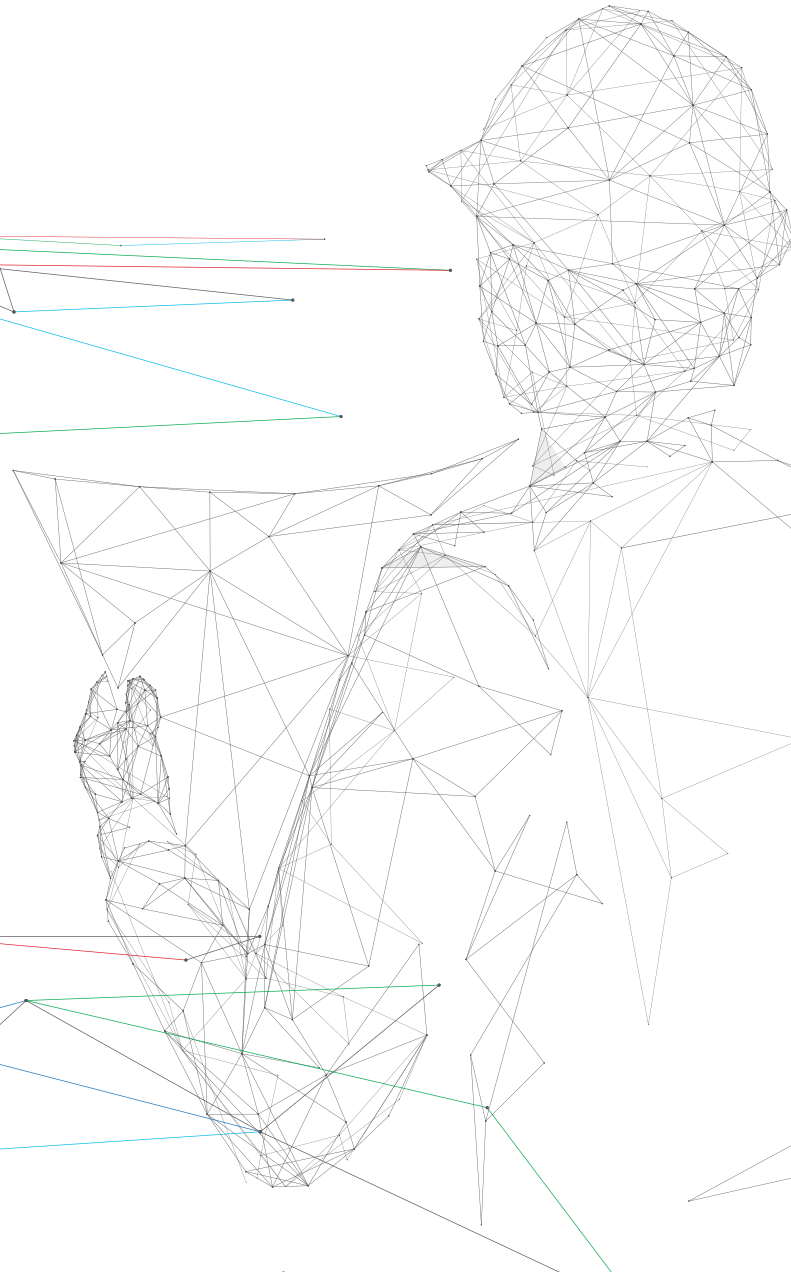
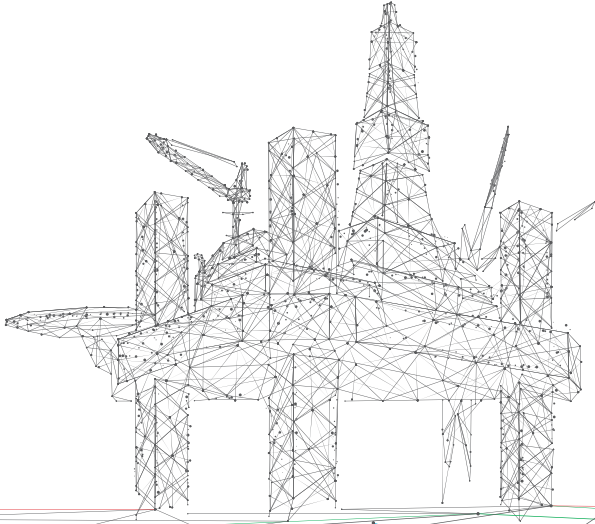


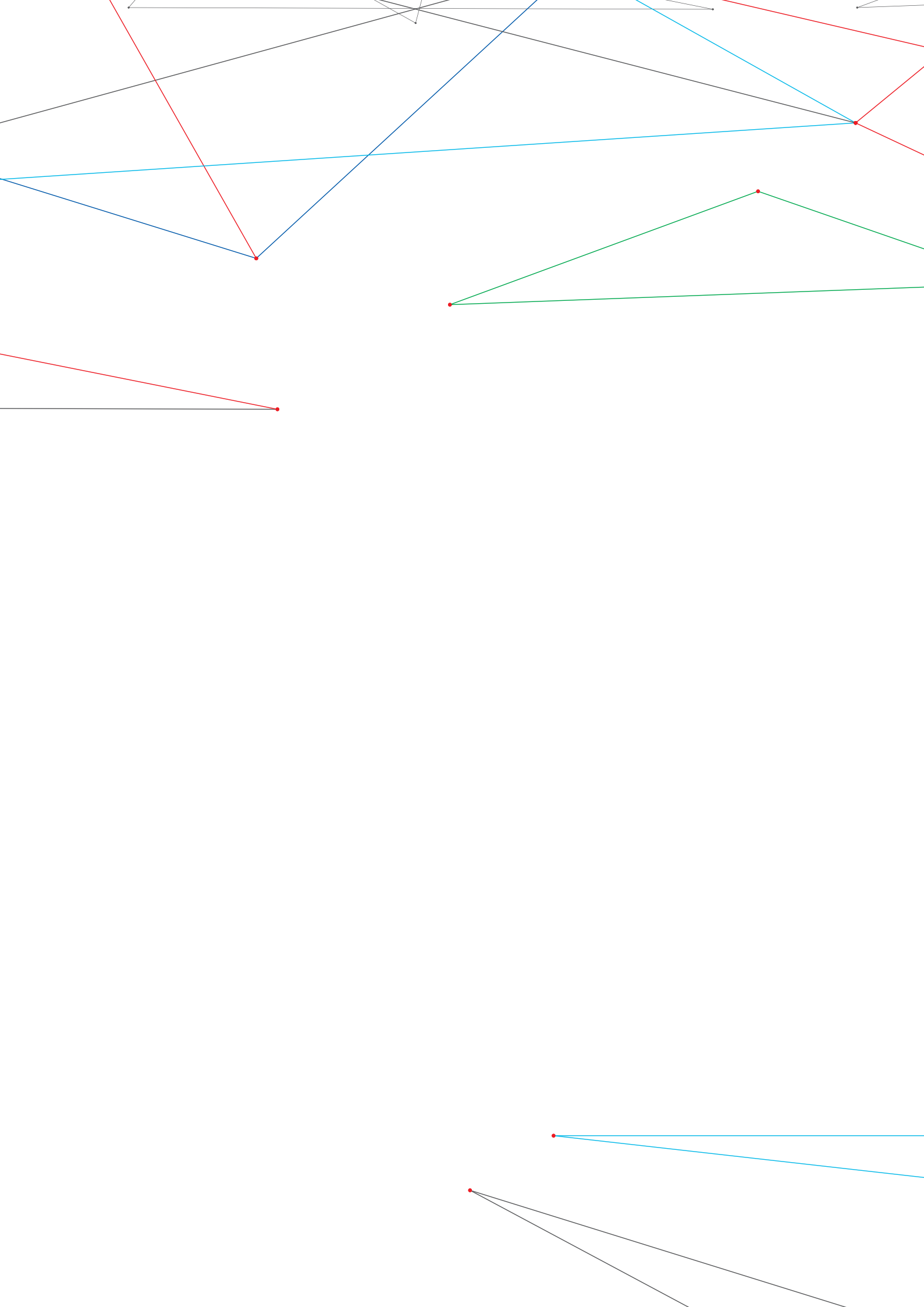


مؤسسة البترول الكويتية  
وشركاتها  
**Kuwait Petroleum Corporation**  
and subsidiaries



KPC Sustainability Report **2020/2021**

Driving **Development**  
Through **Sustainability**







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



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

# Contents

[ 1 ]	<b>About this Report</b>	<b>4</b>
	<b>Letter from the Deputy Chairman</b>	<b>10</b>
	<b>KPC at a Glance</b>	<b>12</b>
	<b>Overview</b>	<b>14</b>
	KPC and Subsidiaries	18
	2040 Strategy	46
[ 2 ]	<b>Sustainability at KPC</b>	<b>52</b>
	Sustainability Governance Structure and Committee	57
	Sustainability Reporting Policy	58
	Stakeholder Engagement	60
	Materiality Assessment	63



[ 3 ]	<b>Economic Advancement</b>	<b>68</b>
	Generating Economic Value	70
	Establishing Market Presence	72
[ 4 ]	<b>Environmental Stewardship</b>	<b>78</b>
	Managing Energy Use and Greenhouse Gas Emissions	80
	Managing Water Consumption	90
	Managing Waste and Effluents	92
	Biodiversity	96
[ 5 ]	<b>Product Responsibility</b>	<b>98</b>
	Research and Technology	100
	Innovating Responsibly	107
[ 6 ]	<b>People Commitment</b>	<b>112</b>
	Managing Employment	114
	Embracing Diversity and Equal Opportunity	117
	Promoting Learning and Development	122
	Ensuring Occupational Health and Safety	124
[ 7 ]	<b>Community Engagement</b>	<b>130</b>
	Promoting Health and Wellbeing	132
	Fostering Education	134
	Cultivating Environmental Awareness	136
[ 8 ]	<b>Corporate Governance</b>	<b>138</b>
	Board of Directors	142
	Executive Management	144
	Compliance	147
	Risk Management	150
[ 9 ]	<b>Appendices</b>	<b>152</b>
	GRI Content Index	154
	Material Topics Alignment	159
	Sustainability Performance Data	162
	Abbreviation List	187
	HSSE Training Courses	189



# About this Report

The oil and gas (O&G) sector is considered to be one of the main and key contributors to supplying energy and raw material sources, and is one of the influential sectors in elevating economic growth and impacting sustainable development within communities.

