wastewater discharge by maximizing water recovery and reducing liquid waste.

The refinery utilizes a three-stage water recovery process: primary treatment separates oil and impurities, followed by secondary treatment for purification. Effluents from the secondary treatment undergo further processing in the ZLD system (utilizing reverse osmosis and brine concentrator) to meet cooling water makeup standards.

The facility's advanced waste treatment plant processes and recycles 1.5 thousand cubic meters of wastewater per hour.

#### KOTC: zero water discharge to sea

KOTC's Gas Filling Branch is involved in implementing the Zero Water Discharge to Sea initiative, focused on practical and effective solutions to address environmental concerns related to wastewater treatment and recycling. Within this framework, wastewater treatment at KOTC's Gas Filling Branch is being enhanced to the tertiary level, enabling the use of treated sewage effluent (often referred to as reclaimed water) for landscape irrigation.



# WASTE MANAGEMENT AND A CIRCULAR ECONOMY



In addressing waste management, we're taking a two-pronged approach. First, by implementing the waste hierarchy framework, we prioritize actions like reduction, reuse, recycling, and recovery, with disposal as a final option.

Second, we aim to enhance transparency in our practices, by consolidating reporting across subsidiaries and expanding our metrics system. This forms the foundation of our strategy in waste management.

Furthermore, in line with our sector's evolving dynamics, we're exploring opportunities within the circular economy.

The subsequent pages of this chapter provide more detail about our waste management and circularity initiatives.



## A CLOSER LOOK AT OUR WASTE PRACTICES

During the fiscal year 2022-2023, our total waste generation amounted to 281,923 metric tons. Of this, 62% constituted non-hazardous waste, while hazardous waste made up 38%.

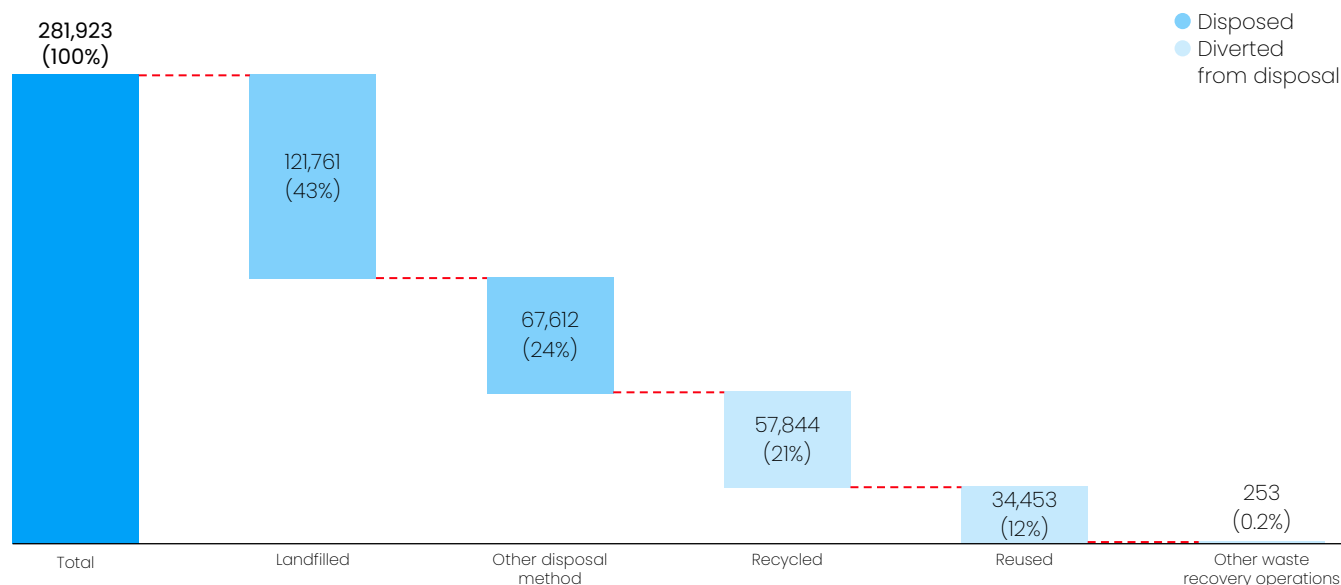
We achieved an overall waste recovery rate of 33%, with 57,844 metric tons recycled (21% of the total) and 34,453 metric tons reused internally (12% of the total). The remaining waste was either landfilled (121,761 metric tons) or underwent other disposal methods (67,612 metric tons). We always adhere to local regulatory standards.

Downstream operations generated the bulk of our waste, representing 66% of the total, from which we diverted a notable volume from disposal, thanks to our recycling initiatives. Of the remaining waste, Upstream operations contributed 23%, and Midstream operations were responsible for 12%.

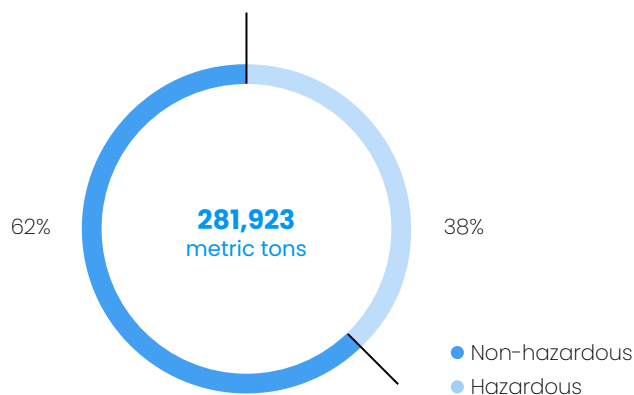
Efforts are underway to refine our metrics system, aiming for **transparent reporting across all wholly owned assets**. However, it's important to note the current incompleteness in our waste data.

This gap particularly affects information from our headquarters, our international Downstream subsidiary KPI, and some missing metrics from PIC, KIPIC, and our Midstream subsidiary KOTC. Detailed information about the available and missing data can be found in Appendix B: Performance Data.

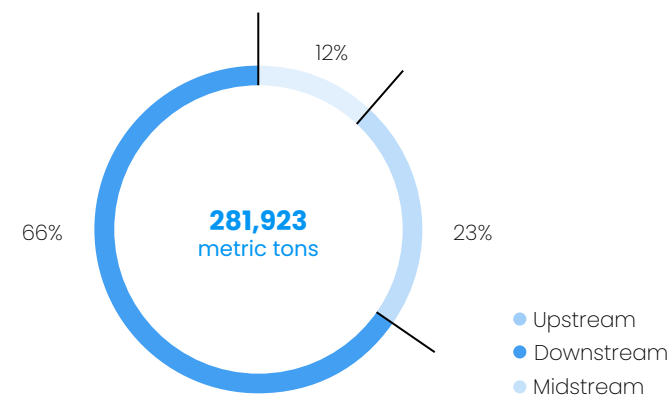
## Our waste recovery or disposal practices (metric tons)



## Our waste generation by type (metric tons)



## Our waste generation by value chain segment (metric tons)

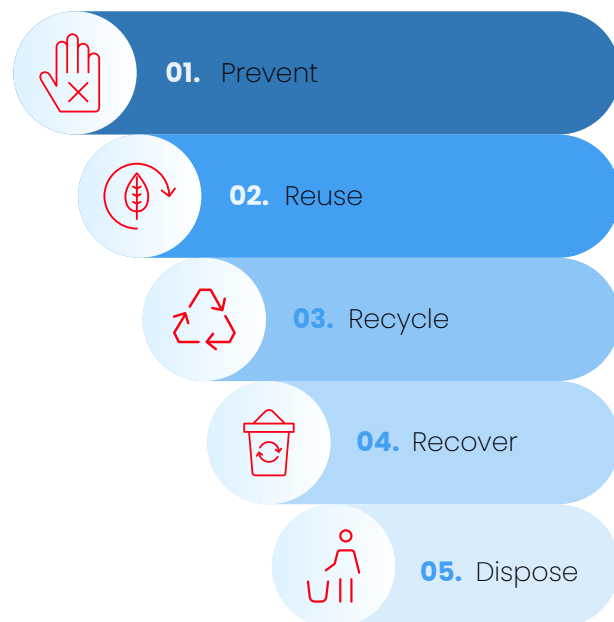




## KPC GROUP'S INTEGRATED WASTE MANAGEMENT PLAN

Effective waste management is crucial for safeguarding the environment and human health. Our subsidiaries have established comprehensive waste management plans that encompass waste generation tracking, roles and responsibilities for waste management, and waste reduction measures.

KPC is firmly committed to reducing landfill-bound waste. Our journey is marked by a complete dedication to process optimization, guided by waste pyramid principles. Our goal is to minimize landfill waste and unlock the potential of recycling and energy recovery.



KPC's waste management plans offer precise guidance for classifying, handling, reusing, recycling, and disposing of both non-hazardous and hazardous waste. We strictly adhere to the waste disposal regulations in force in the countries we operate in.

Furthermore, our subsidiaries conduct routine audits to ensure contractors comply with our waste management policies. In our ongoing efforts to enhance waste management, we implemented the following initiatives during the reporting period.

### IMPROVED WASTE REPORTING

We are standardizing and defining new waste metrics across subsidiaries. This effort is expected to be completed in 2024, with the aim to lay a solid foundation for our forthcoming waste management digital platform.

This platform will enhance data visibility, which will significantly improve our ability to respond to evolving regulatory requirements and build up both internal and external reporting capabilities.

The platform will also streamline waste management practices across subsidiaries, enable us to set precise waste reduction targets and strategies, and facilitate their effective implementation. Likewise, it will help us identify new opportunities for circularity, in line with our aspiration to maximize the potential of circular opportunities.



### UPSTREAM WASTE MANAGEMENT AND TREATMENT

In the fiscal year 2022-2023, within our Upstream subsidiary KOC, we formulated a strategy with a dual focus: reducing landfill disposal, and improving recycling and energy recovery. Our waste management strategy is closely linked to our digital efforts. We introduced an online waste data reporting system to enhance data capture and reporting. Additionally, we are setting targets to reduce both hazardous and non-hazardous waste and studying opportunities for recycling within the circular economy framework.

During fiscal year 2022-2023, KOC significantly expanded its oil based mud (OBM) treatment capacity by incorporating two new facilities. This doubled our OBM cutting treatment capacity from 52,000 to 104,000 metric tons per year.

## PARTNERSHIPS TO ADVANCE THE CIRCULAR ECONOMY

We are supporting circular economy initiatives through our Downstream subsidiary KNPC, which has a well-established waste manifest and management system to record and track all the waste generated by its facilities. We're also partnering with external companies to facilitate circularity initiatives:

- One of our partnerships focuses on minimizing landfill waste by repurposing materials from dismantled structures. During the reporting period, we sold 27.5 metric tons of bitumen and concrete, derived from demolished buildings and infrastructure, for use in road construction projects.
- Another collaboration, with Kuwait Lube Oil Company (KLOC), focuses on reprocessing waste lube oil from KNPC's equipment, extending its life cycle and minimizing waste. During the reporting period, KNPC sold 167 metric tons of lubricant waste to KLOC.
- In a separate partnership with Oleo, used cooking oil is collected, sold, and repurposed as lower-grade oil.
- Precious spent catalysts from KNPC's refineries are sent back to certain vendors and auctioned for regeneration/metal recovery. This has helped reduce the quantity of KNPC's waste for disposal in the secured landfill area.

## THE FIRST NATIONAL URBAN FORUM

KNPC contributed to the inaugural National Urban Forum, a collaborative initiative by the United Nations Human Settlements Program and the Supreme Council for Planning and Development.

The forum was a platform to showcase Kuwait's progress in sustainable development goals and its role in shaping the global urban agenda. KNPC highlighted its commitment to environmental stewardship, particularly through the Clean Fuels Project.

Additionally, KNPC's green buildings were showcased, serving as exemplars of sustainable architecture and design.



The First National Urban Forum.

## COMBATING FOOD WASTE

We recognize the significance of providing our customers with a variety of fresh products every day. However, this practice often results in unsold items being discarded. In line with our goal of minimizing food waste, new stores from our Downstream subsidiary, KPI, initially offered a limited range of products, which we have gradually and thoughtfully expanded. In addition, KPI established a partnership with Too Good to Go, enabling users to reduce food waste by purchasing the Too Good to Go package for the day, which includes items nearing their expiration date. This initiative involved 85 stores and resulted in the preservation of 46,996 meals, which equates to a reduction of 117 metric tons of CO<sub>2</sub>.

## PROJECT LIFE: RECOVERING BIO-LUBRICANTS

The disposal of oils and lubricants has a substantial environmental impact. In response to this challenge, KPI's lubricants division became part of a nearly 4M € project aimed at establishing a new collection chain. This initiative will facilitate the recovery, treatment, and reuse of bio-lubricants on a large scale.

Our objective is to recover and treat 1,000 tons of bio/synthetic ester waste oil by 2025, with the following results:

- Producing 700 tons of regenerated bio-lubricant.
- Producing 200 tons of advanced biofuels.

- Reintroducing 100 tons of waste mineral oils/additives to the circular economy process.
- Saving a minimum of 1,750 metric tons of CO<sub>2</sub> emissions over the project's lifetime.

### RAISING AWARENESS OF PLASTIC POLLUTION ISSUES

KPI recycled 150,000 drinking cups, compacted them into large bales, and processed them into plastic pellets that were transformed into unique pieces of furniture using 3D printing technology. This furniture is now displayed at Q8 – Steenweg op Mol in Turnhout, in northern Belgium.

### PIC'S JOURNEY TO MINIMIZING PLASTIC SCRAP

In an effort to tackle plastic waste, in 2022, PIC initiated measures to reduce the monthly quantity of plastic scrap. A comprehensive analysis of polypropylene (PP) plant operations was conducted, with a specific focus on minimizing off-spec PP and overall plastic scrap.

Beginning in January 2023, PIC implemented initiatives to streamline plant processes, minimize downtime, and reduce plastic scrap. The integration of monitoring systems played a crucial role in ensuring that the PP produced met industry specifications, thereby reducing the quantity of off-spec PP.

The company aims to achieve a 40% reduction in monthly plastic scrap for 2023-2024, targeting

a new level of only 7.14 metric tons, compared to its the fiscal year 2022-2023 average of 11.9 metric tons.

### THE CIRCULAR ROAD AHEAD

We spearheaded plastic recycling and waste reduction efforts in the State of Kuwait. Our commitment extends beyond our operational boundaries, as we engage with the Kuwaiti government, advocating for the enhancement of waste segregation practices within the nation's waste management companies.

We are supporting both the Kuwaiti municipality and private companies in the country, joining forces to streamline the sorting and recycling of municipal plastic waste.

This initiative also signifies our progress in exploring circular plastic technologies within our PIC plant.

An in-depth feasibility study has highlighted the economic potential of producing PP from waste materials, leading to numerous environmental benefits and a pathway to a more sustainable future.





# AIR QUALITY



In our pursuit of sustainable operations, we address not only GHG emissions, but also other air emissions associated with our activities. At KPC, we are aware of the profound impact that these air emissions can have on air quality, ecosystems, and human and animal health.

Air emissions encompass a range of pollutants that can affect both the environment and living organisms. For instance, nitrogen oxide (NOx) emissions that find their way into oceans, lakes, and other water bodies can alter their chemical composition, threatening terrestrial and aquatic life. Furthermore, NOx and sulfur oxide (SOx) emissions can contribute to acid rain and the acidification of oceans, while also impeding plant growth and photosynthesis.

These emissions stem from various stages of our operations, including production, processing, refining, distribution, and storage. Sources of air emissions come from activities such as flaring, venting, fuel combustion for machinery, and transportation of supplies and products.

Additionally, emissions result from evaporation losses, equipment leaks and failures, and process-safety incidents.