At Kuwait Petroleum Corporation (referred to in this report as “KPC”), we are proud of the efforts that we have made in terms of addressing Environmental, Social and Governance (ESG) issues that contribute to our day-to-day operations and concern our stakeholders the most. As such, we have adopted the practice of communicating our sustainability performance through the issuance of sustainability reports, with our 1st sustainability report in 2018/2019 covering KPC’s group-wide sustainability performance. Similarly, our 2nd sustainability report titled “Driving Development Through Sustainability” reflects KPC’s sustainability commitment and performance for the reporting year 2020/2021. In this report, data is disclosed for the financial year April 1st, 2020 – March 31st, 2021, unless otherwise stated (i.e. in the cases where the data is outside this period, the applicable period is stated). Any mention of “Group” refers to both KPC standalone and the 8 subsidiaries related performance and data.

No restatements of information from the previous reporting period have been made in this report.

The report’s scope and boundary cover KPC’s controlled operating performance in the State of Kuwait, including its 8 subsidiaries, classified per operating streams – as shown below:



## Downstream

Total of 4 subsidiaries that focus on Downstream key activities related to the refining process of recovered crude oil from the Upstream sector, which have been delivered through cross-country pipelines. The Downstream activities include the marketing and commercial distribution of petroleum products in its various forms to consumers and end users. Downstream activities cover both domestic and international operations.



Kuwait National Petroleum Company (KNPC)



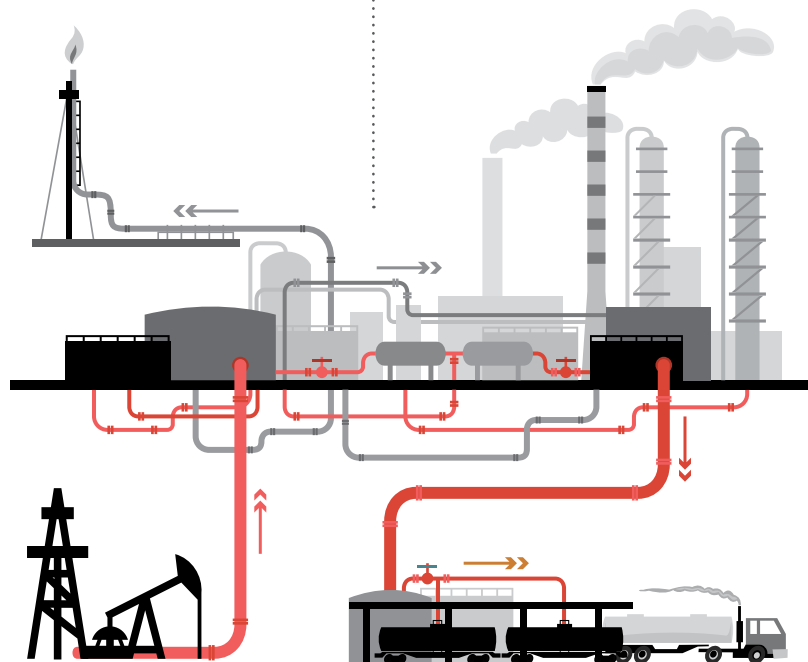
Kuwait Integrated Petroleum Industries Company (KIPIC)



Kuwait Petroleum International (KPI)



Petrochemical Industries Company (PIC)



## Upstream

Total of 3 subsidiaries that focus on Upstream key activities related to Exploration development and production, in which the Upstream activities cover both domestic and international operations of oil and gas. The subsidiaries covered include:



Kuwait Oil Company (KOC)



Kuwait Gulf Oil Company (KGOC)



Kuwait Foreign Petroleum Exploration Company (KUFPEC)

## Midstream

Total of 1 subsidiary that focuses on Midstream key activities that include operating oil tankers as the shipping arm of KPC to transport Crude oil, Refined petroleum products and Liquefied petroleum gas (LPG). In addition, KOTC is responsible for the filling and distribution of gas cylinders for the local market.



Kuwait Oil Tanker Company (KOTC)



KPC International Marketing (represented by KPC-IM)

Note the below alignment showing the list of entities included in the Group's consolidated financial statements, versus the entities covered in the Sustainability Report.

Entities included in the financial statements	Category	Covered directly in the scope of the Sustainability Report
Kuwait Oil Company K.S.C. (KOC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Kuwait National Petroleum K.S.C. (KNPC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Kuwait Integrated Petroleum Company Industries Company K.S.C.C. (KIPIIC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Kuwait Oil Tanker Company S.A.K. (KOTC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Petrochemical Industries Company K.S.C. (PIC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Kuwait Foreign Petroleum Exploration Company K.S.C. (KUFPEC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Kuwait Gulf Oil Company K.S.C. (Closed) (KGOCC)	Principal subsidiaries registered in the State of Kuwait (directly held)	Yes
Oil Sector Service Company K.S.C. (Closed) (OSSCO)	Principal subsidiaries registered in the State of Kuwait (directly held)	No
Kuwait Aromatics Company K.S.C.C. (KARO)	Principal subsidiaries registered in the State of Kuwait (indirectly held)	No
Kuwait Aviation Fuelling Company K.S.C. (KAFCO)	Principal subsidiaries registered in the State of Kuwait (indirectly held)	No
KPC Holdings (Aruba) AEC (KPC-Aruba)	Principal direct and wholly subsidiaries registered outside the State of Kuwait	No
KPC Energy Ventures, Inc. (KPC EV)	Principal direct and wholly subsidiaries registered outside the State of Kuwait	No
Kuwait Drilling Company K.S.C. (KDC)	Principal associates	No
Equate Petrochemical Company K.S.C. (Equate)	Principal associates	No
Gulf Petrochemical Industries Company B.S.C. (GPIC)	Principal associates	No
Kuwait Olefins Company K.S.C.C. (TKOC)	Principal associates	No
Al-Oula Local Fuel Marketing Company K.S.C. (OULA)	Principal associates	No
Al-Sour Fuel Marketing Company K.S.C. (SOUR)	Principal associates	No
Equate Marketing Company E.C. (EMC)	Principal associates	No
The Kuwait Styrene Company K.S.C.C. (TKSC)	Principal joint ventures	No
OKQ8 AB (OKQ8)	Principal joint ventures	No
Nghi Son Refinery Product (NSRP)	Principal joint ventures	No
Duqm Refinery and Petrochemical Industries Company L.L.C. (DRPIC)	Principal joint ventures	No
Reffineria di Milazzo S.p.A.	Principal joint operations	No
Al Khafji Joint Petroleum Operation (KJO)	Principal joint operations	No
Wafra Joint Operation (WJO)	Principal joint operations	No



## Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option. In order to have an overview of the full extent of KPC's sustainability performance, this report should be read in conjunction with the GRI Content Index and the Sustainability Performance data sheet, which can be found in Appendix (a) and Appendix (c), respectively. As a proactive act, the GRI 11: Oil and Gas sector 2021 was used as a referral for identifying KPC's potentially material topics that are considered to be sector-specific topics as well.

In addition to the aforementioned, our 2020/2021 sustainability report reflects KPC's alignment to the United Nations Sustainable Development Goals (SDGs), New Kuwait Vision 2035 goals and the International Finance Corporation

(IFC) Performance Standards on Environmental and Social Sustainability. Furthermore, the sustainability reporting guidance for the oil and gas industry issued by the International Petroleum Industry Environmental Conservation Association (IPIECA) was also used as a reference for the development of KPC's 2nd sustainability report.

KPC's sustainability report also considers the GRI Reporting Principles for defining report quality and content. Throughout the report, and specifically in the section Sustainability at KPC, we cover the 4 reporting principles for defining report content: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. As for the GRI reporting principles for defining report quality, those can be summarized as follows:



### Accuracy

Data and information disclosed in the report are consistent with KPC's sustainability performance. The report adequately indicates data points that have been collected, measured and in certain cases calculated. The data collection process utilized a tool that is in line with the GRI standards, and it has been used by the data collection teams at KPC level and all 8 subsidiaries. A detailed data review and approval process have been conducted to guarantee the accuracy of data received.



### Balance

The report reflects an unbiased and fair representation of KPC's sustainability performance during the reporting period, providing both favorable and unfavorable results and topics, negative and positive performance on a year-to-year basis (where applicable), and covers the emphasis on the various topics that are considered of relative priority to KPC's sustainability performance.



### Clarity

The report has been developed in a manner that is easy to comprehend, and is accessible to stakeholders. The level of information found in KPC's report avoids excessive and unnecessary details or jargon and uses clear language.



The report presents KPC's sustainability performance across 2020 and 2021 (unless otherwise stated), stating that the methodologies used for data selection, compiling and information disclosure remained consistent. As such, KPC stakeholders are able to analyze any changes in our performance across the reported years.



#### Reliability

The data and information provided in this report have been thoroughly reviewed and validated by KPC's relevant internal senior decision-makers. Validation is undertaken with the aim of ensuring that KPC's sustainability report provides a reliable representation of the Group's sustainability performance. This is overseen by the Group's Sustainability Executive Committee (SEC).



#### Timeliness

KPC's 2nd annual sustainability report is a testament to the Group's dedication to providing timely data that reflects our performance in key sustainability areas that concern our stakeholders. The time period that any information provided in the report relates to is clearly shown and in certain areas the report showcases when such data would be updated, or when the latest updates were made.

## Contact Details

At KPC Group, we strive to ensure that all relevant sustainability issues and concerns are addressed within our communicated annual performance and acknowledge the added value from our stakeholders' feedback for continuous improvement with respect to our

sustainability performance. Therefore, we welcome your feedback on KPC's sustainability performance and on this report, which can be channeled through the following email address: [corporaterelations@kpc.com.kw](mailto:corporaterelations@kpc.com.kw)







## **Message from the Chief Executive Officer**

Achieving a more sustainable future requires meeting the vast demands of our stakeholders. Since the beginning of the oil industry in Kuwait, Kuwait Petroleum Corporation continued to elevate the socioeconomic status of local communities in which we operate. Over the years, we have delivered on our stakeholders' expectations by optimizing use of our God-given natural resources; operating our business safely and in line with the evolving science on environmental protection; and providing steady revenue for our most valuable shareholder, the people of Kuwait.

KPC's vision is to operate as a global leader in the oil and gas industry, and we do so by leveraging the breadth of our technical expertise and international presence in the global oil markets against our strides in innovation, operational excellence, and unwavering commitment to ethical performance.

We have embedded sustainability in every part of our corporate culture. We made our stance in the global action against climate change by announcing our net zero ambitions in the oil and gas industry by 2050, and in this report, you will read about our many initiatives to reach this goal. We renewed our commitment to transparency and reporting to all stakeholders within the state of Kuwait and in the countries where we operate. We continue to invest in our people through capability building, safety training, ethical labor practices, and employee engagement.

As the national oil company of the State of Kuwait and the main player in its economy, our business model is built to serve our mission, which is to optimize the value of Kuwait's hydrocarbon resources by operating commercially and globally in an integrated sustainable, and ethical manner. For us, operating sustainably means creating lasting value through responsible operations of our facilities, protecting our fragile planet, and empowering our people through fairness, diversity, and inclusion.

In the face of challenges brought by the COVID-19 pandemic and crisis, KPC took immediate action, enabling the smooth navigation and mitigation of such unprecedented circumstances, by ensuring the uninterrupted flow of energy sources to Kuwait and the rest of

the world. We provided critical services to the medical frontlines by building temporary clinics, vaccination centers, and indeed, turning our petrochemical plant into a temporary facility to create face masks. Despite the pandemic disruptions, we continued to measure, monitor, and assess our sustainability performance.

For the second year in a row, we transparently share our non-financial performance pertaining to the four sustainability dimensions, covering workplace, marketplace, community, and environment-related performance disclosures. We foresee KPC's performance success continuing to grow through integration of our sustainability objectives within our culture, in our day-to-day activities and among our initiated engagements and partnerships.

I am grateful for KPC's Board of Directors and our many stakeholders who have entrusted us with leading and developing our oil and gas industry and for the dedication of the various sustainability teams within KPC and its subsidiaries for turning our sustainability goals into reality. We are proud of our performance and achievements in 2020/2021 and would like to share this success with you in our second KPC Consolidated Sustainability Report.

Sustainability is a journey, not a destination, and this report will guide you on how we navigate the oil and gas industry to reach our sustainability goals.



**Nawaf Saud Al-Sabah**  
**Chief Executive Officer**  
**Kuwait Petroleum Corporation**

# KPC at a Glance (2020/2021) Performance

Kuwaitization rate for employees



**Between 83.8% to 99.8% depending on subsidiary**

Total water withdrawal



**108,001,542 ML**

Total fuel and electricity consumption



**315,148,896.01 GJ**

Total renewable energy



**87,363.16 GJ**

Greenhouse Gas (GHG) Emissions



**Scope I: 15,585,426.20 TonCO<sub>2</sub>e**  
**Scope II: 5,905,016.8 TonCO<sub>2</sub>e**  
**Total: 21,490,443 TonCO<sub>2</sub>e**

Reduced water discharge from 2018/2019 to 2020/2021



**6.05% decrease**

Hazardous waste out of total waste



**6%**

Number of full-time employees (direct employment)



**21,523 employees**

Increase in the overall workforce



**Between 2.67% to 40.6% increase depending on the subsidiary**

Employee wages and benefits



**Between KD 8,273,677 to KD 646,374,969 depending on the subsidiary**

Highest female representation



**51% female employees vs. 49% male employees at KPC standalone**

Total new hires



**313 employee**

Recycling rate out of disposed waste



**Non-hazardous waste 79%  
Hazardous waste 15.7%**





# Overview

Kuwait Petroleum Corporation (KPC) is a national oil and gas corporation, established in 1980, and fully owned by the State of Kuwait. KPC Group headquarters and its 8 subsidiaries are based in the State of Kuwait, and its operational locations and activities expand across the Middle East and North Africa (MENA), Europe, Far East regions, Canada and the Oceania continent (namely, Australia).



KPC is actively involved in every aspect of the oil and gas industry, ranging from onshore and offshore crude oil exploration to the refining, transportation and retailing of refined and petrochemical products. KPC's operations are categorized into 3 key streamlines: Upstream, Midstream and Downstream. We are universally recognized as one of today's top 10 oil energy conglomerates, and a leader in providing safe, clean energy to global markets, producing about 7% of the world's total crude oil. Such global representation has placed KPC as one of the largest oil and gas groups with regard to hydrocarbon production and total proved reserves.

This chapter gives an overview on KPC and its 8 subsidiaries, each being presented as per KPC's value chain and operating stream, along with details of our 2040 Strategy and how sustainability is integrated and adopted at KPC.



**KPC and Subsidiaries**  
**2040 Strategy**  
**Sustainability at KPC**





To be a global, integrated oil & gas leader, through:

- Leveraging innovation to maximize profit
- Excelling with capable and motivated people
- Acting as a secure and reliable supplier
- Delivering efficiently and effectively
- Ensuring health, safety and security
- Respecting the environment



We optimize the value 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 contributing to Kuwait's economic development



KPC and  
subsidiaries



# VALUES



الاستقامة  
INTEGRITY

- **Integrity:** Acting in a trustworthy manner with the highest standards of ethics, respect and honesty



الفريق الواحد  
ONE TEAM

- **One team:** Caring for the interests of KPC and ensuring alignment to achieve corporate and state goals



الالتزام بالصحة والسلامة  
والأمن والبيئة  
COMMITMENT TO HSSE

- **Commitment to HSSE:** Respecting the environment and ensuring safety, security and the promotion of a healthy workplace wherever KPC operates



الابتكار  
INNOVATION

- **Innovation:** Developing and embracing new ideas, methods and approaches to solving challenges that create value



الشراكة  
PARTNERSHIP

- **Partnership:** Building and sustaining relationships that support growth and enhance operational excellence



الاهتمام بالعنصر البشري  
CARING FOR PEOPLE

- **Caring for people:** Creating a culture where people develop and grow, and are positively motivated to contribute to the success of others



الإعتزاز  
PROUD

- **Pride:** Creating employee satisfaction on an individual level and promoting a sense of loyalty and belonging to KPC



التميز  
EXCELLENCE

- **Excellence:** Encouraging high performance, continuous improvement and a customer focus

# KPC and Subsidiaries

The process of hydrocarbons extraction results with 2 main primary products – crude oil (which has a liquid form) and natural gas (vapor) which can then be further processed down the value chain. Integrated hydrocarbons value chain undergoes 3 streams of operation (as per order), that are referred to as Upstream, Downstream and Midstream.

KPC Group's value chain operates under the 3 streamlines, in which each stream has a specific subsidiary that oversees the stream's operations and activities. KPC and its subsidiaries work simultaneously to maintain the steady flow and production of one of the largest primary materials. These materials are integral to various industries' functionality and to the production of petroleum-based products (i.e. pharmaceuticals, cleaners and detergents, etc.) and are critical to oil-dependent economies.

In the following sections, we give more detail on each of KPC's stream segments along with their respective operating subsidiary.

## KPC 2020/2021 Production Performance

Products	Quantity
- KOC Domestic Sustainable Crude Production Capacity	2,579 MBOPD (up to Mar 2021)
- KUFPEC International Crude Production	102 mbpd
- KNPC Domestic Refining Capacity	683 mbpd
- PIC Base Petrochemicals Production	3.97 Million tonnes per annum
- PIC Derivatives Petrochemicals Production	233 Kilo Tonnes per Annum
- KOTC Marine Transportation Fleet Size	31 vessels (up to March 2021)
- Domestic Free Gas Production	0.541 billion standard cubic feet per day (Bscfd)

## KGOC 2020/2021 Production Performance

Products	Quantity
Volume of crude oil production (Million Barrels)	14,395
Volume of natural gas liquids production (MBOE)	844
Volume of liquids production (Million Barrels)	15,239
Volume of natural gas production (MBOE)	Not applicable

All quantities are within the reports' reporting period of 2020/2021, unless otherwise stated in the quantities' units.





## The Upstream

The Upstream segment is concerned with the process of identifying hydrocarbon resources (i.e. crude oil and natural gas) deposits, extracting the materials from underground / underwater (i.e. drilling wells) and the production of the extracted raw material. Such process is often referred to as Exploration and

Production (E&P). Further, it includes other activities and services, such as rig operations, geological surveys, feasibility studies, and onshore and offshore drilling, among others.

The following 3 subsidiaries of the KPC Group focus on Upstream E&P activities.





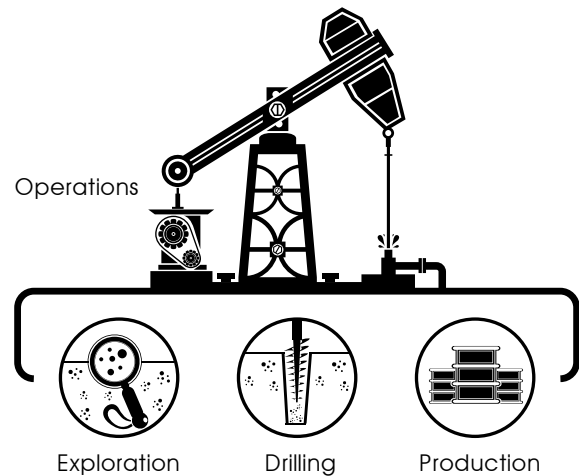
## KOC

Kuwait Oil Company (KOC) was established in 1934 by British Petroleum (BP) and Gulf Oil Corporation, now known as Chevron. KOC is an Upstream subsidiary, thereby its activities are focused on exploration operations, onshore and offshore surveys, the drilling of test wells and the development of production wells, in addition to crude oil and natural gas exploration.

In 1975, KOC's entire operations shifted to be under the Government of Kuwait control and by 1980 KPC was established to bring all state-owned oil companies under one entity. Today, KOC continues to live up to its strategic directions and stated vision and mission of exploring Kuwait's hydrocarbon resources for its local, regional and international end-users.

KOC's vision is to achieve a leading global position in upstream oil and gas as an integrated, value-driven enterprise by maximizing the strategic value from oil, realizing the potential of gas, growing reserves for a sustainable future, and striving for excellence in performance while contributing to the Company and the State of Kuwait.

The exploration team at KOC is divided into 4 groups, which include:



Operations	Studies	Prospect evaluation	Discoveries promotion
Supervise, plan and conduct the geophysical activities required to explore for hydrocarbons onshore and offshore Kuwait.	Conduct all the studies required to identify prospects with possible potential of oil and gas onshore and offshore.	Conduct all studies required to evaluate the prospects in terms of risk analysis and play fairway at reservoir scale to identify the best optimized well location.	Supervise the production tests and promote discoveries to field development with a CDP (Conceptual Development Plan) in order to reduce the Exploration-to-Production cycle.