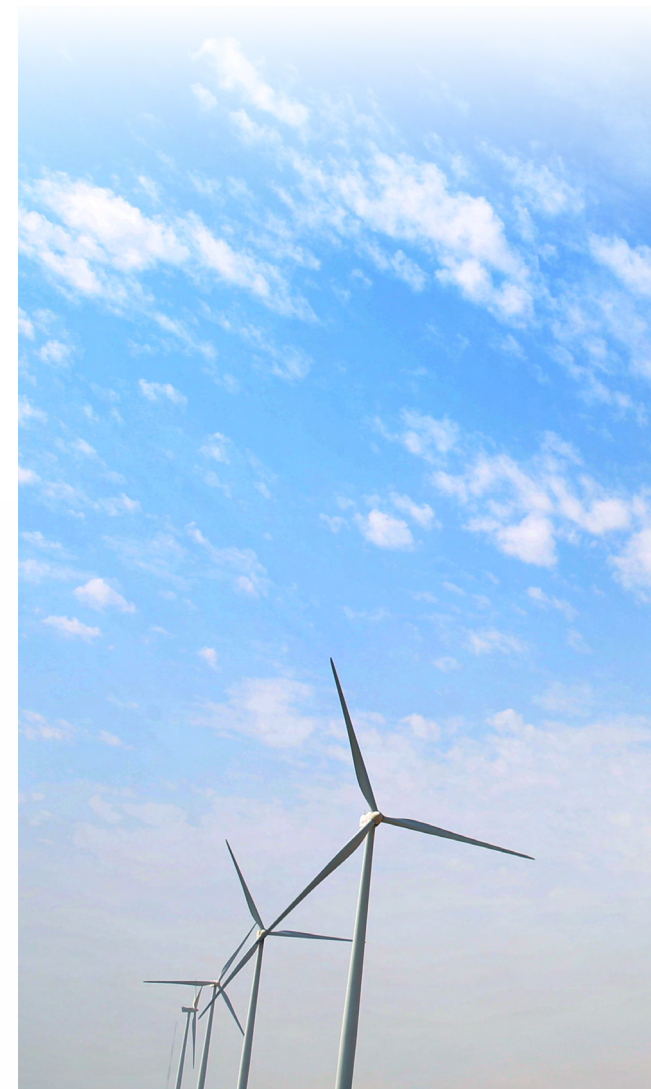
Finally, a significant portion of air emissions is attributable to fuel combustion by end users.

We intend to enhance the monitoring of air emissions across subsidiaries. Efforts are ongoing to expand the breadth and depth of air emissions data. For a current overview of the data available, please see Appendix B: Performance Data.

## BLUEPRINT FOR CLEAN SKIES: A RECAP OF OUR FY 2022-2023 ACHIEVEMENTS

The KOC-KEPA collaboration under the Regulatory Air Compliance Management Program (ACMP) represents a groundbreaking initiative for real-time pollution monitoring and air quality improvement in the State of Kuwait.

Additionally, during fiscal year 2022-2023, KIPIC's Al-Zour refinery began producing new low-sulfur products, employing the best available control technology to optimize air/fuel ratios, implement sulfur recovery processes, and utilize low NOx burners for reduced emissions.



## CLEANER AIR

Our Upstream subsidiary, KOC, partnered with KEPA on a ground breaking project: ACMP. This project aims to enhance air quality throughout the State of Kuwait.

It is the first-of-its-kind joint venture in the country, focused on measuring pollution in real time and establishing a national air quality inventory, with advanced dispersion modelling, for assessing human health risks due to air pollution.

ACMP aims to establish a regulatory air compliance management program, including a 13-station nationwide ambient air quality monitoring network managed by KOC, with live data transfer to KEPA. Key project components include emissions inventory development, hot spot modelling, ambient air quality monitoring, and emissions estimation and reporting for KOC's operations.

The overarching goal is to support the creation of a regulation-based air emissions and compliance management system, so as to establish a national regulatory framework.

## PIONEERING LOW SULFUR FUELS AT AL-ZOUR REFINERY

The commissioning of KIPIC's Al-Zour refinery in late 2022 was a key milestone in our environmental pledges. This refinery significantly contributed to environmental sustainability by producing low sulfur fuel oil (LSFO) and ultra-

low sulfur diesel (ULSD). The new fuels achieved an 88% reduction in SOx emissions (compared to traditional fuels). In fiscal year 2022-2023, Al-Zour produced about 1.5 million cubic meters of LSFO and 1.0 million cubic meters of ULSD.

## HARNESSING TECHNOLOGY FOR A CLEANER FUTURE

With the start of Al-Zour refinery, KIPIC integrated a series of technological advancements aimed at reducing emissions. At Al-Zour, our focus on minimizing key air pollutants is demonstrated through the deployment of best available control technology across various operational aspects:

- **Optimization of combustion sources:** we enhanced air/fuel ratios, preheated streams, and used refractories in furnaces to reduce heat loss, thereby cutting down emissions from combustion processes.
- **Reduction of NOx emissions:** using low NOx burners and hydrotreating fuel, we minimized nitrogen content in emissions.
- **Design of innovative flare systems:** our flare systems are engineered for smokeless, low-noise functionality, using atomizing air/steam. We focus on reducing the number of flare stacks, applying gap control on surge vessels to lessen flaring, and selecting leak-resistant relief and control valves. Flare gas recovery systems and flow meters are also incorporated to monitor gas emissions and minimize environmental impact.

- **Sulfur-recovery techniques:** Al-Zour employs sulfur-recovery units with tail gas treatment, alongside stored sulfur degassing and hydro-desulfurization processes, to manage sulfur emissions.
- **Control of fugitive emissions:** various methods, including sealing storage tanks and a vapor recovery system, are in place to control and reduce fugitive emissions.
- **Monitoring of operational efficiency:** the efficiency of our operations, particularly pilot flames, is closely monitored using CCTV cameras to ensure optimal performance and minimal emissions.

Al-Zour refinery exemplifies our proactive approach to air quality management and environmental sustainability. We are proud of these achievements and remain dedicated to being at the forefront of emissions reduction and environmental stewardship.



**KPC**  
SUSTAINABILITY REPORT

05

ELEVATING  
OPERATIONAL SAFETY

SUSTAINABILITY  
FOR A PROMISING FUTURE



# ELEVATING OPERATIONAL SAFETY

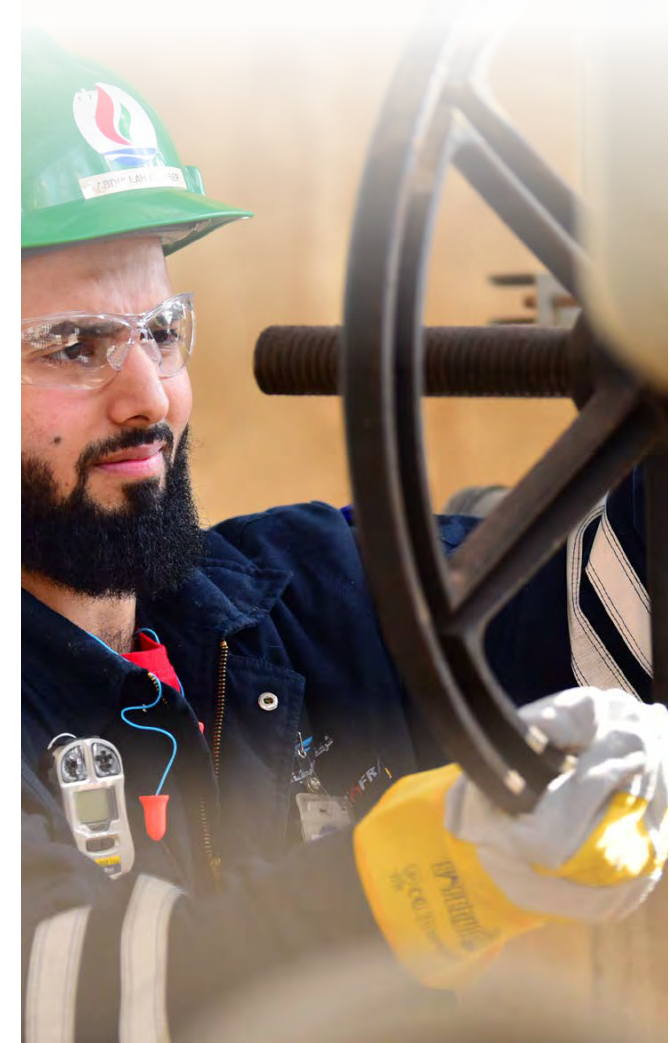
## FOCUSING ON OPERATIONAL SAFETY

From the inception of KPC, we recognized that our greatest asset is our people. As such, their health and safety have always been of utmost importance. This commitment is embedded in KPC HSSE Management System Standards and in our 2040 Strategic Plan, which underscores the Group's responsibility for fostering a safety-focused culture. We want to be a top performer by adhering to established policies, standards, and regulations in all regions and locations where KPC conducts its operations.

With this in mind, the Group implemented the Occupational Health and Safety (OHS) Management System. This is a structured framework that helps manage and improve workplace health and safety. It is designed to identify, assess, and control risks and hazards.

The scope of activities covered by the OHS Management System differs across subsidiaries operating in different workstreams and regions. Each subsidiary must ensure that the scope of the system meets the minimum KPC HSSE Management System Standards and the highest international and regional standards applicable.

In the search for excellence in operational safety, our Risk Management team identifies in advance any operational risks that may result in harm to any worker. On top of the enterprise risk management framework, our continuous improvement journey is not just about anticipating accidents, but about combining prevention and learning. We apply an incident-learning framework through which our team investigates any hazardous unexpected event, regardless of its impact, identifies root causes, and establishes mitigation plans and actions to avoid a recurrence.



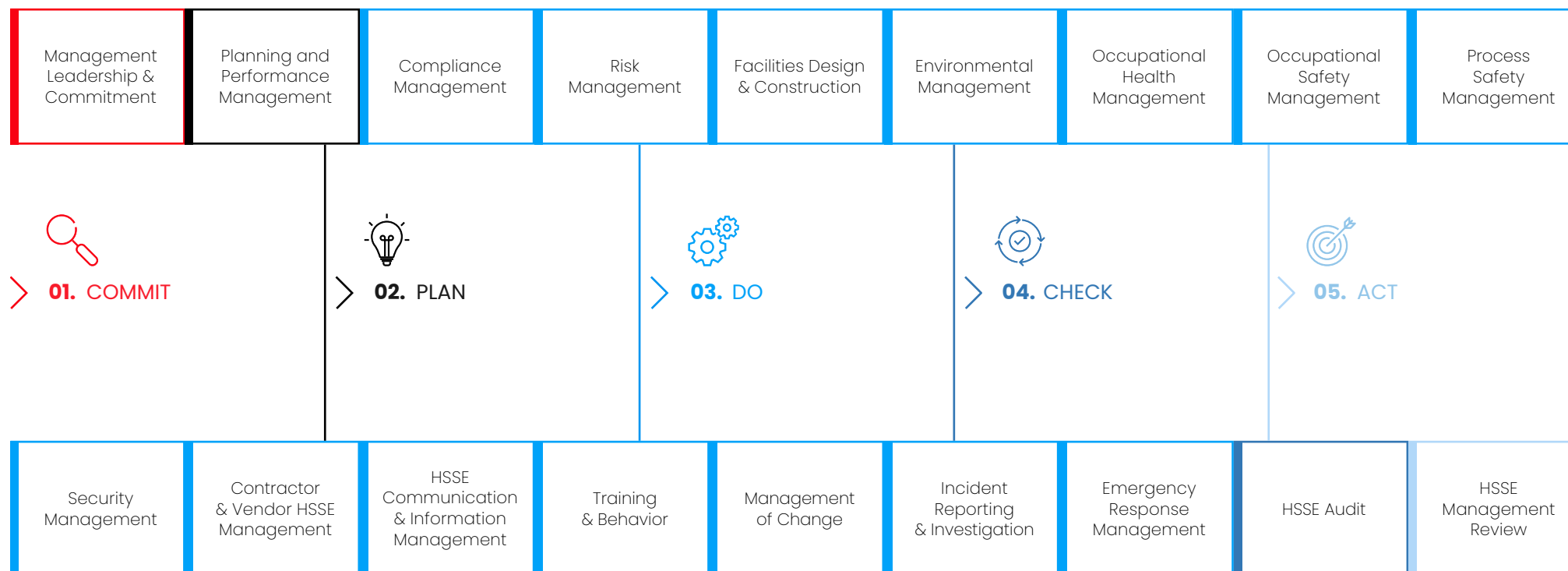
## OUR SAFETY MANAGEMENT SYSTEM

Our HSSE Management System is underpinned by a robust framework of high-level standards that are meticulously designed to safeguard the wellbeing of our personnel and assets, promote leadership commitment, enhance planning and compliance, and prioritize risk management. By adhering to these guidelines, we instill a culture of safety excellence in safety and ensure secure and responsible operations,

while protecting individuals, assets, and the environment. **Comprising 18 distinct elements, our HSSE Management System involves a holistic approach to safety and environmental management.** To foster continual improvement and compliance, we integrated a five-step model (Commit, Plan, Do, Check, Act) into our framework, ensuring a systematic and effective approach to achieving our HSSE objectives.



### KPC Group's HSSE Management system



## EMPLOYEE SAFETY

We are firmly committed to ensuring that every single worker at a KPC gets back home safe. Fostering a safe working environment across operations is not an option but an imperative. Hence, our dedication to this fundamental principle underpins every decision and action we take on HSSE, reinforcing our promise to protect our workforce. Through rigorous training, stringent safety protocols, continuous improvement initiatives, and zero tolerance toward HSSE policy violations, we intend to guarantee success in protecting our people.

When delving into our employee statistics in the fiscal year 2022-2023, we must acknowledge 58 work-related injuries. Rest assured that we are taking the necessary measures to mitigate such incidents and are working to reduce these numbers through the different policies we are putting in place.

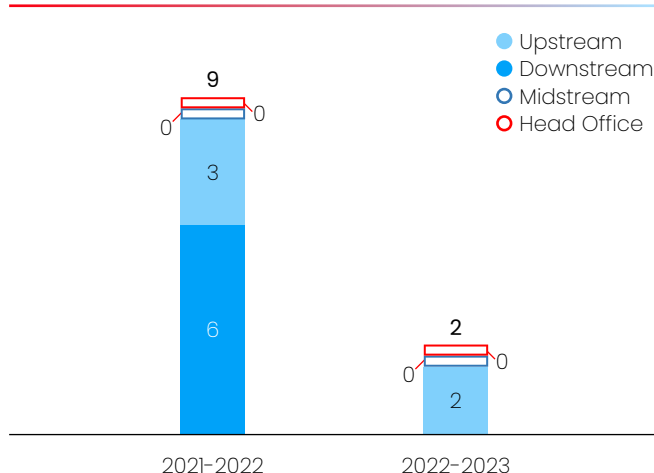
Regarding contractors, we regret to report a total of 78 injuries that resulted in the passing of two workers at our sites. For a current overview of the data available, please see Appendix B: Performance Data.

Our HSSE and risk management teams understand the gravity of these situations and treat them with the utmost seriousness. Indeed, thorough investigations were conducted to determine the root cause of these fatal incidents.

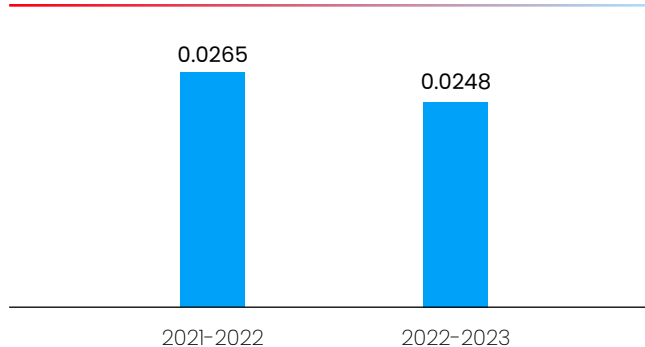
**136** total injuries

**42** lost workday cases<sup>6</sup>

## Number of total fatalities



## LTIFR <sup>7, 8</sup>



All major incidents within KPC are investigated by an Investigation Committee, whose members are chosen by KPC's CEO. The Investigation Committee is chaired by a Deputy CEO from outside the

affected subsidiary, with the support of experienced members. Once this committee completes the investigation, an accident investigation report is drafted, including a set of corrective actions and recommendations to prevent a recurrence. As an example, for an accident at KOC in June 2022, an Investigation Committee was formed in July, and the report was finalized and presented to KPC's CEO in August. The recommendations (specific and general) were sent to KOC in September for implementation.

The representative of the HSSE department conducted KOC's audit in December 2022, and the next verification audit will take place during Q4 2023-2024.

In line with our determination to prevent injuries and safeguard our workforce, various internal audits were meticulously undertaken. These audits were carried out with the utmost diligence, scrutinizing various facets of our operational procedures, safety protocols, and workplace environments to identify potential hazards and vulnerabilities.

Moreover, providing our employees with the tools to recognize, prevent, and react to any hazardous situation allowed us to make strides to ensure their safety. Offering full transparency about potential risks is key to ensure our employees acknowledge the hazards they may face, so they take action to avoid them.

6. This metric encompasses not only KGOC HO but also WJO and KJO. Furthermore, for KUFPEC, it incorporates HO as well as the Pakistan and Indonesia operation.