Upstream



Midstream



Downstream

“ Safely explore for hydrocarbon in the State of Kuwait to maximize oil and gas reserves in a cost-effective manner ”



Drilling is one of KOC's major activities that is conducted both on and offshore. The Drilling Operations in KOC seek to be a world-class leader in terms of drilling efficiency, HSE, resource management and the application of new technology. In line with the drilling vision, KOC's drilling operations are to be performed in a manner that:

- Meets KOC's customers' objectives in the most cost and time-efficient manner
- Ensures safe operations and environmental stewardship
- Applies and utilizes new and innovative technology - to achieve desired operational outcomes and improvements

Regarding the production operations, KOC manages the latter with associated facilities

across more than 12 developed oilfields within the State of Kuwait. The oilfields are divided into 4 main parts: the North, West, South and East Fields, and their approximate distances from KOC's location in Ahmadi city are: 112 km North Field, 60 km West Field and 20 km Southeast Field. The oil operation facilities that exist at KOC's production operation include oil wellheads, oil flow lines and corridors and gathering centers. The gas operation facilities include booster stations, and gas systems and functions. The water injection systems include a central sea water injection plant and effluent water transfer system. The water injection plants are used to achieve 2 objectives: first to increase the oil reservoir pressure and second to dispose of the effluent water in an environment-friendly manner.





In total, there are approximately 15 types of wellhead structures that exist and are installed in KOC's oilfields (i.e. SEK, NK and WK) with varying pressure ratings in each respective oilfield. The flow lines on the other hand, are multi-phase pipelines that transmit the well products (i.e. oil, gas and water) to the 21 existing gathering centers where the 3 products are separated. The gathering centers in return stabilize the crude oil through the application of a multi-stage stabilization process that separates gas and water from the crude oil to meet the desired quality and specifications needed for the Downstream operations.

As part of the oilfield facility structure, booster stations are installed to fully utilize the separated gas from the gathering centers. This gas which

has been transmitted via High Pressure (HP) and Low Pressure (LP) gas networks and was previously wasted to flare.

The compressed gas and condensate are then transmitted separately through pipelines to Mina Al-Ahmadi Liquefied Petroleum Gas (LPG) Plant, where the transmitted gas and liquid is processed to recover Gasoline and Liquefied Petroleum Gases (LPG) that are then ready to be exported. After processing at the LPG Plant, effluent gas is distributed as fuel gas to industrial users in Kuwait (i.e. power stations and refineries), and the excess is used for fueling the oilfields' gathering centers and/or flared in the dedicated excess flares.





## KGOC

الشركة الكويتية لنفط الخليج (ش.م.ك.)  
KUWAIT GULF OIL COMPANY (K.S.C.)

Kuwait Gulf Oil Company (KGOC) was established in 2002 as a wholly owned subsidiary of KPC dedicated to Upstream oil and gas operations. KGOC represents Kuwait's interest in the Partitioned Zone (PZ) that lies alongside the borders between the State of Kuwait and the Kingdom of Saudi Arabia (KSA). The natural resources found in the PZ are shared equally by both countries.

KGOC in the PZ is partnering with representatives from KSA, namely Aramco Gulf Operations Company, Ltd. (AGOC) at Khafji and Saudi Arabian Chevron, Inc. (SAC) at Wafra.

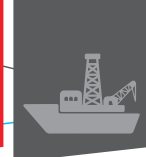
KGOC's joint operations are categorized into onshore operations (Wafra Joint Operations (WJO) and offshore operations (Khafji Joint Operations (KJO). WJO operations cover an area of approximately 5000 square kilometers, where the area is currently operated jointly by KGOC and SAC. The WJO assets are funded equally by both entities for the purposes of exploring, developing and producing oil and gas out of several fields and reservoirs that exist in the area. To date, 6 major oilfields have been discovered in the area: Wafra, South Fuwaris, South Umm-Gudair, Humma, Arq and North Wafra. The facilities of WJO include light and heavy oil production, processing, storage and shipping facilities.







Upstream



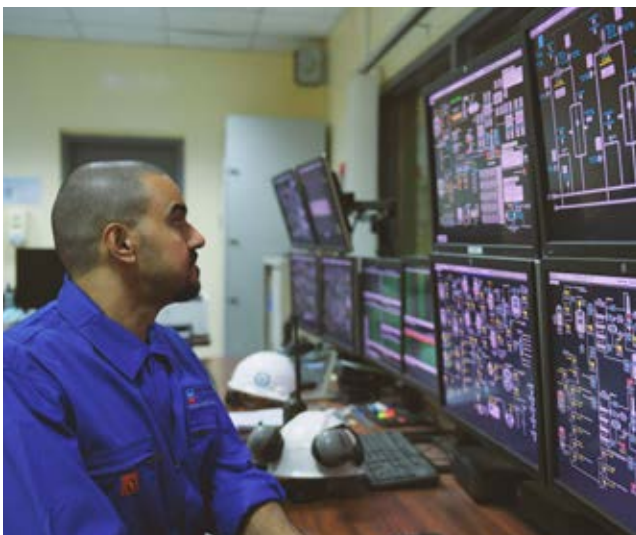
Midstream



Downstream

The KJO operations cover an area of approximately 7,000 square kilometers of the PZ between Kuwait and KSA, where operations and assets are jointly managed by KGOC and

AGOC. To date, 4 major oilfields have been discovered in the area: Khafji, Hout, Dorra and Lulu. In addition, there are 7 producing horizons that are included within KJO operations.



## KUFPEC



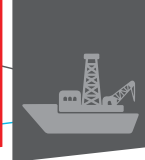
Established by KPC in 1981, Kuwait Foreign Petroleum Exploration Company (KUFPEC) is an international Upstream company, engaged in exploration, development and production of crude oil and natural gas outside the State of Kuwait. Currently, KUFPEC is active in 13 countries spanning across 5 continents: Australia, Asia, Africa, North America and Europe – participating in joint ventures with similar E&P companies, as an operating and non-operating partner.

KUFPEC Head Office is located in Kuwait, where international offices (area offices) are found in Egypt, Indonesia, Australia, Pakistan, Norway, Canada, Netherlands, China and Malaysia. Each area office is headed by country managers who directly report to the regional managers at the Head Office in Kuwait. The major assets of KUFPEC are categorized into 3 areas: offshore and onshore exploration leases, oil and gas appraisal and development properties, and lastly oil and gas producing properties - with a portfolio comprising 44 projects.





Upstream

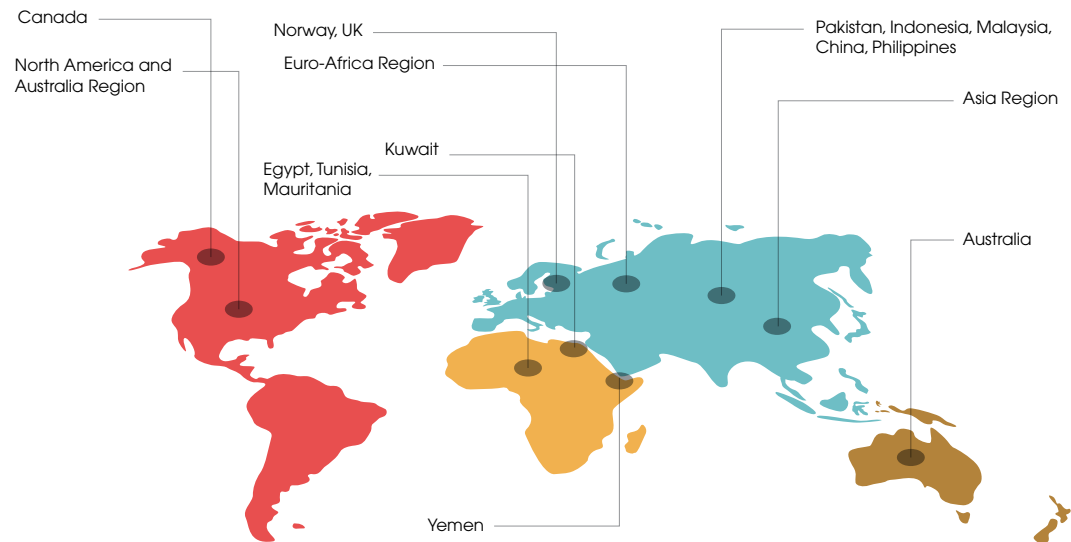


Midstream



Downstream

## KUPPEC Global Operations





# KPC and Subsidiaries



## The Midstream

The Midstream segment covers the marketing, transportation, storage, processing and trading of crude oil, natural gas, and refined products recovered by the Upstream and Downstream segment. Once resources are recovered from the Upstream segment, they are then transported to the processing refineries, which are in a different geographic location from the oilfields / reserves. The transportation mechanisms may vary, and can include tanker ships, pipelines and trucking fleets.

Once the oil has been extracted and separated, pipelines transport the recovered products either to another carrier or directly to a refinery. Petroleum products are then transported from the refinery to market by oil tanker ships, trucking fleets, or again through pipelines – where they are commenced in the Downstream segment. KPC has 1 subsidiary, Kuwait Oil Tanker Company (KOTC), that is responsible of managing Midstream operations and the transportation of its hydrocarbon resources.



## KOTC



KOTC was founded in 1957, by a group of Kuwaiti pioneer investors. With the rising demand and necessity of seaborne transportation for hydrocarbon products, and conforming with plans to bring all oil operations under 1 corporation, the State of Kuwait government acquired full control of the company's capital. In 1980, KOTC became the main subsidiary responsible for the midstream segment of KPC.

KOTC's operations mainly involve the management and ownership of oil tankers engaged in the transport of crude oil, refined

petroleum products and Liquefied Petroleum Gas (LPG). KOTC additionally is responsible for operating a Marine Agency Branch, acting as sole agent of all tankers calling at Kuwait's sea port. Furthermore, KOTC has a Gas Branch for the filling and distribution of LPG cylinders for local industry and domestic consumption.

KOTC's vision is to be a world-class provider of marine transport, a leading carrier of Kuwaiti hydrocarbons, operating with the mission to:



Ensure strategic coverage and provide marine transportation for Kuwaiti hydrocarbons



Conduct operations to world-class standards in an efficient manner and promote safety and environmental responsibility



Pursue commercially viable opportunities within the hydrocarbon shipping sector

In line with KOTC's strategic directions to maintain a high standard fleet to cater for KPC's requirements, the Fleet New Building Projects Group (FNBPG) was established to handle all issues relating to fleet renewal projects. FNBPG is responsible for interacting with various parties, from shipyards and vendors to classification societies and consultants. FNBPG studies the market and new available trends and technologies in the shipbuilding industry, which are later adopted in the preparation of the specification for various types of vessels.

Throughout the entire cycle, from planning to approvals stage, to on-site supervision of the

construction and until delivery, FNBPG ensures high safety and quality standards are applied and that International Maritime Organization (IMO) standards are reflected in KOTC governing rules and regulations.

Being the transportation arm of KPC, KOTC operates on a commercial basis, having a modern balanced fleet of Very Large Crude Carriers (VLCCs), petroleum product tankers and LPG carriers in order to maintain a strategic coverage of KPC's oil exports to all regions.

To date, KOTC owns a total of 31 fleet ships that are categorized as follows:



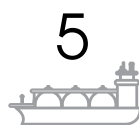
11

Very Large Crude Carriers (VLCCs)



13

Product Carriers



5

Liquefied Petroleum Gas (LPG) Carriers



2

Bunker Vessels



The fleet operations at KOTC are managed in line with the following standards:

- Tanker Management and Self-Assessment (TMSA)
- International Safety Management Code (ISM)
- Green Award Requirements
- Oil Companies International Maritime Forum (OCIMF) recommendations
- ISO 9001:2008 Quality Management Standards
- ISO 14001 Environmental Management Systems Standards
- OHSAS 18001 Occupational Health and Safety Standards
- ISO 50001:2011 Energy Management Standard
- Other major requirements for oil and gas sector

In an effort to develop and increase the local reserves of LPG, KOTC has a Gas Filling Plant that manages the gas supply and has LPG Mounded Tanks with storage capacity of 6,000 metric tons, capable of supplying the local market with LPG for approximately 14 days.

Along with LPG cylinders' production, KOTC's LPG Filling Branch is responsible for the delivery of LPG cylinders by a fleet of distribution trucks to all gas distribution centers in Kuwait. KOTC delivers LPG and Butane to approximately 20 local companies with an average of 670 tons of LPG and 310 tons of Butane per month, and the Liquefied Gas Filling Plant in Umm Al-Aish produces on average 15 million cylinders annually (ie. 2020/2021 production reached 16.78 million cylinders). The plant in Umm Al-Aish was built with the purpose of being a strategic alternative to the old plant located in the Shuaiba industrial area, and operates with a capacity that is equivalently 160% greater compared to Shuaiba.

The Marine Agency Branch, on the other hand, provides oil tankers in different Kuwaiti oil ports with various types of services. The activities of this branch are determined by the number of tankers calling at Kuwaiti oil ports, which in turn is dictated by the volume of Kuwait's export and type of vessels. The Marine Agency Branch is one of the profit sources that contribute to KOTC's performance, and it is affected by oil production levels in Kuwait.



# KPC and Subsidiaries



## The Downstream

The Downstream segment consists of refining crude oil, purifying of natural gas that has been produced by the Upstream segment, and petrochemical operations. It further includes the marketing and commercial distribution of products to consumers and end users. KPC's international marketing offices significantly contribute to the Group's sales and marketing operations where the scope of work includes regional market analysis, establishing and maintaining relations with other key oil players, and increasing KPC's share in existing global markets, as well as the acquisition of new market shares.

Refining involves transforming and the processing of crude oil into petroleum products that are later utilized as a petroleum-based raw material for the development of various other essential products. KPC has both local and international refineries, as illustrated here, with further details to be presented in later sections.

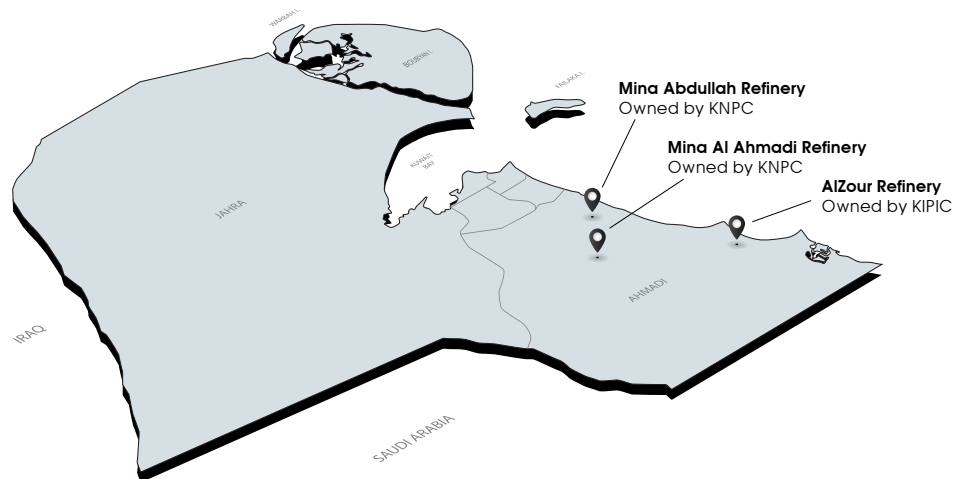






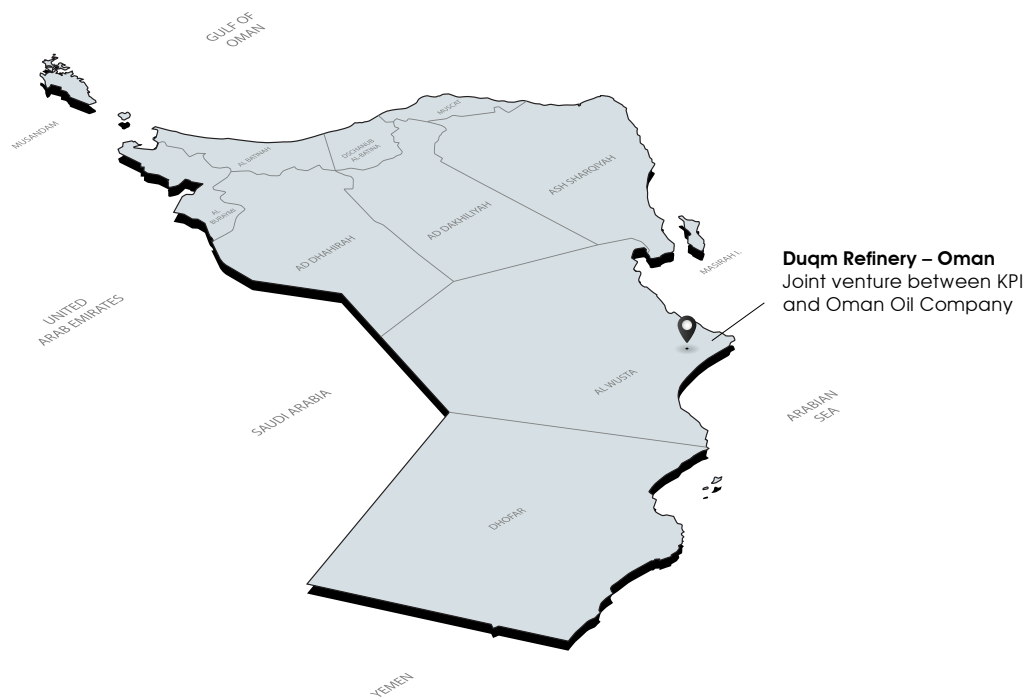
# Local Refineries

## Kuwait

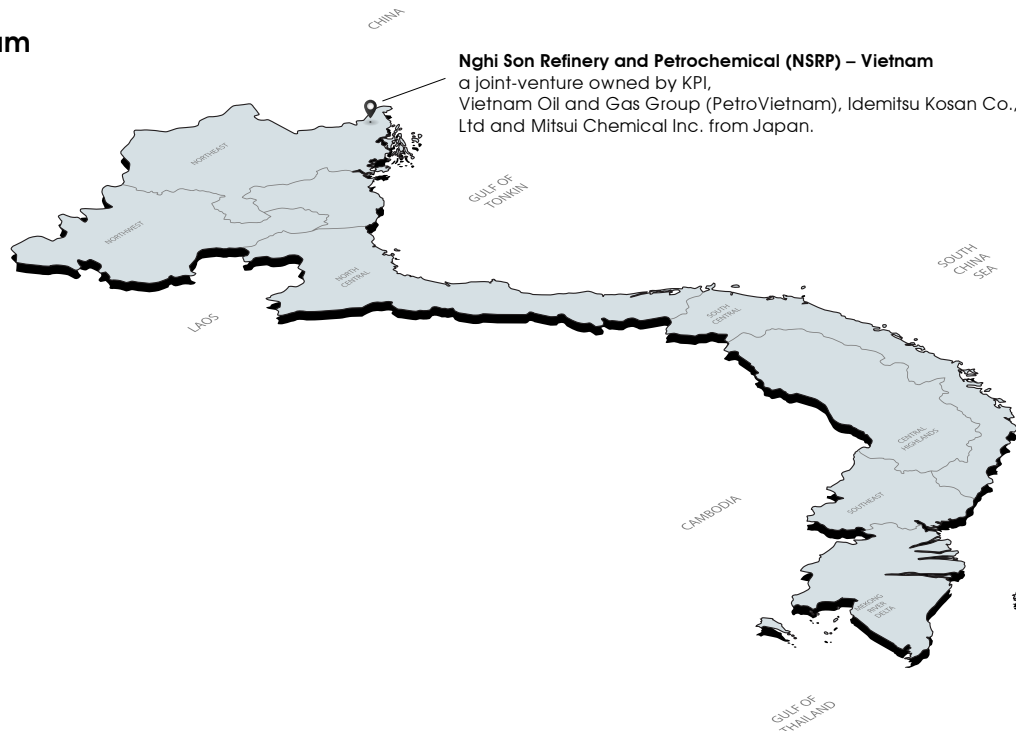


# International Refineries

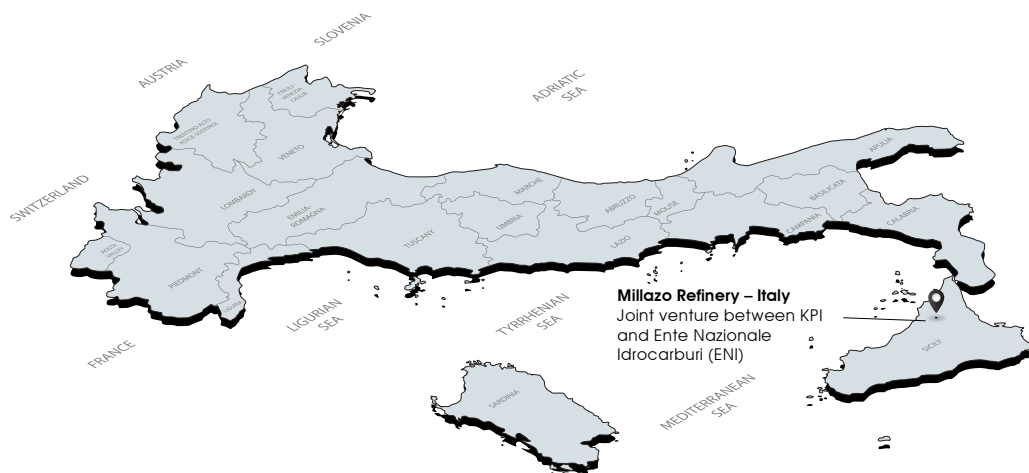
## Sultanate of Oman



## Vietnam



## Italy



The marketing of KPC's products is considered to be one of the most crucial responsibilities that the Downstream segment, is required to achieve. Specifically, in terms of meeting consumers' and end-users' expectations and demands, in a manner that is resilient and sustainable and fulfils their economic and market needs.