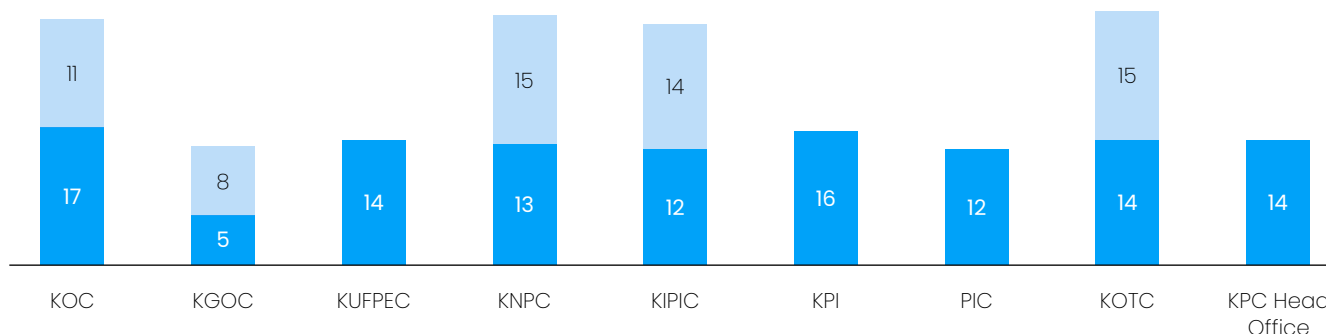
7, 8. LTIFR calculated as  $((\text{Lost Workday Cases}) + \text{Fatal Cases}) \times 200,000 / \text{Total Man hours}$ .



We understand the critical importance of providing our workers with comprehensive training to identify and prevent potential hazards. For that reason, in fiscal year 2022-2023, our employees received an average of 15 hours of HSSE training, while our contractors received an average of 12.

It is worth noting that an impressive 95% of these training sessions were completed successfully, in line with our objectives. We intend to keep our employees updated and consistently refresh their knowledge, putting special focus on tailored training courses for our Upstream frontliners, who proved to be the most exposed employee group.

### HSSE average training hours per employee



● Full-time employees ● Kuwaiti contractor employees



#### KOC:

##### A PINNACLE OF EXCELLENCE

KOC facilitates reporting of hazards with an exclusive online system named MyHSSE, which is made available to all employees through KOC's portal. Once a hazard is reported, notices are automatically sent to the relevant asset/directorate's HSSE team leader for review and approval. After that, the dedicated HSSE team promptly initiates action.

#### KPC'S HEAD OFFICE:

##### EXEMPLARY RISK MANAGEMENT

KPC's Head Office has a procedure called Task Risk Assessment and Management, whereby any person who believes that the work they have scheduled is likely to expose them or others to an unacceptable level of risk, or has the potential to cause damage to properties or the environment, can request that the work be suspended until suitable safeguards are implemented.

## HEALTH BENEFITS AND CAMPAIGNS

We are committed to promoting wellbeing within our workplace. To this end, we have implemented a wide range of initiatives that nurture the health and welfare of our employees and contractors. Our goal is to empower our staff with the knowledge, tools, and support to proactively manage their health and wellbeing. To this end, the Group has introduced several comprehensive measures:



**E-Learning Trainings and Workshops:** one of the cornerstones of our wellness program is our series of e-learning trainings and workshops. These educational programs were meticulously crafted to address critical, non-work-related health risks that our employees may encounter in their lives. These risks include nutrition, stress, physical fitness, and mental health.



**Medical Exams:** employees and contractors at KPC and subsidiaries receive periodic checkups.



**Facilities to Treat Smoking:** a semi-permanent part of Ahmadi Hospital treats patients for smoking cessation and nutritional issues.



**Health Awareness:** this annual initiative addresses health risk factors, such as unhealthy dietary habits, physical inactivity, and tobacco use, for both employees and contractors.



**Diabetes Awareness:** recognizing the rising prevalence of diabetes, KPC initiated a campaign focused on diabetes prevention and management. The campaign includes educational materials, screening, and support for those affected by the condition.



**Heart Awareness:** cardiovascular health is a priority for us. Our Heart Awareness Campaign educates employees about heart health, promotes healthy lifestyle choices, and provides access to resources for cardiovascular care and prevention.

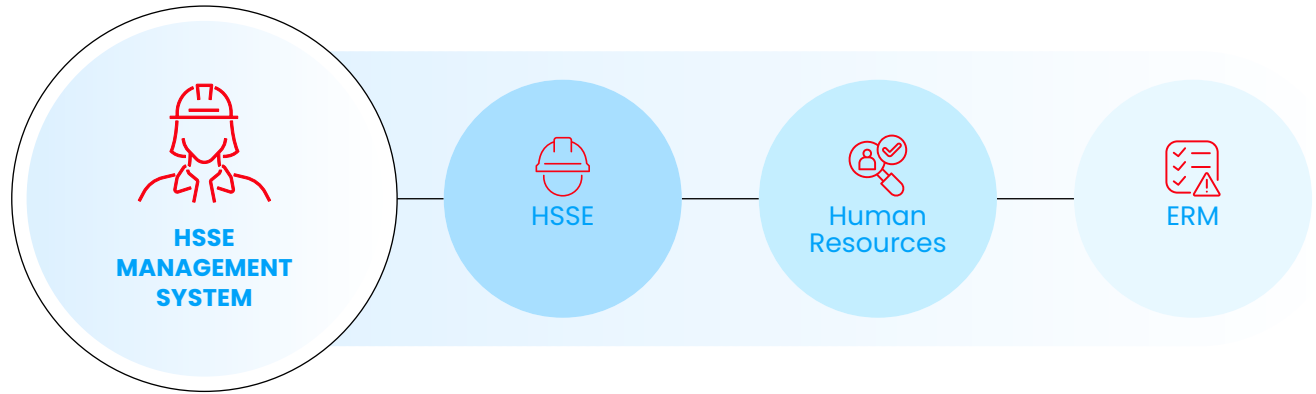
Beyond these initiatives, we ensure our employees' wellbeing both inside and outside our facilities by providing them with the best medical care available. We offer a top-quality medical insurance policy or, alternatively, premier treatment at Ahmadi Hospital.



## PROCESS SAFETY

It's critical that our processes reach the highest standards of reliability and safety. We follow a structured process involving our HSSE, human resources (HR), and risk management departments, acting together with a holistic view of all key aspects:

- Each HSSE department across subsidiaries and sites provides the guidelines, policies, and procedures to minimize exposure to any threat. Each department also monitors, assesses, and drives projects aimed at improving regular operations. They work closely with our training center to oversee programs and ensure our materials are updated and aligned with the industry's best practices and standards.
- Our HR team ensures the competences that our people require are developed. HR collaborates with each operations team or department to identify and understand the necessary HSSE skills.
- The risk management teams in each asset monitor HSSE performance and maintain risk mitigation procedures. For high-risk operations, the ERM teams get involved and work with with our HSSE experts to identify hazards and develop sound mitigation plans.



In addition to other requirements specific to each subsidiary, per KPC's HSSE Management System Standards, we are proud to highlight

that KPC and its subsidiaries comply with diverse international standards:



ISO 9001:2015  
IT 27001/2013  
ISO 45001:2018



ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018



ISO 45001:2018  
ANSI/AIHA Z10-2005



ISO 9001:2015  
ISO 14001:2015  
RC 14001:2018



ISO 9001:2015  
RC 14001



ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018  
International Safety  
Management Code



ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018





KNPC has achieved substantial recognition and received numerous international awards. For example, in 2022, Mina Abdullah Refinery earned the highest recognition by the Royal Society for the Prevention of Accidents (ROSPA), which is granted to companies that maintain a rank of excellence for safety for 18 continuous years.



KPI was awarded the 12<sup>th</sup> consecutive ROSPA Award for Health and Safety Performance.



## EMERGENCY READINESS

Our Emergency Response Management Standard establishes minimum mandatory requirements when dealing with emergencies in a way that preserves the health and safety of people and protects the environment, the communities where operations are undertaken, the Group, and its assets. This standard applies to all our subsidiaries, including the joint ventures we operate. Nevertheless, each subsidiary is responsible for establishing its own HSSE emergency response management processes that meet the requirements set out in this standard.

Despite the numerous controls that can be implemented within an organization, unforeseen issues can still arise. Therefore, with the aim of minimizing the adverse impact on people, environment, assets, and KPC's reputation, our emergency preparedness is an ongoing, iterative process that involves five key steps: prevention, preparedness, response, recovery, and mitigation.

As part of our prevention efforts, we comply with national regulations when conducting emergency response drills to ensure our employees and contractors are familiar with

emergency procedures and know how to act. Furthermore, we provide all our employees with the required Personal Protective Equipment (PPE), in line with the American National Standards Institute, to mitigate or prevent any harm caused by their day-to-day activities and the risks to which they may be exposed. The use of PPE is mandatory for all our employees and contractors at our facilities. Complying with these procedures is mandatory at KPC and its subsidiaries, and noncompliance will lead to disciplinary actions.





## SPILL MANAGEMENT

In the fiscal year 2022–2023, 416 barrels<sup>9</sup> were spilled from hydrocarbon incidents, which is 1/3<sup>rd</sup> of the amount registered in 2021–2022. At our Group, we have robust HSSE policies and standards to handle spills; we recognize the significance of having effective emergency plans, policies, and standards to protect and minimize harm to people and the environment.

Our specialized emergency response teams are trained to address such situations, ensuring an immediate and proportionate response tailored to the potential extent of damage. Given the importance of dealing with oil spills, our Group has developed a standard for all our subsidiaries when dealing with these incidents. This standard emphasizes planning and preparation among key personnel. Subsidiaries are required to assess the potential risk of oil spills, develop oil spill management processes, and define a waste management strategy.

In case of oil spills, on-site Emergency Response Plans, along with the Oil Spill Response Plans, are activated. For offshore incidents, KOC responds to the incident through its dedicated Marine Oil Spill Management Team and the Marine Operations Group. For land and shoreline incidents, KIPIC and KNPC have a running, integrated contract to provide a response within 24 hours. If the spill has the potential to develop into a crisis, KPC can activate its Enterprise Crisis Management Plan.

9. This figure excludes the land-based oil spill that occurred in March 2023, which was attributed to KOC.

KPC and its subsidiaries use sophisticated technologies to monitor operations in real time and mitigate the risks of leaks. These technologies include the Pipeline Integrity Management System (PIMS) and the Facility Integrity Management System (FIMS). Lessons learned are also shared to avoid such incidents from reoccurring.



KIPIC Environment and Corporate Social Responsibility Team responds to an oil spill.

## HOW KIPIC ADDRESSES AN OIL SPILL

On August 5<sup>th</sup>, 2022, KIPIC's Environment and Corporate and Social Responsibility Team received a notification from KEPA about tar balls on the Subah Al-Ahmad Marine City shoreline.

The response to the incident took place as follows:

- **Initial Response (August 5<sup>th</sup>):** alerted by KEPA, KIPIC team found tar balls along four kilometers of the shoreline.
- **Assessment and Planning (August 6<sup>th</sup>):** a marine survey found no new pollution, but cleanup was delayed due to poor weather.
- **Cleanup Execution (August 7<sup>th</sup>–10<sup>th</sup>):** the team conducted a two-shift cleanup every day for four days, focusing on different shoreline sections.
- **Completion and Waste Management (August 10<sup>th</sup> and afterward):** after cleanup, the waste was transported for disposal, with additional surveys to monitor for further contamination.
- **Environmental Impact:** an assessment was conducted, and it reported no significant harm to wildlife.



**KPC**  
SUSTAINABILITY REPORT

06

SECURING  
EMPLOYEE WELLBEING

SUSTAINABILITY  
FOR A PROMISING FUTURE

# EMPLOYEE RECRUITMENT, DEVELOPMENT, AND RETENTION



People at KPC and its subsidiaries drive our success, making recruitment, development, and retention essential pillars for the Group. We believe that encouraging our employees to achieve work-life balance and creating a comfortable working environment will lay the foundation for our people and community to thrive, unlock their full potential, and reach personal and professional goals. A brilliant employee community will lead KPC and our subsidiaries to a sustainable bright future.

## Employee Wellbeing in the fiscal year 2022-2023

**23,410**  
employees

**481**  
new employees at KPC

**23**  
training hours per  
employee on average<sup>10</sup>

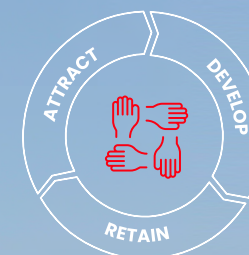
**18,884**  
contractors

**640**  
courses offered

10. This figure pertains only to KPI HO and does not include data from the other operating units.

*"We continued our investment in human capital by developing our workforce and engaging with them as our most important asset."*

— **Shaikh Nawaf S. Al-Sabah**  
Deputy Chairman and CEO







## OUR VOICES

Through engagement workshops and our virtual platform, we seek to hear our people's concerns, then act upon them.

Among the most recent developments at KPC, we introduced an app, accessible on both work and personal devices, enabling employees to access company/personal information, receive congratulatory messages when promoted, and voice their concerns from anywhere, at any time.



## FAIR COMPENSATION

Our employees are offered competitive salaries and benefits across our subsidiaries, which are ranked among the highest in the State of Kuwait. Our mission is to ensure that every employee at KPC believes that we appreciate them.

As part of this commitment, we align benefit packages for our employees and contractors with international and regional best practices across subsidiaries and regional operating units.



## COMMITMENT AND SATISFACTION

We believe employee satisfaction and perception are key levers to measure our performance as an organization. We are developing an employee and contractor satisfaction survey that will enable us to identify areas for improvement and maintain a committed and healthy community inside KPC and our subsidiaries. Our objective is to make sure that every employee understands that *their* success is *our* success.





## WORK-LIFE BALANCE

At KPC, we have many ways to show our dedication to employees' wellbeing.

One way is through our Emtaz program, which helps us express our gratitude to our workforce by providing them and their families with unparalleled offers, ranging from travel agencies to hotels to car dealerships. This discount program offered by specific businesses is exclusively reserved for employees of KPC and its subsidiaries. Moreover, this program is continually evolving to bring more advantages to our employees, who really appreciate it. Emtaz stands out because it requires participating companies to provide the most competitive discounts.



## THREE ADDITIONAL INITIATIVES

In addition to our Emtaz program, there are additional initiatives at KPC's HO:



**Coffee with the CEO:** employees get to meet directly with the CEO. In this fiscal year, two such meetings took place.



**Success stories:** we celebrate and show through inspiring videos the remarkable achievements of our employees – not only at work but also in their personal lives.



**Employee of the month:** this initiative is part of the employee engagement program, whereby high performers in their sector are awarded every month with a certificate of appreciation and 100 KWD. In the fiscal year 2022-2023, 43 employees were named an employee of the month.

## HEALTHY LIFESTYLE

Some subsidiaries have their own way of enhancing the wellbeing of their employees. For instance, KOC has been running the Healthy Lifestyle program, which aims to improve health and foster a fitness culture among the employees of the firefighters group.



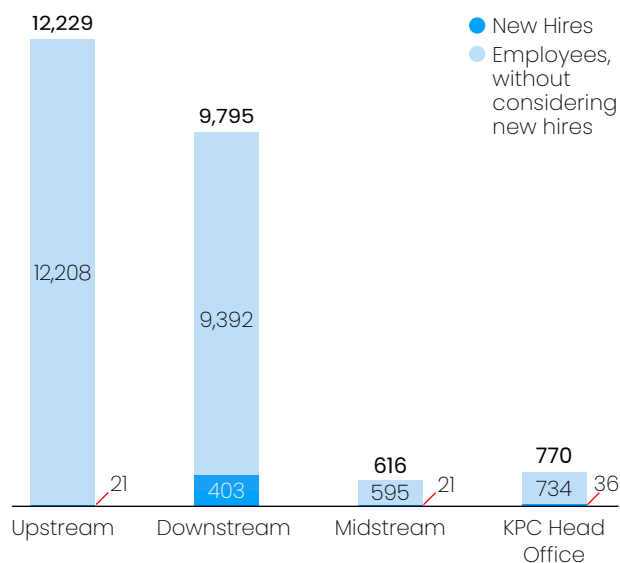
The Healthy Lifestyle program, hosted by KOC.

## TALENT ATTRACTION

At KPC, we believe that to maintain a leading position in an environment as competitive as the oil and gas sector, it is vital to attract innovative, motivated, and excellent talent. We intend to do this by offering world-class career opportunities. In our assets in the State of Kuwait, the standard entry salary is 22% higher than the median. This allows us to compete with other best-in-class employers and attract the best young Kuwaitis.

**During the fiscal year 2022-2023, we hired 481 employees, 88% of whom were under 30 years old, making a total of 23,410 employees at KPC and its subsidiaries.**

### Total number of employees and new hires



Demonstrating our determination to the Kuwaiti youth, we established a comprehensive program that encompasses scholarships and internships. Both components are integral to our organization's mission

of nurturing the potential of the Kuwaiti youth and making them role models in their respective fields. For example, **in the fiscal year 2022-2023, we awarded 28 scholarships and 11 internships in KPC Head Office.**

## EMPOWERING STUDENTS

KOC offered Kuwaiti students from the College of Nursing the opportunity to participate in a training program designed to prepare them for working at Ahmadi Hospital. This initiative involved the signing of training contracts with 41 students, including both diploma and bachelor's degree holders.