KPC aims to seize market opportunities and penetrate new markets, while maintaining a resilient and distinguished market presence at KPC's operating locations.

KPC Group has 4 subsidiaries that focus on Downstream activities, that include:





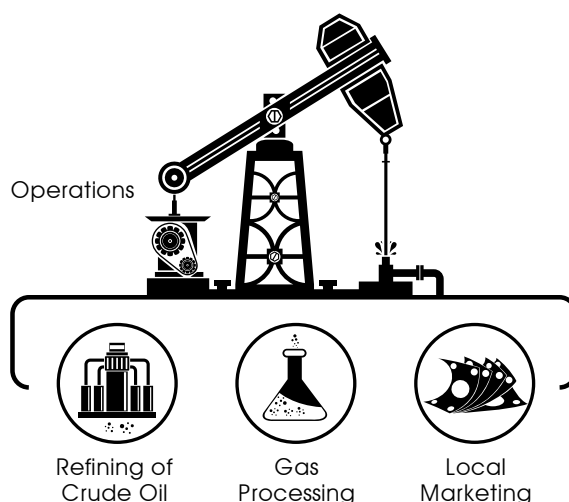


## KNPC

KNPC was established in 1960, where its operations were concerned with Shuaiba oil refinery and the marketing of petroleum products of Al Ahmadi Refinery to local and international markets. In the 1980, KNPC came under the control of KPC as one of its Downstream subsidiaries.

To date, KNPC owns 2 state-of-the-art refineries: Mina Al Ahmadi (MAA) Refinery and Mina Abdullah (MAB) Refinery. The Shuaiba Refinery was shut down in 2017 post the kick-off of the Clean Fuels Project (CFP). This is described in further detail in the Product Responsibility section of this report.

Each refinery has its own features. MAA is considered to be one of the world's largest refineries and MAB has high conversion capabilities. It also has the only Delayed Coker Unit in the Gulf area.



### MINA AL AHMADI (MAA) REFINERY

Our MAA Refinery operates with a refining capacity 466,000 bpd (barrels per day) and a gas processing capacity of 2,631 mmscfd (million standard cubic feet per day), and has a water treatment facility and export facilities located in North Pier, New Oil Pier and South Pier (now known by LNG jetty). The flare recovery unit at MAA is one of the 1st plants in Kuwait to be registered in the United Nations Clean Development Mechanism (CDM).

In addition to MAA's secondary units, which include a water treatment plant, water cooling units, a sour water unit and storage tanks, MAA's main units which include:

#### 1. MAFP Units

The units produce lead-free Gasoline, MTBE, Alkenes and Propylene.

#### 2. Fluid Catalysts Cracking (FCC) Unit

The Fluid Catalysts Cracking Unit has production capacity of 40,000 bpd, with

capacity assumed to increase up to 42,500 bpd with CFP. Heavy Gas Oil is cracked into gasoline in this unit. Other products include LPG.

#### 3. Eocene Distillation Unit

The unit refines 24,000 bpd of heavy Eocene oil, mainly used to produce Bitumen for the local market.

#### 4. Sulfur Recovery Units

The units handle 1,334 MT bpd of Sulfur, the refining by-product. These units recover the Sulfur from the Acid Gas Removal Plants.

#### 5. Naphtha Reformers

These units contain a Naphtha 2-train complex to treat and then separate the Naphtha into light and heavy products. The 2 units' total capacity is 36,000 bpd.

#### 6. Gas Liquefaction Units

MAA has 4 gas trains for processing of gas produced either from KOC oil fields or from KNPC Refineries. The units recover Propane, Butane and Gasoline with

2,485 mmscfd. Gas is used in power stations, local industries and domestic consumption. Condensates are also produced in these plants.

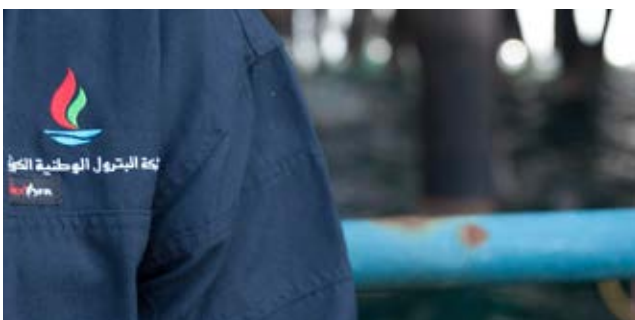
Gas processing industry is a major activity of KNPC, especially since it has an impact on reducing the emissions of SO<sub>x</sub>, NO<sub>x</sub> and CO<sub>2</sub>, to name a few. The gas is naturally produced in parts of KOC and KGOC's oilfields and then transferred to Gathering Centers before being transported to the LNG Liquefaction Plant at MAA.

MAA has offshore facilities that are mainly used for the export of crude oil, petroleum

products and Sulfur. The facilities were expanded several times to meet the increasing export demands, with 16 loading arms added to the South Pier and upgrades to the 3rd and 4th Piers to enable 4 oil tankers to dock simultaneously, with 9,000 tons per hour loading capacity.

MAA main produced petroleum by-products include:

- Gasoline
- Kerosene
- Gasoil (Diesel)
- Bitumen
- Naphtha
- LPG
- Sulfur



## MINA ABDULLAH (MAB) REFINERY

MAB Refinery operates with a refining capacity of 270,000 bpd and is designed to refine high Sulfur heavy crude oil. MAB has 27 process units and 85 storage tanks, with dedicated environmentally friendly facilities for tail gas, oil sludge and wastewater treatment to achieve sustained environmental compliance. MAB's main 4 units are:

### 1. Crude Distillation Units (CDU)

The units receive crude oil from KOC then fractions it into Gas, Naphtha, Kerosene, Diesel and HSFO.

### 2. Coker Unit

With 40,000 bpd, the unit converts the bottom of the barrel residue into higher value products.

### 3. ARDS Unit

The unit processes 85,000 bpd of high Sulfur atmospheric residue. It reduces Sulfur content to 0.7%, demetallizes and removes Nitrogen compounds from the Crude Unit.

The process helps in upgrading the bottom of barrel.

### 4. Hydrocracker Unit

The unit converts Gas Oil into LPG, Naphtha and Kerosene which meet stringent quality requirements, and has a production capacity of 42,500 bpd.

MAB uses the export facilities of Sea Island, which is located 5 km offshore. It has 2 piers, one for loading giant oil tankers up to 276,000 tons and another for tankers up to 140,000 tons. Each pier has 4 arms for loading light products.

MAB produces all kinds of petroleum by-products that include:

- Naphtha
- Kerosene
- Low-Sulfur Gas-Oil
- Coke
- Fuel Oil
- Sulfur





From a domestic perspective, KNPC is responsible for the sale and distribution of all petroleum products in the local market. Currently, KNPC has 39 filling stations. A total of 43 filling stations were privatized, transferring the ownership from KNPC to Al-Oula Fuel Marketing Co. Another 43 stations were also privatized as part of KPC and KNPC's assets privatization strategy, and the stations' ownership transferred to Al-Soor Fuel Marketing Co.

A 5-year plan was drafted with the aspirations of constructing 100 new filling stations across Kuwait governorates, to serve the community's demand for gasoline and other fuels. These stations would be inaugurated in Sabah Al-Ahmad City, Jaber Al-Ahmad City, Northwest Al-Sulaibikhat, Al-Abdali Farms area, and Saad Al-Abdullah City.

### Refineries and LPG Production Distribution

Product	Annual Production 2020/2021	
	K Tons / Year	%
Naphtha/Cars Gasoline/Reformate	7,116.2	23.8
Kerosene / ATK	5,080	18.2
Gas Oil / Diesel	5,900	31.7
Fuel Oil/Residue	5,392	13.0
Other Products	3,628.5	12.1
Total Net Products	27,116.7	98.8
Consumption / Loss	359.7	1.2
<b>Total/Production Capacity</b>	<b>27,476.4</b>	<b>100</b>

Product	Annual Production 2020/2021	
	x000 MT	%
Propane	2,727	44.1
Butane	2,173	35.2
Natural Gasoline	1,283	20.7
Total Liquid Product	6,183	100
Lean Gas (billion standard cubic feet)	467	

## KIPIC



KIPIC was established in October 2016 as a new subsidiary to KPC. Bringing together some of the best industry expertise and world-class facilities, KIPIC's mission is to be the leader in integrated refining and petrochemicals operations and liquefied natural gas import in Kuwait's Al-Zour complex.

KIPIC is responsible for operating and managing the largest grassroots integrated complex

for refining, petrochemicals manufacture businesses and liquefied natural gas (LNG) import facilities at the Al-Zour complex.

KIPIC owns and is responsible for operating and managing refining processes, LNG, and petrochemicals in the Al-Zour complex. Stating that, KIPIC is not yet operating any petrochemical facilities.

### AL ZOUR REFINERY

Al-Zour Refinery is a grass root facility which is planned to process up to 615,000 bpd of Kuwait's crude oil to produce high value products and fuel oil. This refinery is currently at the engineering, procurement and construction phase. Al-Zour Refinery will be constructed in line with the objectives of:

- Achieving energy self-sufficiency and protecting the environment by reducing SOx and NOx emissions from power stations
- Providing processing options for Kuwait Heavy crudes
- Producing high quality fuel products for the global market

The refinery features will include:

- A processing capacity of 615,000 bpd (KEC Crude) with strategic LSFO storage capacity of 6.5 million barrels
- A Hydro-skimming facility which can be upgraded to a full conversion refinery
- 6 trains of the world's largest ARDS Units and highly efficient Sulfur Recovery Units with 99.9% recovery
- A multi-point ground flare system designed for low noise and smokeless operation
- An integrated flare gas recovery facility ensuring recovery of flared gases to minimize hydrocarbon losses
- Liquid effluents generated from the refinery being treated for maximum reuse with no discharge to the gulf, utilizing Zero Liquid Discharge technology





Upstream



Midstream



Downstream







**PIC**

شركة صناعة الكيماويات البترولية (ش.م.ك.)  
PETROCHEMICAL INDUSTRIES COMPANY (K.S.C.)

PIC is the petrochemical subsidiary of KPC, having more than 50 years of experience in the chemicals industry. PIC's strategic location has enabled it to enter fast-growing markets in Asia,

South America and Eastern Europe, with a total of 9 joint ventures.

Its main products include olefins, aromatics and fertilizers, as illustrated in the following.

## 61% Olefins

Propylene  
Polypropylene (PP)  
Polyethylene (PE)  
Ethylene Glycol (EG)  
Propylene Oxide/ PO Derivative



Plastic  
Bags



Rigid  
Packaging



Car Parts



Antifreeze



Plastic  
Furniture



Pipes



Detergent  
Bottles

## 23% Aromatics

Benzene (BZ)  
Paraxylene (PX)  
Styrene Monomer (SM)  
Polyethylene Terephthalate (PET)



Foam  
containers



Insulation



Capsule  
shells



Bottles



Paints



Toys



Clothes

## 16% Fertilizers

Urea  
Ammonia  
Methanol



Refrigerant  
Gas



Detergents



Adhesives



Agriculture



MDI Foam



MDI Foam

## PIC 2020/2021 Production Performance

Product	Production Volume (KPTA)
PP	126
PE	780
EGI	526
PX	881
BZ	295
SM	465
EG II	872

Product	Transported Volume (KPTA)
PP	127
PE	772
EGI	529
PX	873
BZ	295
SM	465
EG II	881



## KPI



Kuwait Petroleum International, known by its trademark name “Q8”, was established in 1983. Q8’s focus is to refine and market fuel, lubricants and other various petroleum derivatives globally, and it is considered to be KPC’s international subsidiary.

Q8 began operations in Spain in 1992 and 2 years later acquired BP’s Luxembourg assets. Q8 penetrated the Italian market and formed a joint venture refinery with AGIP (later acquired by ENI) at Milazzo, investing further in Italy’s retail stations. It has also a JV refinery in Vietnam. Additional investment was made in Belgium and a further joint venture with OKF resulted in the birth of OKQ8, the biggest fuel retail market in Sweden.

Q8 expanded its market shares in the Netherlands by acquiring a part of BP network as well as an automat network (TANGO). In Belgium, Q8 became the 2nd biggest market player due to the acquisition of BP and Aral networks. Airport

refueling operations throughout Europe and Hong Kong were also expanded.

Today, Q8 markets approximately 450,000 bpd through its aviation, direct and lubricant business activities and services and has more than 4,000 retail service stations.

In each country that Q8 operates in, it markets bulk fuels, bitumen, LPG and other petroleum products. It has a vast range of customers, including large organizations, public utilities, local authorities, transport companies, light industry and farmers, as well as private individuals who purchase home heating oil.

In terms of aviation products and supply, Q8Aviation is one of the world’s leading jet fuel marketers, providing fuel to approximately over 200 airlines at more than 60 airports across Europe, Africa, the Middle East and the Far East. In addition to serving major international airports, Q8Aviation also has a presence at a growing network of smaller regional airports.

### MILAZZO REFINERY

The Milazzo Refinery, a joint venture between Q8 and oil and gas major ENI, is one of Europe’s most sophisticated refineries and has the capability to berth the world’s largest super tankers. It holds the prestigious ISO 14001 certificate that signifies the highest standards of environmental management and has a refining capacity of 200 mbd.

The key processes of the refinery include:

- Crude Distillation Unit
- Vacuum Distillation
- Catalytic Cracker
- Hydrocracker
- Reformer
- Hydrotreater
- Alkylation





## NGHI SON AND PETROCHEMICAL (NSRP) REFINERY

As part of Q8's business expansion in Asia, it has formed a Joint Venture refinery in Vietnam. NSRP is a joint venture between Q8 and its partners PetroVietnam, Idemitsu Kosan and Mitsui Chemicals, to manage Vietnam's

largest refinery. The refinery has a daily refining capacity of 200,000 bpd imported from Kuwait, producing petrochemical products such as gasoline, diesel oil, kerosene, jet fuel and polypropylene.



## DUQM REFINERY (OQ8)

The Duqm Refinery (OQ8) is a grass-root Joint Venture project between Q8 and Oman Oil Company (OQ), with each having a 50% share. Duqm Refinery is located 600 kilometers south of Muscat in the Duqm Special Economic Zone, a maritime transit hub and a logistics gateway to Oman and the region facing the Indian Ocean.

The Duqm refinery will operate as a merchant refinery. Therefore, it will be designed to process a range of available blended Middle

Eastern crude oils in terms of light to heavy API gravity and a more acid crude blend with a high TAN blending component.

When in operation, the refinery will process approximately 230,000 barrels of Kuwaiti (KEC) and Omani (OEB) crude oil per day (65% and 35%, respectively), with LPG, Naphtha, ATK, Diesel, Sulfur, and Coke being its primary products. The main processing objective of the refinery is to maximize diesel production while meeting Euro V Standard for Motor Vehicle Fuel.



An aerial photograph of a coastal city. In the foreground, a large green park with winding paths and palm trees sits on a peninsula. To the left of the park are several white, tent-like structures. Behind the park, a tall, modern building with a glass facade and a logo on top stands prominently. To the right of the building is a harbor with several large ships and cranes. The sky is overcast. The image is overlaid with a network of red, blue, and white lines that connect various points across the frame, creating a geometric pattern. A solid red rectangle is positioned to the left of the title text.

# 2040 Strategy





In line with KPC's vision and mission, a 2040 Strategy was developed covering KPC and its 8 subsidiaries. The 2040 Strategy integrates 7 main themes that embed the New Kuwait Vision 2035 and SDG goals and directions.

It represents KPC's strategic directions and where it is headed, projecting all 8 subsidiaries' aspirations and the desired prosperous performance progression. It outlines realistic goals, where each subsidiary has its own well-defined target to be attained by 2040, and each department has an assigned "Strategy Ambassador" responsible for the monitoring and evaluation of their respective set targets. An illustration of the 2040 Strategy themes is presented as follows.



# 2040 Strategy

## Strengthen and Develop Capabilities

- Ensure having the right people with the right skills in the right roles at the right time
- To develop existing and future talent and leaders to support the achievement of KPC strategy ambitions.

## Support Local Development

- Contribute to the local development of Kuwait through achieving wider participation of the private sector, support developing the local supplier industry, contributing to social development, and meeting local demand.

## Business Enabling

- Strategic enablers play essential role and provide valuable contribution to KPC Strategy success by offering high quality services to support efficient and effective operations to enable KPC businesses achieving their targets.

## Grow Sustainably

- Expand domestically and internationally; significant increase in oil, gas and refined products and grow in petrochemical core products.

## Diversify and Manage Increased Complexity

- Achieve income sources diversification through maximizing the value of hydrocarbons which include expanding the value chain into petrochemical derivatives linked to core products.
- Enhance complexity of operations and marketing to meet the volatile global market demand.

## Integrate the Value Chain

- Integrate along the hydrocarbon value chain to address specific business needs and to extract value along its various streams' operations.

## Boost Operational Excellence

- Enhance processes, policies and operations to increase efficiency and improve quality to achieve recognized position in oil industry.
- Utilize alternative, renewable and other energy sources when it adds value to KPC businesses.

In order to achieve the 2040 Strategy targets, sector-level plans were developed that focus on the following strategic directions and aspects:

- Corporate
- Domestic Upstream
- International Upstream
- Domestic Downstream
- International Downstream
- Petrochemicals
- International marketing
- Shipping
- Human resources
- Health, Safety, Security and Environment (HSSE)
- Research and technology
- Finance
- Enterprise risk management
- Information technology
- Communications
- Local Content

## Creation of sector-level strategic directions

The sector-level strategic plans were created based on the themes of the KPC 2040 Strategic Directions.

### Corporate

- Continuously optimize the portfolio to capitalize on opportunities and rationalize non-core and unprofitable assets.
- Meet the State of Kuwait's current and future energy demand by providing an economically and environmentally friendly mix of fuels as well as strategic backup.
- Utilize alternative, renewable and other energy sources when it adds value to KPC businesses.
- Develop a digital strategy and implement a digital transformation framework to achieve operational excellence.

### Upstream



#### Domestic

- Achieve sustainable crude oil production capacity of 4.00 MMBOPD in the State of Kuwait (including Divided Zone) by 2035 and maintain it until 2040.
- Achieve sustainable non-associated gas production of 2,000 MMSCFD in the State of Kuwait (including Divided Zone) by 2040.

#### International

- Improve and optimize current portfolio to ensure operational excellence and maximize financial returns to KPC.
- Pursue selective attractive acquisitions, opportunities and partnership with major oil companies, that increase overall portfolio returns to KPC.
- Support capability development of Domestic Upstream through training/secondment into International Upstream Joint Ventures Operating Companies.

### Downstream



#### Domestic

- Achieve up to 1.6 MMBPD domestic refining capacity by 2025 with maximum conversion capabilities while ensuring maximum offtake of domestic heavy oil and meeting local energy demand.
- Maximize integration of refining and petrochemical operations domestically.
- Explore partnership in domestic refining to enhance operational excellence, efficiency and reliability.
- Participate with private sector in meeting domestic fuel retail demand while fostering competition and enhancing private sector participation.

#### International

- Pursue, through partnerships/alliances with international partners, economical viable investment opportunities to build capacity disposing 425 MBPD of Kuwaiti crudes in high-growth promising markets by 2025, and additional volume up to 300 MBPD (when materialized).
- Sustain current European retail portfolio and expand fuel retail business in high-growth promising markets.

- Expand base petrochemical inside and outside the State of Kuwait to achieve leading position globally through achieving 14.5 Mtpa in 2040.
- Expand into downstream derivatives linked to base petrochemicals production, inside and outside the State of Kuwait through achieving 1.2 Mtpa\* in 2040, ensuring that 15% of total equity capacity additions to be domestic by 2040.
- Provide petroleum products that meet local and international standards.

### Midstream



#### Shipping

- Ensure meeting long-term strategic cover and KPC marketing requirements of crude oil, refined products and LPG carriers in line with KPC's production plans, and via the most economical means.

#### International Marketing

- Maximize the value of Kuwaiti hydrocarbons through disposal in secure long-term and diverse outlets.
- Develop asset-backed trading business to maximize Kuwaiti hydrocarbons value, while actively managing market/price risks.