A training program conducted at Ahmadi Hospital.

## SCHOLARSHIPS PROGRAMS

We take pride in our KOTC Scholarship Program. In 2016, Kuwait Oil Tanker Company and Kuwait Oil Company signed a memorandum of understanding authorizing KOTC to supervise a scholarship program fully sponsored by KOC to qualify and train marine cadets to work as marine pilots and maintenance engineers at Kuwait Oil Company after their graduation. Thanks to the scholarship, 20 cadets graduated in the 2022-2023 academic year.

Moreover, KOC is proud to operate its own scholarship program, which aims to support and nurture local talent. During the current fiscal year, we are pleased to report that seven Kuwaiti graduates successfully participated in our special scholarship initiative. This allowed them to pursue their higher education at renowned British and Kuwaiti universities, where they gained valuable knowledge and skills.



A scholarship awarded by KOC.

## EMPLOYEE DEVELOPMENT

Developing the capabilities and knowledge of our people is critical. Offering the right opportunities for career development, enabling our employees to grow professionally, and enhancing their knowledge and skills will allow us to maintain a leadership position within the State of Kuwait and among international oil and gas peers.

Our training sessions and our Mobility Program have been designed to ensure our staff set their own limits to their development opportunities and have the chance to grow both professionally and personally. Furthermore, to keep developing our people's talent, our leaders give constructive feedback to their teams on a regular basis. Employees at KPC and its subsidiaries go through a performance evaluation process twice a year. Our aim is to keep them motivated, and ensure they keep growing as professionals.

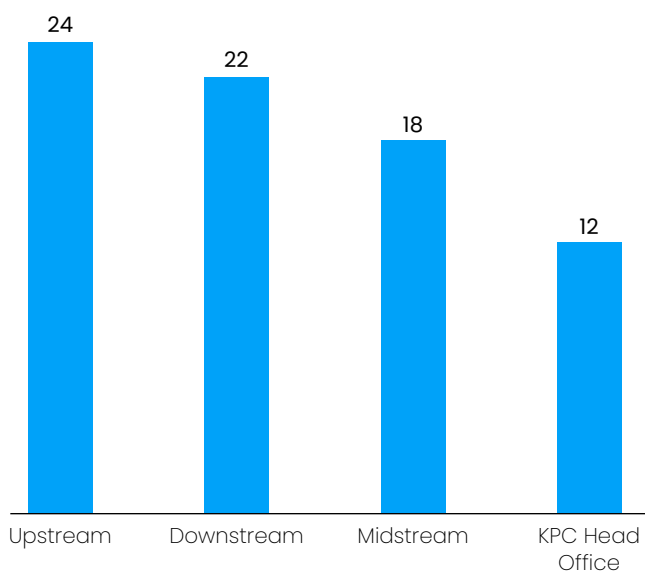
As times change, so do our people and the way they learn. After the global pandemic in 2020, our training programs have been evolving to become more accessible and flexible for our employees wherever they are. With the introduction of our e-learning platform, ULMS, our employees are the owners of their re-skilling and have access to over 180 online programs.

Our training programs are divided into three categories:

1. **Business fundamentals**, which include English and IT core skills.
2. **General competences**, which include HSSE, ethics, communications, and teamwork.
3. **Technical competences**, which are tailored to each position.

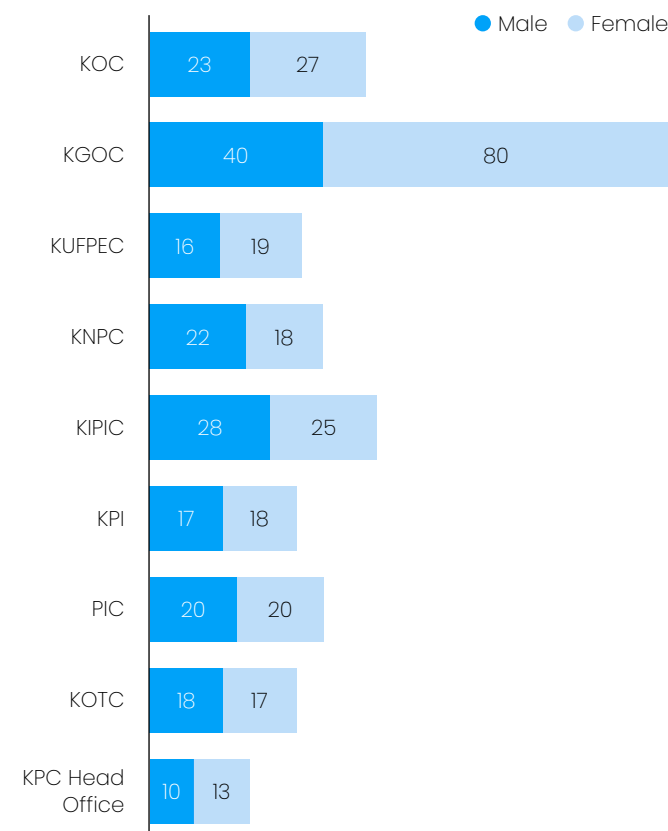
During the last fiscal year, we offered 640 courses in person and online. Combining both types of training, **our employees enrolled in 70,000 trainings, resulting in 500,080 training hours conducted** within the Group.<sup>11</sup>

### Average training hours per employee<sup>12</sup>



In our training program, gender equality is also important. That is why we provide our male and female employees with virtually identical opportunities. Our commitment to fairness ensures that both genders have equal access to skill development and professional growth, thus fostering a diverse and inclusive work environment.

### Average training hours per gender<sup>13</sup>



<sup>11, 12, 13.</sup> These figures exclusively account for KPI HO and do not include data from the other operating units.



## KIPIC TRAINING ACADEMY

In October 2022, KIPIC established KIPIC's Training Academy, an unparalleled endeavor that demonstrates KIPIC's dedication to enhancing the skills and competences of its national cadres within Al-Zour complex in southern Kuwait.

The Academy boasts a spacious 3,300-square-meter facility thoughtfully designed to cater to diverse training needs. Within this vast space, there are five well-equipped training rooms, three areas for exhibiting models and training-related tools, three simulation rooms where employees can hone their knowledge of refinery operations, one computer-testing facility, and two multipurpose halls.



KIPIC Training Academy.

With access to cutting-edge tools, state-of-the-art materials, a wide array of educational resources, and meticulously designed training facilities, the Academy has the capacity to comfortably accommodate up to 318 learners. This marks a significant milestone for KIPIC, as it continually strives to deliver top-tier quality programs for its employees.

## MOBILITY PROGRAMS

At KPC and its subsidiaries, we strongly believe in the significance and enriching nature of international experience. That is why we designed a robust Mobility Program for our high-performing employees that offers three potential rotations within KPI:

- Maintenance and reliability in KUPIT and RAM in Rome for 10 weeks.
- Supply excellence in KPI London for six weeks.
- Refining and projects in KUPIT and RAM in Rome for 10 weeks.

Also, KUFPEC offered 13 secondment opportunities for Domestic Upstream employees to work overseas.

These programs aim to provide our employees with valuable international exposure and professional growth opportunities.

*"I joyfully remember the day when I received from KUFPEC the official email approving my international assignment to KAPL. I felt so excited about the new professional journey and the exciting experience I was about to embark on— it was one of the best and most memorable feelings I've ever encountered."*

**— A participant from a secondment in KUFPEC's Australia Area Office**

## PIC WORKSHOP TRAINING

To bolster employees' skills, PIC organized a training workshop in Boubayan Club for three days, where specialists from Microsoft provided training for employees on the applications of Teams, Power BI, and Forms. The training also qualified a number of employees in the company and the oil sector on the Lean Six Sigma methodology in order to obtain the Green Belt Certificate.

## EMPLOYEE RETENTION

We are committed to building a strong employee community that feels represented by KPC's values and sees their contribution is rewarded. We want our employees to thrive within KPC and exceed any goals they might have set for themselves. Our organization does its best to retain the know-how and talent developed throughout a successful long-lasting career. With this in mind, we devised different compensation programs to return talent.

### Compensation programs for employees



Health and life insurance Health and life insurance



Medical Insurance



End-of-service benefits



Cost of living allowance



Housing and accommodation allowance



Shift allowance



Plane tickets



Transport allowance



Educational assistance



Car allocation benefit

For instance, in addition to the standard compensation package provided to employees in the State of Kuwait, those assigned to work abroad receive tailored compensation and benefits that align with their specific location. KPC also offers financial support for transportation, relocation, home country allowances, and health care.

In the fiscal year 2022-2023, **KPC experienced an overall attrition rate of 2.3%, with the Upstream sector emerging as the top performer in terms of retention, having achieved a remarkable attrition rate of just 0.9%.** Although these statistics may seem positive, we are determined to improve in the years to come, which would mean reaching a 0% rate across the organization and taking the necessary measures so that no employee feels the need to search elsewhere to achieve their career development goals.

To attain our retention objectives, we believe in the importance of making employees feel valued and respected, providing them with an attractive compensation and benefits program. During the fiscal year 2022-2023, the investment in employee benefits was more than 679 million KWD while our expenditure on wages and benefits amounted more than 1.8 billion KWD.

Employee remuneration must reflect their impact and value. Hence, it is our philosophy to offer our employees performance-related bonuses. For example, we implemented an annual incentive plan for senior management that involves a thorough performance evaluation and culminates

in the provision of a monetary incentive in recognition of their outstanding contribution and achievements.

Another noteworthy example of how we express appreciation for our employees is our broad range of means of recognition. We believe in rewarding exceptional contributions, underscoring our dedication to fostering a culture of motivation, value, and achievement. For example, the CEO Award for Digital Transformation Champion that crowns the success of the "Citizen Developers" program. This program aims to empower non-IT workers to develop and design applications and smart dashboards on their own.

### KPI TOP EMPLOYER

Q8 Italia was awarded the Top Employer 2023 certification by the Top Employers Institute for the third time in a row. This award certifies organizations based on the results of their HR Best Practices Survey. This survey covers seven human resources domains, including 20 topics such as people strategy, work environment, talent acquisition, learning, diversity, inclusion, and wellbeing.



# DIVERSITY AND INCLUSION



In a world where globalization is becoming more prominent, the tangible business benefits of fostering diversity and inclusion are evident: they contribute to heightened levels of collaboration, engagement, productivity, and innovation. Moreover, enriching KPC with diversity provides a wealth of perspectives and talents. We believe that embracing diversity will not only position KPC at the forefront of a globalized world. It also constitutes a strategic move that will lift KPC's financial results.

Promoting gender equality and ensuring the inclusion of all employees at KPC are critical levers for our organization's success in today's world and the rapidly evolving global landscape. In line with this commitment, we guarantee that every individual, irrespective of gender, ethnicity, or disability, finds their place at KPC.

**31%**

of our workforce promoted  
to team leader or above are  
women

**29%**

of our graduate workforce  
are women

**19%**

of our total workforce  
are women

**90%**

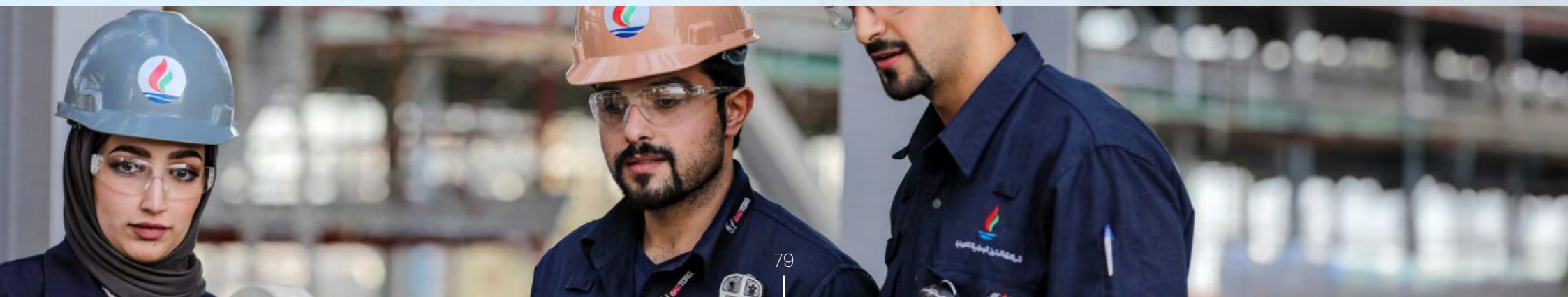
of our employees in the  
State of Kuwait are local

**88%**

of our recruits are younger  
than 30

**68**

of our people have reduced  
mobility or another disability





## مجلس التنوع والشمولية Diversity & Inclusion Council



### OUR D&I COUNCIL SETS THE PACE

In December 2020, our CEO announced that a Diversity and Inclusion (D&I) Council had been established. The Council consists of seven members, including representatives from five subsidiaries (KOC, KNPC, KIPIC, KPI and PIC) and two representatives from KPC's HO.

With the creation of this council, we took a leap forward in designing a creative human-capital framework, where we seek inclusiveness of all employees.

The Diversity and Inclusion Council aligns with four core strategic objectives:



- First, we aim to invest in the growth, capabilities, and global mobility of our people.



- Second, we are committed to nurturing collaboration and promoting knowledge sharing.



- Third, we are focused on developing our employees at every level, encouraging them to lead and actively embody the company's core values.



- Fourth, we are working on automating HR processes and services through a flexible and customized digital ecosystem, streamlining operations and ensuring efficiency throughout the organization.

In the fiscal year 2022-2023, the D&I council completed the internal and external diagnosis phase, identifying enablers and quick wins.

The diagnosis phase yielded excellent results, positioning us as top performers in gender equality in the Middle East. Moving forward, we aim to create a shared narrative to address situations and necessary interventions, ensuring that efforts made for women and youth are seamlessly integrated and continuously measured within our systems.

Moreover, we are redesigning the D&I council. With the redesigned governance structure, our approach consists of empowering younger members to play a leading role in shaping the course of action while fostering a sense of responsibility and ownership. We believe our young talent will be able to focus on quality and enhance the capabilities of our council, so that we can successfully carry out our action plans.



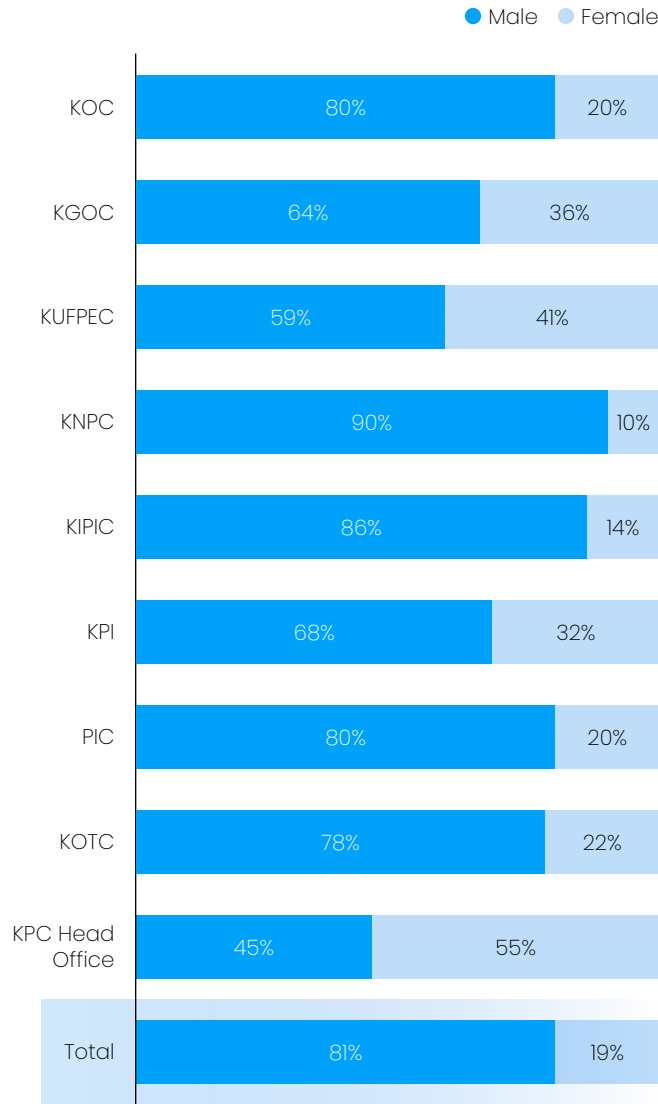
## GENDER EQUALITY

KPC is proud to be a leader in women's integration and empowerment among its peers in the Middle East. However, we acknowledge that this journey entails continuous improvement, and we look forward to a future where female empowerment at KPC scales to greater heights.

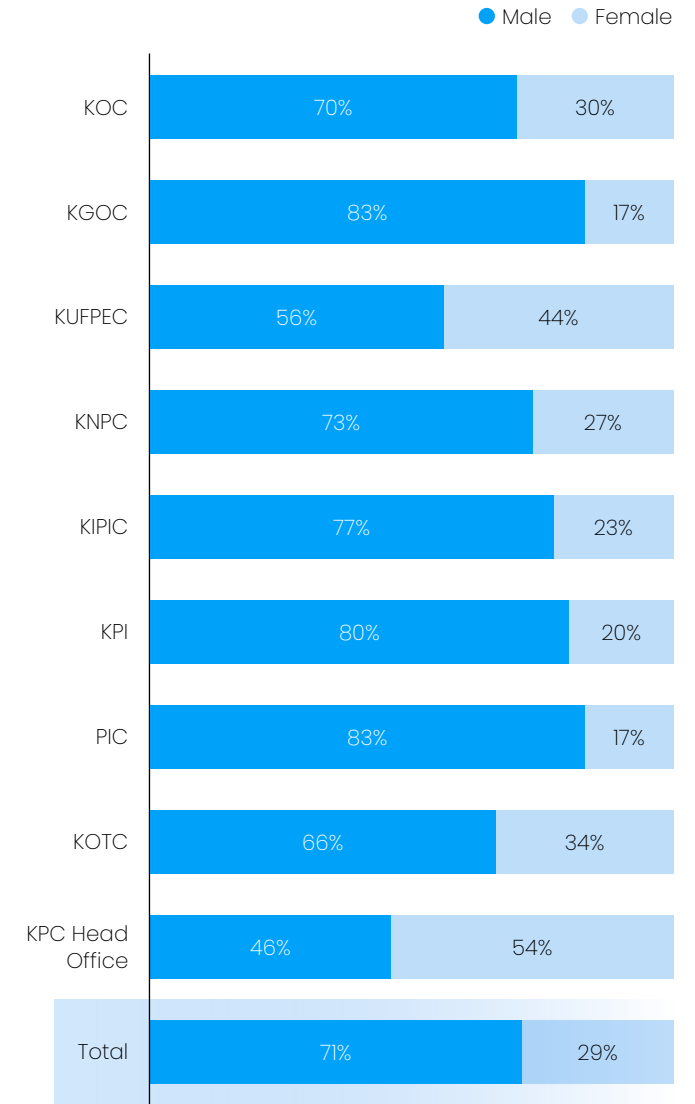
Currently, women represent 19% of our total workforce, the highest percentage among our GCC peers. It is worth noting that in KPC's Head Office, the number of women has surpassed that of men, with 55% of women currently in the workforce.

Additionally, in recent years, women's roles at KPC have evolved in relevance and visibility, with 7% of women in top management positions as of March 2023. Moreover, in graduate-level positions across the Group, women representation jumps from 19% to 29% of the staff.

### Employee Distribution by Gender Across Subsidiaries



### Distribution of Employees with Graduate Degrees by Gender<sup>14</sup>



14. The information provided pertains exclusively to KPI HO and does not encompass the operating units within KPI. Regarding KGOC, this info not only includes KGOC HO but also other operating units.

However, equality isn't only a matter of volume; benefits and recognition matter just as much. Currently, each of our employee categories has an established salary scale of 1:1 between women and men in the same position. This ensures that our employees are equally recognized regardless of their gender. However, in certain areas, such as the allowances provided for the birth of a child, some things may differ, owing to both the gender-specific nature of the given benefit and to Kuwaiti law.

As a reflection of the progress made in gender inclusion, it is worth highlighting the increase in promotions among our female employees. During the reporting period, 31% of the employees promoted to team leader or above were women. The appointment of women as KNPC's CEO, PIC's CEO, and board members illustrates the vital role women play and charts the way forward for more women to attain the highest governance positions.

Overall, KPC is making good progress in advancing gender diversity and inclusion. The Group laid strong foundations and is committed to further developing a more equitable workplace for all employees.





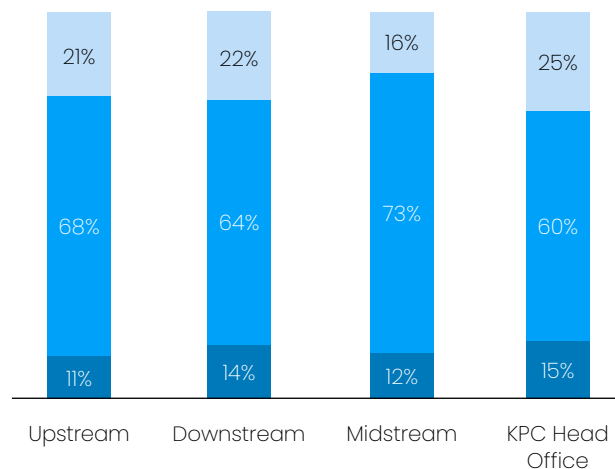
## OPPORTUNITIES FOR OUR YOUTH

Youth empowerment is also a focus for KPC. The idea here is to recognize the need to cater to new generations. Hence, **88% of our recruits are under 30 years old.**

Furthermore, we acknowledge the importance of embracing the sentiment of young people: this is a generation that prefers to stand out rather than fitting in, which embraces learning, and which prizes authenticity and a sense of purpose. Our strategic plan consists of building an environment that enables us to attract, develop, and retain this cohort.

### Employee distribution by age segment

- % Employees under 30 years old
- % Employees between 30 and 50 years old
- % Employees above 50 years old



## INTERNATIONAL YOUTH DAY

In our dedication to supporting youth, on August 11<sup>th</sup>, we commemorated the Second International Youth Day Forum within the oil sector. This all-day event witnessed an impressive turnout, with over 740 participants from various subsidiaries, marking a 60% increase over the previous year. The forum provided a platform for insightful discussions on the most impactful developments in our rapidly changing world. Additionally, it was an honor to host some of the most esteemed leaders in the industry, enabling young attendees to network with them, ask questions, and gain valuable insights. Here are a few testimonials from attendees:

*"When the younger-generation employees spoke about their work, I was intrigued; their accomplishments are most admirable. Additionally, I was inspired to hear from women in leadership."*

— A participant in the Youth Day Forum

*"The emphasis on leadership skills covered in the event was on point. Teaching young workers how to become leaders early in their career is important, especially when they're mentored by high-level professional leaders in our industry."*

— A participant in the Youth Day Forum

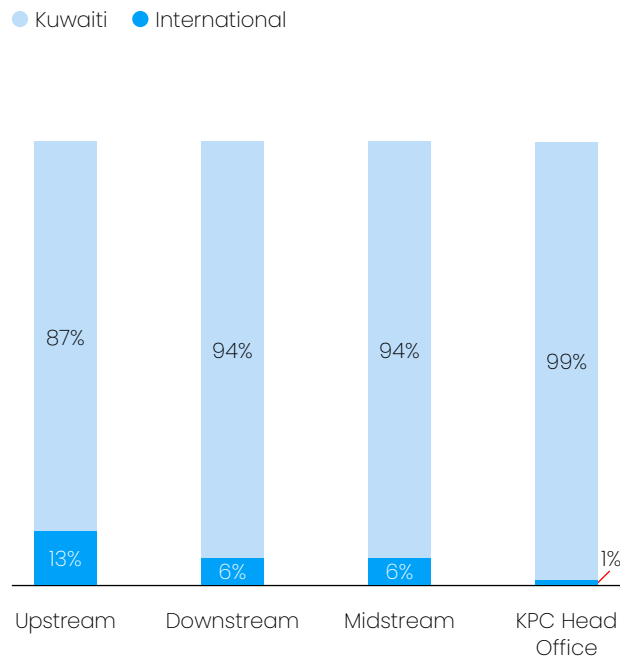


The Second International Youth Day Forum.

## KUWAITIZATION

At KPC, we are fully committed to Kuwait's policy of employing nationals. This policy, which was initiated by the state in 2018, is commonly known as "Kuwaitization." **Our labor force in the State of Kuwait is 90% local.** This percentage is lower in the Upstream segment, where 87% of the workforce is local. This is mainly due to the requirement of specific skills and talent that are acquired by importing international experts.

### Employee distribution by nationality in the State of Kuwait



## A PROMISING JOURNEY AHEAD

While our Diversity and Inclusion Council focuses on empowering our women community and ensuring opportunities for youth talent, we acknowledge there is still a long way to go. Once we achieve our goals within these two pillars, we will shift the focus to other minorities (for example, disabled employees). Currently there are 68 people with reduced mobility or another disability. Even

though we are proud of our progress, we know that achieving full equality will take time.

### HOSTING THE PUBLIC AUTHORITY FOR DISABILITY AFFAIRS

KGOC organized a significant event on "The Rights of Persons with Disabilities" in December 2022. The event took place at the Ahmad Al-Jaber Oil and Gas Exhibition and featured a lecture by the Director of Public Services at the Public Authority for Disability Affairs.

During the lecture, the speaker elucidated the rights of individuals with disabilities. The speaker touched upon the Rights of Persons Disabilities Law No. 8 of 2010 and the International Convention, which was ratified by the State of Kuwait in 2013. Furthermore, the speaker shed light on the concept of disability as an integral aspect of human diversity. Notably, they discussed Kuwait's collaboration with the United Nations Development Program to empower and integrate individuals with disabilities into society. A notable outcome of this collaboration is the Kuwait

Code for Accessibility, which aims to make local buildings, facilities, and digital content accessible.

This initiative reflects a commendable stride toward fostering understanding, support, and acknowledgment of the diverse needs and rights of individuals with disabilities.



"The Rights of Persons with Disabilities" event at KGOC.



**KPC**  
SUSTAINABILITY REPORT

07

EMPOWERING  
OUR COMMUNITY

SUSTAINABILITY  
FOR A PROMISING FUTURE





# HUMAN RIGHTS AT KPC

At KPC, we are committed to running a responsible business across assets both inside and outside the State of Kuwait. We understand that it is our responsibility to ensure that international human rights are respected and promoted by our employees, contractors, suppliers, and business partners. These rights, strictly upheld by KPC and its subsidiaries, include the United Nations Human Rights Declaration, as well as the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights in the Workplace.

Our board of directors makes sure that KPC and its subsidiaries acknowledge ILO conventions ratified by the State of Kuwait. These conventions include the Freedom of Association and Protection of the Right to Organize Convention, the Right to Organize and Collective Bargaining Convention, the Forced Labor Convention, the Abolition of Forced Labor Convention, the Minimum Age Convention, the Worst Forms of Child Labor Convention, and the Discrimination of (Employment and Occupation) Convention.

KPC, as well as each of our subsidiaries, has implemented specific policies, procedures, and directives to ensure compliance with these conventions. For instance, we rigorously monitor and enforce compliance with minimum

working-age requirements for all employees and contractors at our locations, with a strict prohibition on child labor. Also, in line with freedom of association, KPC fosters the presence of labor unions in the State of Kuwait, and company representatives regularly meet with these unions to address their concerns and boost a collaborative dialogue.

We don't tolerate any form of noncompliance with these policies, procedures, or directives. Reports of noncompliance are routed to the compliance officer (if the issue involves a violation of KPC's Code of Conduct), to the grievance committee (if the issue involves an employment-related directive or decision), or to management.

Furthermore, we do not operate in areas with conflicts or on indigenous lands. However, in cases where we may have some level of participation, we are committed to ensure that the operator complies with all applicable laws.

## HUMAN RIGHTS IN OUR ESG STRATEGY

During the reporting period, we developed a new ESG strategy in which human rights play a central role. In defining this strategy, we prioritized human rights as well as employees' awareness about our associated policies.



The scope of this initiative includes the collection of internal and external best practices on the implementation and enforcement of human rights. Accordingly, KPC's Code of Conduct was revised to explicitly include human rights policies, in line with KPC's commitment to comply with the United Nations and ILO declarations. The updated KPC Code of Conduct, with human rights commitments, will be approved by KPC board before the end of 2023.



# CORPORATE ETHICS

We believe that upholding the highest standards of ethics is not only a matter of corporate duty but also an imperative for building deep-rooted trust and promoting mutually beneficial relationships with employees, contractors, and business partners. Ethics allows us to create a sustainable and responsible business environment that benefits all stakeholders.

The two main documents that underscore the importance of driving a responsible business across KPC and its subsidiaries are our Code of Conduct and our Workers' Rights Policy. In addition, KPC and its subsidiaries also have separate grievance procedures, as well as other policies covering issues relevant to corporate ethics (for example, whistleblowing, bribery, sanctions, slavery, conflicts of interest, business ethics, etc).

## OUR CODE OF CONDUCT

Our Code of Conduct provides the guidelines to ensure that all employees of KPC do business in an ethical and proper manner. It embodies the essence of our corporate values, emphasizing six pillars that shape our collective dedication to a responsible and ethical business environment. These pillars include (1) Staff Appreciation, which recognizes the invaluable contribution

of our team; (2) Commitment to HSSE, which safeguards both our employees and the communities we operate in; (3) Citizenship and Social Responsibility, which promotes active engagement with society and environmental stewardship; (4) Ethical Business Conduct, which underpins our commitment to integrity and transparency in all our operations; (5) Confidentiality, which ensures the protection of sensitive information; and (6) Reporting, which

encourages employees to report any concerns, thereby promoting a culture of accountability and continuous improvement.

**Our Code of Conduct encompasses all subsidiaries and assets worldwide. It applies to all our employees, contractors, and business partners.** To ensure that contractors and business partners are aware of and comply



with our ethical standards when working with or at locations of KPC and our subsidiaries, we include our Code of Conduct in all our contracts and conditions. Furthermore, we are developing a plan to extend our awareness sessions to contractors.

Moreover, in case of noncompliance with our Code of Conduct, a zero-tolerance policy applies to all our employees, contractors, and business partners.

We inform employees about our Code of Conduct via training sessions and announcements through KPC's or subsidiaries' web portals. We also encourage every employee to download our app, where they always have easy access to the code. Finally, KPC's training center regularly runs Code of Conduct sessions, in person and online.

We follow a progressive and responsive approach when it comes to improving and re-assessing the corporate ethics established in our Code of Conduct. We apply lessons learned to enhance our policies and procedures and keep our standards at world-class levels. Hence, even though our commitment with human rights is embedded into our Code of Conduct and internal policies, in the fiscal year 2022-2023, we launched an initiative to amend the current code and specifically mention our commitment to human rights.

## WORKERS' RIGHTS POLICY

Our people are a key part of our organization; therefore, we modified our Workers' Rights Policy in 2021. This policy now requires KPC to protect and respect human rights, including labor rights, and respect and comply with applicable local

and international laws (ratified by the State of Kuwait) regarding workers' rights, standards, and regulations.

The main goal of our Workers' Rights Policy is to foster greater awareness of workforce challenges and enhance our capabilities to identify, manage, and remedy any issue that may affect any worker, employee or not, at our locations. Thus, this policy not only safeguards our internal stakeholders but also extends its protective reach to anyone engaged in business with KPC, including our community, suppliers, contractors, and business partners.

The policy is composed of 11 pillars that cover all workers' rights: (1) Freedom of association;

(2) Respect for and appreciation of co-workers; (3) No harassment; (4) No discrimination within KPC; (5) No forced or child labor; (6) Fair employment practices, including but not limited to compensation and a predictable working schedule; (7) Fair treatment regarding employment status; (8) HSSE; (9) Human resources practices that adhere to our labor standards, policies, and procedures; (10) Developing a retrenchment plan prior to collective dismissals; and (11) Open dialogue, whereby we encourage our employees to raise concerns to their managers.





## COMPLIANCE WITH OUR CORPORATE ETHICAL STANDARDS

The Code of Conduct covers KPC and its subsidiaries and is implemented in accordance with the guidelines outlined in KPC Code of Conduct Implementation Manual. To ensure proper implementation, compliance officers were appointed both within KPC and its subsidiaries.

In addition, Grievance Committees exist in our subsidiaries to address employees' grievances relating to administrative decisions affecting employees. As an example of the organizational structure of a Grievance Committee, the Grievance Committee in KPC HO is comprised of three deputy managing directors, a legal advisor from KPC Legal Affairs Department, and a representative of KPC Human Resources Department.

However, it's important to note that all complaints pertaining to breaches of the Code of Conduct are addressed by designated compliance officers. This streamlined approach ensures that all reported breaches are handled consistently and efficiently across the organization and its affiliated entities.

To uphold privacy and fairness in the handling of complaints, KPC has implemented a structured reporting process for potential violations or breaches:

1. **Reporting Complaints:** initially, employees can confidentially submit complaints to a compliance officer through designated channels, ensuring anonymity for all parties.

2. **Investigation:** following the submission, a comprehensive investigation is conducted. If, upon careful examination of the matter and review of the evidence, it is determined that the complaint does not constitute a violation of KPC Code of Conduct or the relevant regulations, the case is closed and the findings are documented.

### 3. Resolution of Verified Violations:

- **Sanctions List:** if the investigation reveals that the complaint falls under the company's applicable sanctions list, HR is engaged. They are provided with all relevant documents to conduct an in-depth investigation, make recommendations, and impose sanctions. The compliance officer is then updated on the investigation's outcome for closure and documentation, and the complaining employee is informed of the results.
- **Serious Violations:** in cases where the abuse involves severe violations, like substantial financial losses, endangering employee lives, or tarnishing the company's reputation, the matter is escalated to the CEO. The CEO forms a committee to investigate the incident, issue recommendations, and impose sanctions if appropriate. The compliance officer is subsequently informed of the investigation's outcome for closure and documentation, and the complaining employee is informed of the results.

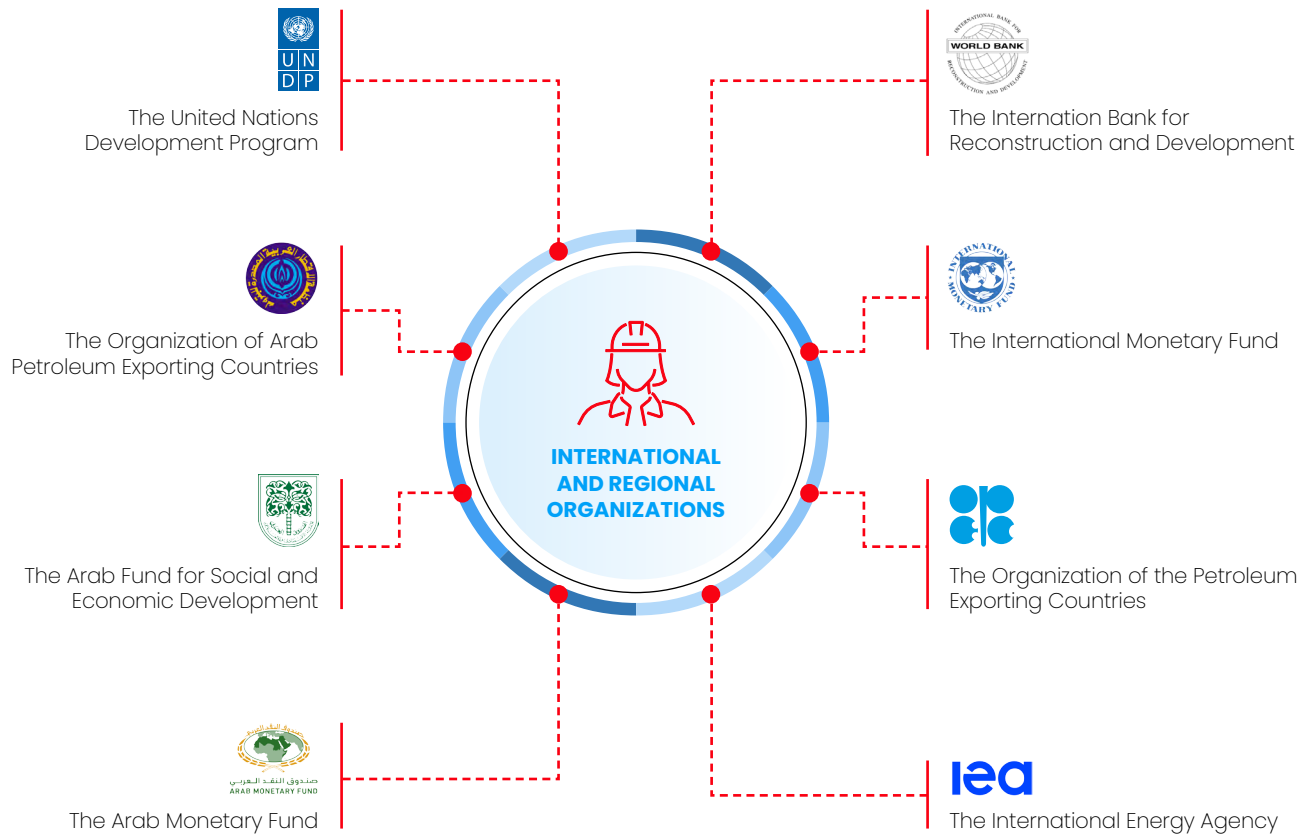
KPC's subsidiaries have similar processes. In addition, compliance officers monitor activities related to our corporate ethics on a regular basis.

Therefore, open communication channels are available for any employee to register their comments, suggestions, or recommendations at any time. In addition, some of KPC's subsidiaries conduct periodic and proactive surveys with all staff.

Furthermore, various types of internal audits, encompassing aspects of corporate ethics and policies, are carried out at different levels. In this way, we ensure adherence to ethical standards, pinpoint potential risks, and uphold our reputation for responsible and ethical business practices. During the reporting period, four internal audits regarding corporate ethics were conducted. Additionally, two internal audits have already been planned for the next fiscal year (2023-2024).

# SOCIOECONOMIC VALUE CREATION

We believe that a profitable and large corporations such as KPC has the responsibility to contribute to local communities and enhance local economic development wherever we operate. For this reason, we actively participate in regional and international associations:



The Fourth Loyalty Tent Campaign, hosted by KNPC.

## THE FLAGSHIP OF KUWAIT

At KPC, we are proud to stand as the flagship of the Kuwaiti State. As one of the world's largest integrated oil and gas companies, we play a crucial role in driving Kuwait's economy, contributing significantly to government revenues and the country's GDP (during the reporting period, we accounted for 91% of the latter).

The State of Kuwait is the main shareholder of KPC and, hence, our Group. Our Group boasts a rich history in the energy sector, and so we're particularly proud of providing opportunities for the Kuwaiti community to thrive. The corporation's strategic vision and prudent management have allowed it to weather global economic fluctuations and remain a symbol of Kuwait's commitment to harnessing its energy resources for the benefit of its people. KPC's vital role in the energy industry underscores its status as a symbol of national pride and a core component of Kuwait's economic vitality. That is why we have prioritized the contracting of local contractors, who in the last fiscal year represented 36% of our operations and assets within the country.

Since KPC is owned by the State of Kuwait, together we have developed a symbiotic relationship based on mutual benefit and cooperation. The Kuwaiti government has granted KPC the exclusive rights to explore, produce, store, and transport oil and natural gas through subsidiaries such as KOC and KGOC. In return, the government covers all KPC's operational expenses toward those ends. This arrangement not only ensures the

efficient management of Kuwait's valuable energy resources but also provides a reliable source of revenue for the government.

Throughout the reporting period, **KPC's Upstream subsidiaries delivered 21.33 billion KWD worth of oil from the national reserves to the Kuwaiti government.** Meanwhile, we received 1 billion KWD from export credit agencies to finance casing and tubing supplies to KOC and potential research and development expenses in relation to KPC's decarbonization initiatives.

Furthermore, **KPC generated a direct economic value of 43 billion KWD, from which the Group distributed 40 billion KWD,** which encompassed various expenses such as operating costs, employee wages and benefits, and payments to capital providers.

## KPC'S 2040 LOCAL CONTENT STRATEGY

Kuwait's National Development Plan 2040 is based on economic reform that will create real opportunities for partnership between the private and the public sectors to support the local economy. One of the most important guidelines of KPC in backing the National Development Plan is the definition of an integrated and comprehensive strategic plan to enhance KPC's role in developing the local economy and fostering private participation in oil activities. This comprehensive plan is KPC 2040 Local Content Strategy.

KPC's Local Content vision, in line with the National Plan, is to be a role model in creating competitive and sustainable local value across the oil sector

in collaboration with the government and industry stakeholders. Our mission is to leverage KPC's position in the economy by developing a competitive private sector that contributes to local economic development and growing a capable Kuwaiti workforce within the industry.

The local plan aims to stimulate the local economy and encourage private sector involvement in the oil industry. As part of the initiatives associated with this plan, we offer our products to the private sector as feedstock for developing industrial opportunities within the State of Kuwait. The goal is to leverage the power of our natural resources to foster Kuwait's general industrial sector.

In this context, "local content" represents the local workforce and its contribution to the economic value to the State of Kuwait. We aim to enhance our local content through means such as employing Kuwaiti nationals, sourcing goods and services from local companies, utilizing oil sector products to foster Downstream industries, and engaging the local private sector in noncore activities in the oil industry.

In the last fiscal year, **we allocated 45% of our procurement budget (comprising goods and services) to local suppliers,** amounting to 1.3 million KWD. This represents a significant achievement for local content, especially when compared to the 39% in fiscal year 2021-2022, marking a notable 6% increase and reflecting substantial progress.



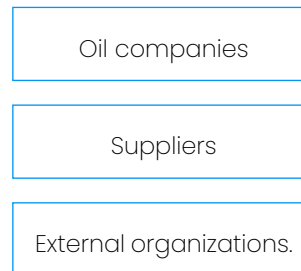
Our commitment with the 2040 national plan drove us to develop an internal governance structure focused on local content and the deployment of specific initiatives. The structure is governed by the Local Content Steering Committee, which consists of CEOs and directors of KPC's Head Office and five of our subsidiaries.

With this new structure, our Local Content department acts as the connection among our subsidiaries and the Consolidated Partnership Advisory Council (CPAC), which consists of oil companies, suppliers, and other external organizations, and implements strategic initiatives to foster the local economy. This department is implementing 12 initiatives split into three groups: core initiatives (four initiatives around Downstream, goods and services, and private sector participation); Kuwaitization initiatives (three initiatives to strengthen Kuwaitization across KPC); and enabler initiatives (five initiatives focused on stakeholder engagement and enhancing the local content operating model). The current structure is shown on the right:

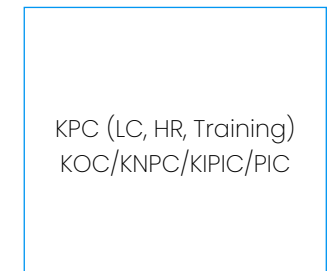
## LC STEERING COMMITTEE



## CPAC



## LC PMO



## 12 INITIATIVES



### CORE (4)

Downstream, goods and services, and private sector participation.



### KUWAITIZATION (3)

Kuwaitization across KPC.



### ENABLER (5)

Stakeholder engagement and enhancing the local content operating model.

## THE KUWAITI COMMUNITY

KPC and our subsidiaries have consistently received recognition for our significant contributions to the local Kuwaiti community over the years. It is a source of pride for us to be acknowledged for our ongoing efforts to support and uplift the community we operate in. Whether it is through social responsibility initiatives, employment opportunities, or economic development, our commitment to the State of Kuwait and its people is at the heart of our corporate vision. We are honored to play a role in fostering positive change and development within Kuwaiti society.

At KPC, we manage risks and opportunities associated with community rights and interests through our enterprise risk management policy. These risks are treated the same way as all other risk categories in the policy (described in the “Systematic Risk Management” chapter). The impact and consequences of social or cultural heritage risks are analyzed by our risk management team and leveraged when developing our Social Contribution Plan.

Our Social Contribution Plan as a Group is founded on four fundamental principles: health and wellbeing, education, the environment, and innovation. We manifest our contributions across these principles by raising awareness, supporting people development through education, making generous donations, serving as an example of

volunteering, and establishing mutually beneficial partnerships with nongovernmental organizations. In this section, we offer a more in-depth look at the Group’s community engagement during the reporting year.

## RAISING AWARENESS

It is our responsibility as a role model in the State of Kuwait to raise awareness among our young citizens about the health, safety, social, and environmental issues that stir today’s society. Our subsidiaries are constantly participating in events that provide visibility about these topics to our community members. An example of these activities are the multiple events in which KOC participated over the last fiscal year at the Ahmadi Hospital, like World Pharmacists Day, World Children’s Day, and a breastfeeding seminar.



The Fourth Loyalty Tent Campaign, hosted by KNPC.

## KOC WON TWO SAFETY STAR AWARDS IN 2022

KOC received two Safety Star Awards in 2022 at the 11<sup>th</sup> Kuwait Medical Conference and Exhibition, held by Kuwait’s health minister. These awards recognize the successful implementation of two medical initiatives at the Ahmadi Hospital.

The first, the National Early Warning Score, involved a team of seven employees from the Clinical Department and Nursing Services, and focused on improving patient conditions, preserving lives, and responding promptly to deterioration.

The second, Team Engagement Program for Ongoing Quality and Safety Improvement in Pediatric, was established and overseen by a pediatric critical care senior specialist in collaboration with 15 healthcare providers at the children’s department of the Ahmadi Hospital. This initiative aimed to enhance medical care for pediatric patients and create a safer and more advanced working environment for both patients and healthcare providers in children’s wings and intensive care units.

## **"WHERE DOES MY MOM GO EVERY MORNING?"**

With the goal of educating the younger generation and acquainting them with the oil industry's economic significance in the State of Kuwait, the Corporate Relations Department at KPC published a new story titled, Where Does My Mother Go Every Morning, by Sara Al-Dagher.

The narrative revolves around a young girl named Joud, a spirited and inquisitive child who adores surprises. Driven by her curiosity and boldness, Joud embarks on an adventure by secretly hiding in the uniform of her mom, who works in the oil sector. Together with Joud, readers are taken on a journey to uncover her mom's hidden world, exploring unconventional places along the way.



The cover of "Where Does My Mother Go Every Morning?"

## **ANTI-CYBERBULLYING AWARENESS CAMPAIGN**

KOC launched an awareness-raising campaign, Together for a Safer Cyberspace for Our Children, in cooperation with the Ministry of the Interior. This campaign ran for one year, with various events and campaigns in public spaces, like malls and schools. It was intended to teach parents how to protect their children from social media bullying.

## **KNPC RAISING-AWARENESS SESSIONS**

In collaboration with the Health, Safety, and Environment Department, the Corporate Communication Department conducted a three-day interactive session at the summer camp organized by the Scientific Center. This initiative reflects KNPC's dedication to social responsibility and its strong desire to educate young individuals about KNPC's operations, projects, and responsibilities.

The session's primary goal was to strengthen children's awareness about the oil industry, which serves as the cornerstone of Kuwait's economy. KNPC presented simplified information about the Clean Fuels Project, which was fully commissioned in March 2022. Through a variety of informative materials and interactive exhibits, the children had the opportunity to learn about the environmental and economic advantages of one of the oil sector's most significant projects.

## **KIPIC CIRCLE**

In a first-of-its-kind initiative, KIPIC formed a support group concerned with employees' mental health. KIPIC Circle aims to design a safe work environment that ensures everyone has the resources they need to protect their mental health and share their personal experience. As part of this initiative, in the fiscal year 2022-2023, we organized the first awareness-raising session on mental health and its impact on individuals.



## SUPPORTING PEOPLE DEVELOPMENT

Supporting the development of our young talent is one of the cornerstones of the State of Kuwait's National Plan. At KPC, we share this commitment. Indeed, we believe this is not just a social contribution, but also a means to ensure the availability of qualified talent to join our companies and drive us through the times to come. In this line of action and as mentioned in the "Employee recruitment, development, and retention" chapter, several subsidiaries such as KOC and KOTC offer scholarships to develop the capabilities of young people and acquire personnel who have the skills to run our business and push us forward.



## THE HUBARA INNOVATION CENTER IN AHMADI

KOC inaugurated the Hubara Innovation Center, marking a significant commitment to fostering innovation within the company's culture. The center is poised to become a national hub for training, creativity, and innovation within the oil and gas sector, all while delivering valuable services on a national level.

*"This achievement stands as a testament to the enduring partnership and continuous cooperation we've cultivated with Kuwait Oil Company. We share a commitment to excellence and innovation."*

**— Chairman of the board of directors of the Sabah Al-Ahmad Center for Giftedness and Creativity**



The inauguration of the Hubara Innovation Center – KOC.

## MAKING RELEVANT DONATIONS

At KPC, we take pride in our dedication to giving back to our community. In line with our goal of maximizing the effectiveness and impact of our initiatives, we established the Sponsorship and Donations Committee. In fiscal year 2022-2023, KPC, through this committee, made sponsorships and monetary donations with a value of 271,000 KWD.

Subject	Entity	Amount
The 38th NUKS Annual Conference	The National Union of Kuwaiti Students - USA Branch	15,000 KWD
Sponsoring Dar Al-Athar Al-Islamiyyah Courses	Dar Al-Athar Al-Islamiyyah	6,650 KWD
The Gulf Downstream Association Conference and Exhibition 2023	The Gulf Downstream Association	100,881 KWD
CERAWeek 2023	CERAWeek	145,100 KWD
Purchase Perkins (Braille) Machines	The Al Nour Girls School/Special Education Department	3,000 KWD

● Sponsorship ● Donation

## KOC DONATES 10 TONS OF DATES TO DIRECT AID ORGANIZATION

Beyond the contributions made through the Sponsorship and Donations Committee, KOC generously donated 10 metric tons of dates, harvested from its Abdaliya Reserve, to the Direct Aid Association. Annual date production in the Abdaliya Reserve is steadily increasing, and these dates are donated by the company to charitable organizations for distribution to those in need.





## AN EXAMPLE OF VOLUNTEERING

We recognize that success is not measured only in terms of financial gain. Volunteering allows us to forge stronger connections with the community, demonstrating our dedication to its growth and development. We encourage our employees to actively participate in volunteer activities, whether it's by donating blood, collaborating with nonprofit organizations, or participating in environmental cleanup initiatives.

### CLEANING UP BEACHES

In February 2023, KIPIC spearheaded a large-scale beach-cleanup campaign, a testament to our commitment to preserving the environment. This initiative saw the participation of 156 employees, each driven by a passion for preserving Kuwait's coastal ecosystems.



KIPIC's organized a beach cleanup.

### DISTRIBUTING FOOD DURING RAMADAN

KNPC established a Ramadan tent adjacent to its Ahmadi main building, with the mission to serve breakfast to a gathering of more than 1,100 fasting individuals. Concurrently, KIPIC embarked on a initiative to distribute Ramadan meals throughout the months of April 2022 and March 2023. KPI also collaborated with the nonprofit organization LOYAC to assist underprivileged communities during the Ramadan. Together, they helped pack and deliver essential food to numerous needy families. These endeavors showcase the commitment of KPC's subsidiaries to supporting the community.



KIPIC employees distributed food during Ramadan.



KPI workers collaborated with the LOYAC organization.

### DONATING BLOOD

Each year, all our subsidiaries engage in multiple blood donations. These campaigns demonstrate our commitment to supporting health-care initiatives and make a positive impact on the communities we serve.

For example, KPI's Management Support department organized a blood drive with Salhia Complex's management and the Central Blood Bank of Kuwait on February 6<sup>th</sup>, 2023.



KPI organized a blood donation campaign.



## ESTABLISHING MUTUALLY BENEFICIAL PARTNERSHIPS

Building partnerships with other public and private companies in the State of Kuwait is essential to ensure both our growth as a Group and the thriving of our national industry and economy. Hence, KPC seeks to develop mutual beneficial agreements with our peers in Kuwait, and we encourage subsidiaries to follow suit.

### KNPC AND COAST GUARD COLLABORATION

A delegation from the General Department of the Coast Guard visited KNPC to discuss options for cooperation on security, seaport surveillance, and the company's exporting piers. During the visit, the CEO of KNPC provided an overview of the company's work, projects, and the critical role played by Mina Al-Ahmadi and Abdullah refineries in supplying fuels to the State of Kuwait.

The leader of the Process Engineering team at KNPC presented the company's strategy, vision, and mission, while another Process Safety Management senior engineer discussed the Integrated HSE Management System and risk management, highlighting KNPC's global awards, achievements, and certifications.

The Coast Guard manager commended KNPC for its vital role in Kuwait's energy sector, while emphasizing the company's dedication to preserving the environment.



## KPC INTERNATIONAL COMMUNITY

It is well known that the boundaries of the State of Kuwait are no longer the boundaries of KPC. Three of our major subsidiaries, KUFPEC, KPI, and PIC, operate in different countries and continents. Therefore, we believe that contributing to the local communities where we operate is a key way to do business responsibly. In this sense, our international subsidiaries help local communities around the world, with a special emphasis on developing communities.

### KUFPEC DONATED MEDICAL SUPPLIES IN INDONESIA

As part of its ongoing corporate social responsibility initiatives, KUFPEC's Indonesia area office donated medical supplies to local communities and clinics on Anambas Island. The head of Anambas Regency and SKK Migas expressed their appreciation and deep gratitude on behalf of the government for KUFPEC's generosity.

### KUFPEC RAISED AWARENESS OF PLASTIC POLLUTION ISSUES

In 2023, KUFPEC Indonesia launched "Go Green – Help Clean #BeatPlasticPollution." This campaign entailed cleaning beaches and distributing eco-friendly items among employees.

### KUFPEC SUPPORTED A MALAYSIAN ORPHANAGE-CHARITY HOUSE

In November 2022, a team from the Malaysia area office paid a visit to the Pusat Jagaan Rumah Kebajikan Calvary Land, an orphanage-charity. The team engaged in various activities, including organizing the library, devoting time to the elderly, cleaning wheelchairs and walkways, playing with the children, providing an electrician to address electrical issues within the premises, and donating food.

*"I'm immensely proud of my team for their dedicated efforts, their exemplary representation of KUFPEC and Kuwait, and their commitment to giving back to the communities in which we operate."*

— Country Manager Malaysia, KUFPEC



KUFPEC visited a Malaysian orphanage.

### KPI CLEANED UP A BEACH IN THAILAND

Q8Aviation employees volunteered for a beach-cleanup initiative at Ban Laem Chabang beach. Their efforts were aimed at restoring the natural beauty of the beach, making it a tranquil and inviting spot for the local community to enjoy.

### KPI CREATED THE SOCIAL INNOVATION MANAGER

This initiative addressed community needs by developing social innovation skills for not-for-profit leaders to drive social change and inclusive transformation. As a result, these leaders can better address the evolving challenges and complexities faced by our society, ultimately leading to more effective and sustainable solutions that benefit everyone.



**KPC**  
SUSTAINABILITY REPORT

# 08

## APPENDIXES

SUSTAINABILITY  
FOR A PROMISING FUTURE





# APPENDIX A:

## REPORT BOUNDARIES

Company	Ownership = 100%	Ownership > 50%	Ownership = 50%	Ownership < 50%
KOC	<ul style="list-style-type: none"> <li>• HO</li> <li>• Fields</li> </ul>			
KGOC	<ul style="list-style-type: none"> <li>• HO</li> </ul>		<ul style="list-style-type: none"> <li>• WJO (HO, Fields)</li> <li>• KJO (HO, Fields)</li> </ul>	
KUFPEC	<ul style="list-style-type: none"> <li>• HO</li> <li>• International Offices</li> </ul>	<ul style="list-style-type: none"> <li>• Exploration and Production Fields</li> </ul>	<ul style="list-style-type: none"> <li>• Exploration and Production Fields</li> </ul>	<ul style="list-style-type: none"> <li>• Exploration and Production Fields</li> </ul>
KNPC	<ul style="list-style-type: none"> <li>• HO</li> <li>• MAB</li> <li>• MAA</li> <li>• SHU</li> </ul>	<ul style="list-style-type: none"> <li>• KAFCO</li> <li>• Wataniya Club</li> <li>• Local Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• KARO (60%)</li> <li>• KPPC (60%) (+ 20% PIC)</li> </ul>	
KIPIC	<ul style="list-style-type: none"> <li>• HO</li> <li>• LNG Import Facility</li> </ul>	<ul style="list-style-type: none"> <li>• Al-Zour Refinery</li> </ul>		
KPI	<ul style="list-style-type: none"> <li>• HO</li> <li>• KPIAC</li> <li>• KUPIT</li> <li>• KRPT</li> </ul>	<ul style="list-style-type: none"> <li>• KPES</li> <li>• KPNWE</li> <li>• Q8 Oils</li> <li>• Q8 IDS/Global Card</li> </ul>	<ul style="list-style-type: none"> <li>• RAM</li> <li>• OKQ8</li> <li>• OQ8 Refinery</li> </ul>	<ul style="list-style-type: none"> <li>• NSRP (35%)</li> </ul>
PIC	<ul style="list-style-type: none"> <li>• HO</li> <li>• PP plant</li> </ul>	<ul style="list-style-type: none"> <li>• KVPC</li> <li>• Boubyan Club</li> </ul>	<ul style="list-style-type: none"> <li>• TKSC (57.7%)</li> </ul>	<ul style="list-style-type: none"> <li>• Equate (42.5%)</li> <li>• TKOC (42.5%)</li> <li>• KARO (20%)</li> <li>• Quarain (10%)</li> <li>• SK PICGlobal (49%)</li> <li>• GPIC (33%)</li> <li>• SK Advanced (25%)</li> <li>• MEGlobal (through Equate)</li> </ul>
KOTC	<ul style="list-style-type: none"> <li>• MAB HO</li> <li>• Fleet</li> <li>• GFB HO</li> </ul>	<ul style="list-style-type: none"> <li>• GFB S</li> <li>• GFB U</li> </ul>		
KPC	<ul style="list-style-type: none"> <li>• HO</li> <li>• International Offices</li> </ul>			

# APPENDIX B:

## PERFORMANCE DATA

### Addressing climate change and committing to an energy transition

Table 1: Total Emissions

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total (Scope 1 and Scope 2)	KMt CO <sub>2</sub> eq <sup>1</sup>	7,242.2	11.6	0.00	14,759.1	2,550.4	34.7	28.2	1,207.3	11.9	7,253.8	17,372.4	1,207.3	25,845.3
Scope 1	KMt CO <sub>2</sub> eq	4,975.7	-	-	12,531.7	1,986.4	14.2	10.6	1,199.0	-	4,975.7	14,542.9	1,199.0	20,717.6
Scope 2	KMt CO <sub>2</sub> eq	2,266.4	11.6	0.00	2,227.4	564.0	20.4	17.6	8.3	11.9	2,278.0	2,829.4	8.35	5,127.7

Table 2: Scope 1 Emissions by Source

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Scope 1	KMt CO <sub>2</sub> eq	4,975.7	-	-	12,531.7	1,986.4	14.2	10.6	1,199.0	-	4,975.7	14,542.9	1,199.0	20,717.6
Combustion	KMt CO <sub>2</sub> eq	3,745.7	-	-	7,750.9	1,388.9	NA	-	NA	-	3,745.7	9,139.8	-	12,885.5
Venting	KMt CO <sub>2</sub> eq	-	-	-	4,287.3	NA	NA	-	NA	-	-	4,287.3	-	4,287.3
Flaring	KMt CO <sub>2</sub> eq	1,071.2	-	-	475.2	26.6	NA	10.6	NA	-	1,071.2	512.4	-	1,583.6
Fugitive	KMt CO <sub>2</sub> eq	158.8	-	-	2.4	6.8	NA	-	NA	-	158.8	9.2	-	168.0
Other	KMt CO <sub>2</sub> eq	-	-	-	15.9	564.0	14.2	-	1,199.0	-	-	594.2	1,199.0	1,793.2

1. KMt CO<sub>2</sub>eq; thousand metric tons of carbon dioxide equivalent.

Table 3: Methane Emissions

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Methane in Scope 1	KMt CO <sub>2</sub> eq	238.6	-	-	12.1	15.4	NA	-	NA	-	238.6	27.5	-	266.1
Amount of Methane in Total Scope 1	%	5%	0%	0%	0%	1%	NA	0%	NA	0%	5%	0%	0%	1%

Table 4: Renewable Energy Capacity

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Capacity Installed (Cumulative)	MW	10.63	10.63	-	1.81	0.02	NA	0.82	0.08	-	10.63	2.65	0.08	13.36
Total Capacity Installed During Fiscal Year 2022-2023	MW	-	-	-	0.01	-	NA	-	-	-	-	0.01	-	0.01



## Reducing our environmental footprint

Table 5: Water Withdrawal

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Water Withdrawal	Mm <sup>3</sup> 2	196.1	0.03	5.5	1,103.1	8.0	NA	21.5	0.1	0.1	201.6	1,132.7	0.1	1,334.5
Surface Water	Mm <sup>3</sup>	-	-	-	-	-	NA	-	-	-	-	-	-	-
Groundwater	Mm <sup>3</sup>	-	-	-	-	-	NA	-	-	-	-	-	-	-
Seawater	Mm <sup>3</sup>	22.6	-	-	1,074.8	-	NA	21.5	-	-	22.6	1,096.2	-	1,118.9
Produced water	Mm <sup>3</sup>	156.2	-	-	-	-	NA	-	-	-	156.2	-	-	156.2
Third Party	Mm <sup>3</sup>	17.3	0.03	5.5	28.4	8.0	NA	0.1	0.1	0.1	22.8	36.5	0.1	59.5

2. Mm<sup>3</sup>: million cubic meters.

Table 6: Water Discharge

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Water Discharged	Mm <sup>3</sup>	-	NA	NA	10.5	0.1	NA	21.5	NA	NA	-	32.1	-	32.1
Surface Water	Mm <sup>3</sup>	-	-	-	-	-	NA	-	-	-	-	-	-	-
Groundwater	Mm <sup>3</sup>	-	-	-	-	-	NA	-	-	-	-	-	-	-
Seawater	Mm <sup>3</sup>	-	NA	-	10.5	0.1	NA	21.5	NA	-	-	32.0	-	32.0
Third Party	Mm <sup>3</sup>	-	NA	NA	NA	NA	NA	0.1	NA	NA	-	0.1	-	0.1
Third-Party Water for Use by Others	Mm <sup>3</sup>	-	NA	-	-	-	NA	-	-	-	-	-	-	-

Table 7: Total Waste by Type

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Waste	Mt <sup>3</sup>	63,550	30	17	156,267	28,514	NA	377	33,167	NA	63,597	185,158	33,167	281,923
Total Hazardous Waste	Mt	8,016	30	17	67,710	374	-	-	30,374	-	8,063	68,084	30,374	106,521
Total Non-Hazardous Waste	Mt	55,304	NA	-	88,555	28,140	-	-	2,718	-	55,304	116,695	2,718	174,717
Unclassified/Unknown	Mt	230	NA	-	2	-	NA	377	75	NA	230	379	75	685

Table 8: Total Waste by Disposal Methodology

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Waste	Mt	63,550	30	17	156,267	28,514	NA	377	33,167	NA	63,597	185,158	33,167	281,923
Total Waste Diverted from Disposal	Mt	21,142	-	NA	70,852	-	NA	NA	556	NA	21,142	70,852	556	92,550
Reused	Mt	2,524	-	-	31,929	-	-	-	-	-	2,524	31,929	-	34,453
Recycled	Mt	18,618	-	-	38,923	-	-	-	303	-	18,618	38,923	303	57,844
Sent to Other Recovery Operations	Mt	-	-	-	-	-	-	-	253	-	-	-	253	253
Total Waste Directed to Disposal	Mt	42,178	30	17	85,414	28,514	NA	NA	32,536	NA	42,225	113,928	32,536	188,689
Sent to Landfill	Mt	35,126	30	-	85,413	643	-	-	549	-	35,156	86,056	549	121,761
Sent to Other Disposal Operations	Mt	7,052	-	17	-	27,871	-	-	31,987	-	7,069	27,871	31,987	66,927
Unclassified/Unknown	Mt	230	-	-	2	-	NA	377	75	NA	230	379	75	685

3. Mt: Metric tons.



Table 9: Total Hazardous Waste by Disposal Methodology

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Hazardous Waste	Mt	8,016	30	17	67,710	374	-	-	30,374	-	8,063	68,084	30,374	106,521
Diverted from Disposal	Mt	964	-	-	37,937	-	NA	NA	96	NA	964	37,937	96	38,997
Reused	Mt	-	-	-	31,929	-	NA	NA	-	-	-	31,929	-	31,929
Recycled	Mt	964	-	-	6,008	-	NA	NA	-	-	964	6,008	-	6,972
Other	Mt	-	-	-	-	-	NA	NA	96	-	-	-	96	96
Directed to Disposal	Mt	7,052	30	17	29,773	374	NA	NA	30,278	NA	7,099	30,147	30,278	67,524
Incineration	Mt	-	-	17	-	-	NA	NA	35	NA	17	-	35	52
Incineration with Energy Recovery	Mt	-	-	-	-	-	NA	NA	-	NA	-	-	-	-
Landfill	Mt	-	30	-	29,773	-	NA	NA	23	-	30	29,773	23	29,827
Other	Mt	7,052	-	-	-	-	NA	NA	30,220	-	7,052	-	30,220	37,272
Unknown	Mt	-	-	-	-	374	NA	NA	0	NA	-	374	0	374

Table 10: Total Non-Hazardous Waste by Disposal Methodology

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Non-Hazardous Waste	Mt	55,304	NA	-	88,555	28,140	-	-	2,718	-	55,304	116,695	2,718	174,717
Total Non-Hazardous Waste Diverted from Disposal	Mt	20,178	-	-	32,915	-	NA	NA	461	-	20,178	32,915	461	53,554
Reused	Mt	2,524	-	-	-	-	NA	NA	-	-	2,524	-	-	2,524
Recycled	Mt	17,654	-	-	32,915	-	NA	NA	303	-	17,654	32,915	303	50,872
Other	Mt	-	-	-	-	-	NA	NA	157	-	-	-	157	157
Unknown	Mt	-	-	-	-	-	NA	NA	-	-	-	-	-	-
Total Non-Hazardous Waste Directed to Disposal	Mt	35,126	NA	-	55,640	28,140	NA	NA	2,258	NA	35,126	83,780	2,258	121,164
Incineration	Mt	-	-	-	-	-	NA	NA	-	NA	-	-	-	-
Incineration with Energy Recovery	Mt	-	-	-	-	-	NA	NA	21	-	-	-	21	21
Landfill	Mt	35,126	NA	NA	55,640	643	NA	NA	525	-	35,126	56,283	525	91,934
Other	Mt	-	-	NA	-	27,492	NA	NA	1,712	-	-	27,492	1,712	29,204
Unknown	Mt	0	NA	0	0	5	NA	NA	0	NA	-	5	-	5

## Focusing on operational safety

Table 11: Deaths and Injuries Among Employees and Contractors

Employees	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Fatalities	#	-	-	-	-	-	-	-	-	-	-	-	-	-
Injuries	#	18	-	-	14	18	7	-	1	-	18	39	1	58
Contractors	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Fatalities	#	2	-	-	-	-	-	-	-	-	2	-	-	2
Injuries	#	46	-	-	13	1	9	1	8	-	46	24	8	78
Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Lost Workday Cases <sup>4</sup>	#	13	1	-	12	-	14	-	2	-	14	26	2	42
Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
LTIFR <sup>4</sup>	Ratio	0.0159	0.0074	-	0.0418	-	0.1510	-	0.0373	-	0.0148	0.0511	0.0373	0.0265

Table 12: Trainings in Health and Safety

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Average Training Hours per Employees	#	17	5	14	13	12	16	12	14	14	17	13	14	15
Average Training Hours per Contractors	#	11	8	-	15	14	-	-	15	-	11	14	15	12

4. This metric encompasses not only KGOC HO but also WJO and KJO. Furthermore, for KUFPEC, it incorporates HO and our Pakistan & Indonesia operation.



## Employee recruitment, development, and retention

Table 13: Trainings

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI <sup>5</sup>	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Training Hours	#	278,699	14,960	4,170	135,214	37,631	2,980	6,500	10,950	8,975	297,829	182,325	10,950	500,080
Average Training Hours per Subsidiary	#	24	55	17	22	28	17	20	18	12	24	22	18	23
Average Training Hours per Male Employee	#	23	40	16	22	28	17	20	18	10	23	23	18	23
Top Mgmt.	#	6	18	6	20	6	15	60	6	6				
Middle Mgmt.	#	22	20	18	18	25	18	22	18	9				
Team Leaders	#	14	37	11	23	18	19	16	15	5				
Frontliners	#	23	43	19	22	35	16	18	19	16				
Average Training Hours per Female Employee	#	27	80	19	18	25	18	20	17	13	29	20	17	25
Top Mgmt.	#	-	-	-	16	-	16	-	-	6				
Middle Mgmt.	#	19	17	21	17	28	24	24	18	10				
Team Leaders	#	10	30	12	20	17	19	19	6	6				
Frontliners	#	29	82	20	18	26	16	19	19	17				

5. KPI HO only.

Table 14: Contractors

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Contractors	#	8,629	118	82	8,336	699	39	385	73	523	8,829	9,459	73	18,884

Table 15: Hires

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Hires	#	11	6	4	165	53	158	27	21	36	21	403	21	481

Table 16: Turnovers

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Turnovers	#	92	7	7	174	21	128	44	16	35	106	367	16	524
Attrition Rate	%	0.8%	2.6%	2.9%	2.9%	1.6%	7.6%	14.8%	2.7%	4.8%	0.9%	3.9%	2.7%	2.3%

Table 17: Financial Amount Contributed to Employee Benefits<sup>6</sup>

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Regular Contributions to Pensions, Insurance, Company Vehicles, and Private Health	KWD	189,770,000	29,264,000	3,101,523	122,237,000	16,564,000	11,801,000	10,483,000	7,465,000	10,037,000	222,135,523	161,085,000	7,465,000	400,722,523
Other Employee Support, Like Housing, Interest-Free Loans, Public-Transport Assistance, Educational Grants, and Redundancy Payments	KWD	108,647,000	22,664,000	289,669	68,221,000	9,365,000	16,353,000	4,055,000	5,646,000	10,456,000	131,600,669	97,994,000	5,646,000	245,696,669
Benefits (Excluding Training, Costs of Protective Equipment, and Other Costs Directly Related to the Employee's Job Function)	KWD	309,386,000	59,948,999	3,391,192	201,862,000	32,365,000	16,353,000	16,249,000	14,969,000	25,051,000	372,726,191	266,829,000	14,969,000	679,575,191
Wages and Benefits	KWD	928,389,000	158,279,000	11,657,612	466,134,000	91,620,000	95,133,000	33,825,000	41,918,000	62,696,000	1,098,325,612	686,712,000	41,918,000	1,889,651,612

6. This data encompasses all assets in which our ownership stake is at least 50%.



## Diversity and Inclusion

Table 18: Employee per Gender and Age

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Number of Employees	#	11,713	274	242	6,261	1,364	1,845	325	616	770	12,229	9,795	616	23,410
Employees per Gender	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
% Female	%	20%	36%	41%	10%	14%	32%	20%	22%	55%	21%	15%	22%	19%
% Male	%	80%	64%	59%	90%	86%	68%	80%	78%	45%	79%	85%	78%	81%
Female	#	2,325	100	99	632	187	589	64	138	425	2,524	1,471	138	4,558
Male	#	9,388	174	143	5,629	1,177	1,256	261	478	345	9,705	8,324	478	18,852
Employees per Age	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
% Under 30	%	21%	22%	18%	24%	32%	8%	28%	16%	25%	21%	22%	16%	21%
% 30-50	%	68%	66%	66%	67%	59%	61%	48%	73%	60%	68%	64%	73%	66%
% Above 50	%	11%	12%	16%	9%	9%	31%	24%	12%	15%	11%	14%	12%	12%
Under 30	#	2,436	59	44	1,517	436	150	91	97	196	2,539	2,194	97	5,026
30-50	#	7,965	181	160	4,194	805	1,119	156	448	461	8,306	6,274	448	15,489
Above 50	#	1,312	34	39	550	123	576	78	71	113	1,385	1,326	71	2,895

Table 19: Distribution of Employees with Graduate Degrees by Gender<sup>7</sup>

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Total Number of Employees with Graduate Degrees	#	6,854	565	205	2,080	796	172	513	275	705	7,624	3,561	275	12,165
% Female	%	30%	17%	44%	27%	23%	20%	17%	34%	54%	29%	24%	34%	29%
% Male	%	70%	83%	56%	73%	77%	80%	83%	66%	46%	71%	76%	66%	71%
Female	#	2,056	96	90	562	183	34	87	94	381	2,242	866	94	3,583
Male	#	4,798	469	115	1,518	613	138	426	182	324	5,382	2,695	182	8,582

7. The information provided pertains exclusively to KPI HO and does not encompass the Operating Units within KPI. Regarding KGOC, it not only includes KGOC HO but also WJO and KJO.

**Table 20: Employee Distribution by Nationality in the State of Kuwait**

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI <sup>8</sup>	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
National Employees among All Employees in the State of Kuwait	%	86.84%	97.10%	88.84%	91.47%	95.75%	99.42%	95.38%	94.32%	99.87%	87%	94%	94%	90%

**Table 21: Employees with Disabilities**

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Employees with a disability	#	43	2	3	9	4	-	1	1	5	48	14	1	68

**Table 22: Women Promotions to Team Leader or Above**

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Percentage of Women to Team Leader or Above	%	14%	0%	50%	100%	19%	75%	100%	0%	100%	27%	33%	0%	31%
Number of Female Employees Promoted to Team Leader or Above	#	2	-	6	1	4	3	1	-	1	8	9	-	18
Number of Employees Promoted to Team Leader or Above	#	14	4	12	1	21	4	1	1	1	30	27	1	59

8. KPI HO only.



## Socioeconomic value creation

Table 23: Procurement Budget Spent in Local Suppliers

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Procurement Budget	KWD	1,819,611,803	51,308,961	27,000,000	831,100,719	135,194,000	4,128,577	19,140,955	61,169,958	21,578,854	1,897,920,764	991,564,251	61,169,958	2,972,233,827
Spent in Kuwait Local Suppliers	KWD	681,129,354	33,742,949	12,000,000	491,829,342	71,815,000	3,852,222	15,600,402	9,861,077	12,642,907	726,872,303	583,096,966	9,861,077	1,332,473,253
Spent in Non-Local Suppliers	KWD	1,138,482,449	17,556,012	15,000,000	339,271,377	65,379,000	276,355	3,540,553	51,308,881	8,935,947	1,171,038,461	408,467,285	51,308,881	1,639,750,574
% Spent in Kuwait Local Suppliers	%	37%	66%	44%	59%	52%	93%	82%	16%	59%	38%	59%	16%	45%
% Spent in Non-Local Suppliers	%	63%	34%	56%	41%	48%	7%	18%	84%	41%	62%	41%	84%	55%

Table 24: Local Contractors

Metric	Units	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC	KPC HO	Total Upstream	Total Downstream	Total Midstream	Total
Local Contractors	#	656	5	40	51	699	2	77	10	153	701	829	10	1,693
% Local Contractors	%	68%	54%	56%	11%	27%	5%	64%	16%	37%	67%	26%	16%	36%

For the Content Index –Advanced With Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI Services reviewed the correct mapping of the GRI disclosures presented in the GRI content index to Sustainable Development Goals (SDGs), based on the 'Goals and targets database' tool available from GRI website.



**CONTENT INDEX ADVANCED  
SERVICE  
WITH REFERENCE OPTION**

2024



**SDG ADD-ON**

2024

# APPENDIX C:


















Kuwait Petroleum Corporation has reported the information cited in this GRI content index from April 1st, 2022 through March 31st, 2023 with reference to the GRI Standards.

## GRI CONTENT INDEX
































Standard used:

- GRI 1: Foundation 2021
- GRI 11: Oil and Gas Sector 2021 is the applicable GRI Sector Standard for KPC but this report has not applied the GRI 11

GRI Standards	GRI disclosures	Category (Theme)	KPC Report	Page Number	Contribution to the SDGs
GRI 2: General Disclosures 2021	2-1 Organizational details	Organization	1: KPC and subsidiaries	10-14	
	2-2 Entities included in the organization's sustainability reporting	Organization	1: KPC and subsidiaries	10-14	
	2-3 Reporting period, frequency, and point of contact	Organization	0: About this Report	3	
	2-4 Restatements of information	Organization	0: About this Report	3	
	2-5 External assurance	Organization	"KPC is aware of the need for assurance and plans to undertake it next year report"		
	2-6 Activities, value chain, and other business relationships	Organization	1: KPC and subsidiaries	10-14	
	2-7 Employees	Dignity and equality	6: Employee recruitment, development, and retention	75	
	2-8 Workers who are not employees	Dignity and equality	6: Employee recruitment, development, and retention	72	
	2-9 Governance structure and composition	Quality of governing body	2: Corporate Governance	20-25	
	2-10 Nomination and selection of the highest governance body	Quality of governing body	2: Corporate Governance	22	
	2-11 Chair of the highest governance body	Quality of governing body	2: Corporate Governance	22	
	2-12 Role of the highest governance body in overseeing impact management	Risk and opportunity oversight	2: Corporate Governance	24-25	
	2-13 Delegation of responsibility for impact management	Risk and opportunity oversight	2: Corporate Governance	24-25	
	2-14 Role of the highest governance body in sustainability reporting	Risk and opportunity oversight	2: KPC's ESG Strategy	17	
	2-15 Conflicts of interest	Ethical behavior	2: Corporate Governance	22	
	2-16 Communication of critical concerns	Ethical behavior	2: Corporate Governance	24-25	
	2-17 Collective knowledge of the highest governance body	Risk and opportunity oversight	2: Corporate Governance	22	
	2-19 Remuneration policies	Quality of governing body	2: Corporate Governance	22	
	2-22 Statement on sustainable development strategy	Governing purpose	2: KPC's ESG Strategy	16-17	
	2-23 Policy commitments	Governing purpose	7: Corporate Ethics	87-88	
	2-24 Embedding policy commitments	Governing purpose	7: Corporate Ethics	87-88	
	2-25 Processes to remediate negative impacts	Ethical behavior	7: Corporate Ethics	89	
	2-26 Mechanisms for seeking advice and raising concerns	Ethical behavior	7: Corporate Ethics	89	
	2-28 Membership associations	Community and social vitality	7: Socioeconomic value creation	90	
	2-29 Approach to stakeholder engagement	Stakeholder engagement	1: KPC's 2040 Strategy	14	

GRI Standards	GRI disclosures	Category (Theme)	KPC Report	Page Number	Contribution to the SDGs
GRI 3: Material Topics 2021	3-1 Process to determine Material topics	Material topics	2: Materiality assessment	18	
	3-2 List of Material topics	Material topics	2: Materiality assessment	19	
	3-3 Management of Material topics	Material topics	2: KPC's ESG Strategy	16 and 17	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Community and social vitality	7: Socioeconomic value creation	91	
	201-4 Financial assistance received from government	Community and social vitality	7: Socioeconomic value creation	91	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Community and social vitality	7: Socioeconomic value creation	92	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Freshwater availability	4: Water management	50-52	
	303-2 Management of water discharge-related impacts	Freshwater availability	4: Water management	52	
	303-3 Water withdrawal	Freshwater availability	4: Water management	52	
	303-4 Water discharge	Freshwater availability	4: Water management	52	
	303-5 Water consumption	Freshwater availability	4: Water management	52	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate change	3: Addressing climate change and energy transition	32-33	
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change	3: Addressing climate change and energy transition	37	
	305-5 Reduction of GHG emissions	Climate change	3: Addressing climate change and energy transition	30-47	
	305-7 Nitrogen oxides, sulfur oxides, and other significant air emissions	Climate change	4: Air quality	59	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Solid waste	4: Waste management and a circular economy	55	
	306-2 Management of significant waste-related impacts	Solid waste	4: Waste management and a circular economy	56-58	
	306-3 Waste generated	Solid waste	4: Waste management and a circular economy	55	
	306-4 Waste diverted from disposal	Solid waste	4: Waste management and a circular economy	55	
	306-5 Waste directed to disposal	Solid waste	4: Waste management and a circular economy	55	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment and wealth generation	6: Employee recruitment, development, and retention	75	



GRI Standards	GRI disclosures	Category (Theme)	KPC Report	Page Number	Contribution to the SDGs
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety	Health and wellbeing	5: Elevating operational safety	62 and 63	
	403-2 Hazard identification, risk assessment, and incident investigation	Health and wellbeing	5: Elevating operational safety	69 and 70	
	403-3 Occupational health services	Health and wellbeing	5: Elevating operational safety	67	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and wellbeing	5: Elevating operational safety	64 and 65	 
	403-5 Worker training on occupational health and safety	Health and wellbeing	5: Elevating operational safety	65	
	403-6 Promotion of worker health	Health and wellbeing	5: Elevating operational safety	66	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and wellbeing	5: Elevating operational safety	64 and 65	
	403-8 Workers covered by an occupational health and safety management system	Health and wellbeing	5: Elevating operational safety	62 and 63	
	403-9 Work-related injuries	Health and wellbeing	5: Elevating operational safety	64	  
GRI 404: Training and Education 2016	404-1 Average training hours per year per employee	Skills for the future	6: Employee recruitment, development, and retention	76	   
	404-2 Programs for upgrading employee skills and transition assistance programs	Skills for the future	6: Employee recruitment, development, and retention	75-77	
	404-3 Percentage of employees receiving regular performance and career development reviews	Skills for the future	6: Employee recruitment, development, and retention	76	  
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Dignity and equality	2: Corporate governance 6: Diversity and inclusion	22 and 81-84	 
	405-2 Ratio of basic salary and remuneration of women to men	Dignity and equality	6: Diversity and inclusion	82	  
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	Dignity and equality	7: Human rights	86	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Dignity and equality	7: Human rights	86	  
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Dignity and equality	7: Human rights	86	 
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Dignity and equality	7: Human rights	86	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community and social vitality	7: Socioeconomic value creation	96-99	



Kuwait Petroleum Corporation  
and subsidiaries

مؤسسة البترول الكويتية  
وشركاتها