<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• Become a partner to KPC's Subsidiaries businesses by providing tailored HR services focused on strategic needs and people development</li> <li>• Embed KPC Mission, Vision and Values in HR processes to encourage the development of an engaged and performance-driven culture</li> </ul>
<b>HSSE</b>	<ul style="list-style-type: none"> <li>• Achieve world-class HSSE performance by applying the most stringent HSSE standards and regulations wherever KPC operates</li> <li>• Fulfill KPC's share of Kuwait's Greenhouse Gas Management commitments</li> <li>• Embed and enforce an HSSE-driven culture in KPC &amp; its Subsidiaries</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Become a partner to KPC &amp; its Subsidiaries by adopting leading financial practices and standards to deliver high quality and efficient services to stakeholders</li> <li>• Develop corporate finance capabilities and tools to best manage financing requirements and capital allocations</li> </ul>
<b>Enterprise Risk Management</b>	<ul style="list-style-type: none"> <li>• Promote a risk-aware culture, and fully embed and enforce risk-based processes and procedures</li> </ul>
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>• Adopt common best practice cyber security standards and procedures across KPC and protect the sector from cyber attack</li> <li>• Efficiently support Operational Technologies via common infrastructure and standardized policies and procedures</li> </ul>
<b>Research and Technology</b>	<ul style="list-style-type: none"> <li>• Build and maintain R&amp;T skills, capabilities and infrastructure aligned with business needs through a physical R&amp;T center and collaborations with strategic partners</li> <li>• Proactively adopt and develop new technologies that align to business needs</li> </ul>
<b>Communications</b>	<ul style="list-style-type: none"> <li>• Deploy high level of standards, processes and procedures to effectively and efficiently deliver internal and external communications</li> <li>• Establish proactive stakeholder management with local and international governmental/non-governmental institutions</li> <li>• Establish and deliver a group-wide, Kuwait Corporate Social Responsibility program</li> <li>• Proactively promote KPC's brand and image</li> </ul>
<b>Local Content</b>	<ul style="list-style-type: none"> <li>• Leverage refining and petrochemical businesses to deliver Downstream manufacturing opportunities to the private sector inside the State of Kuwait</li> <li>• Increase local private sector share (Local Suppliers and Contractors) in KPC and Subsidiaries spending</li> <li>• Enhance private sector participation in KPC existing and future activities/investments</li> </ul>









# Sustainability at KPC

KPC's business model recognizes its commitment to sustainable development in the areas that concern each of the 4 sustainability dimensions: the Marketplace, Workplace, Community and the Environment. At KPC our 2040 Strategic Directions are in line with each of the 4 sustainability dimensions - in a manner in which our activities and operations create an impact and seek to accelerate societal and economic growth.

In KPC such strategic integration of sustainability elements is reflected throughout our business model and 2040 Strategy agenda. The transitioning to sustainable operating model is considered to be an opportunity for holistically managing KPC's non-financial metrics that fall under our 2040 Strategy's 7 main themes.

Throughout this section, we delve into more detail regarding our approach to sustainability, covering governance perspectives, stakeholder engagement and KPC's materiality assessment. At KPC, we constantly communicate with all our stakeholders transparently and we hold ourselves accountable to meet and address their demands.

Materiality is the principle that determines which relevant topics are sufficiently important to report on. Our materiality assessment included desk research, peer review, Stakeholder Engagement sessions and internal discussions with the Executive Management. This assessment provided us with the key material topics and key performance indicators (KPIs) that have been included in this report.

KPC applies sustainability thinking throughout our business activities, including how we make business decisions; how we run our operations; how we act as colleagues, employees and managers; how we interact with partners, customers and suppliers; what, where and how we decide to invest; with whom we decide to partner and collaborate; and from whom and how we purchase our materials and other inputs for our operations.



### **Sustainability Governance Structure and Committee**

To oversee KPC's and its 8 subsidiaries' sustainability activities, the Group's Board of Directors has established a Sustainability Executive Committee (SEC) under KPC's Chief Executive Officer (CEO) - comprising various members who represent each subsidiary's management and KPC's Executive Management. The SEC committee includes a total of 7 members, appointed since September 4th, 2019, who are responsible for overseeing the entire process of KPC's sustainability reporting agenda and communicating it to the Board. The SEC committee is central to enhancing the Group's sustainability performance and in ensuring better communication between the BoD and top management levels, specifically in terms of non-financial performance metrics. A total of 8 SEC meetings have been held since the committee's formation, and during the reporting period of 2020/2021 a total of 3 meetings were conducted.

The SEC committee was established to oversee the implementation and management of the Group's sustainability reporting process across all streams and in KPC. The committee's main responsibilities can be summarized as follows:





Establishing and approving the sustainability reporting governance structure



Overseeing the Group's management of sustainability-related issues, risks and opportunities (including environmental, social, governance issues) and communicating them within the BoD and CEO agendas and across major corporate decisions



Integrating sustainability priorities (material topics) into KPC's 2040 Strategy so that the organization is able to move its sustainability agenda forward



Reviewing best practices, benchmarks, measures of success, trends, and sustainability data / information that may affect the Group as it engages in its planning activities (e.g. risk management, balanced scorecard, strategic plan, objective and goal setting, etc.)

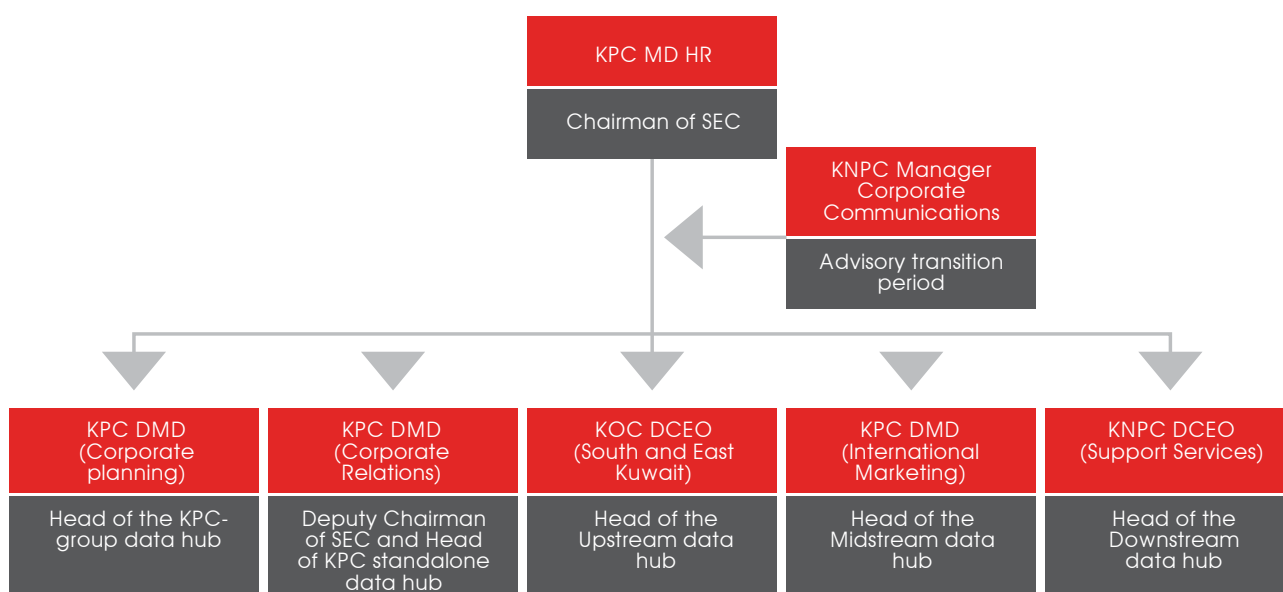


Overseeing and monitoring the sustainability performance of the Group



Reviewing and approving the Group's related sustainability policies and procedures and supervising their implementation

A detailed representation of the SEC organization structure, including its members' roles and responsibilities, is illustrated in the following.



Function	Position	Roles and responsibilities
Chairman of the Committee  <b>Hesham Al-Refae</b>	KPC MD (HR)	<ul style="list-style-type: none"> <li>• Oversee the implementation and management of the sustainability reporting process across the Group.</li> <li>• Assign accountability and confer authority for decision-making to the respective Heads of the sector data hubs (KPC-standalone, Upstream, Midstream and Downstream).</li> <li>• Embed sustainability reporting considerations (policy, data collection tool, KPIs and capability development) in decision-making at all levels of the Group.</li> <li>• Sign-off of the final KPC 2040 sustainability report.</li> </ul>
Deputy Chairman of SEC	KPC DMD (Corporate Relations)	<ul style="list-style-type: none"> <li>• Ensure the enforcement, continuous improvement and legacy of the sustainability reporting policy and processes (governance, data management and capability development) across the Group.</li> <li>• Sign-off the KPC (standalone) consolidated sustainability data/information that has been prepared and previously reviewed by the nominated Manager.</li> </ul>
Head of KPC Group data hub  <b>Shaima Al-Ghunaim</b>	KPC DMD (Corporate planning)	<ul style="list-style-type: none"> <li>• Ensure the implementation and management of the sustainability reporting process across the KPC (standalone) company.</li> <li>• Sign-off of the Group level consolidated sustainability data that has been prepared and previously signed-off by the Head of the data hubs (KPC-Standalone, Upstream, Midstream and Downstream).</li> </ul>
Head of the Upstream data hub  <b>Eisa Al-Maraghi</b>	KOC DCEO (South and East Kuwait)	<ul style="list-style-type: none"> <li>• Ensure the implementation and management of the sustainability reporting process across the Upstream sector.</li> <li>• Sign-off the Upstream consolidated sustainability data that has been prepared and previously reviewed by each Subsidiary within Upstream sector.</li> </ul>
Head of the Downstream data hub  <b>Abdulaziz Al-Duaij</b>	KNPC DCEO (Support Services)	<ul style="list-style-type: none"> <li>• Ensure the implementation and management of the sustainability reporting process across the Downstream sector.</li> <li>• Sign-off the Downstream consolidated sustainability data that has been prepared and previously reviewed by each Subsidiary within Downstream sector.</li> </ul>
Advisory transition period  <b>Kholoud Al-Mutairi</b>	KNPC Manager (Corporate Communications)	<ul style="list-style-type: none"> <li>• Support the SEC in the implementation and management of the sustainability reporting framework across the Group for the transition period (for the first KPC 2040 sustainability report).</li> </ul>

To maintain the practice and commitment towards KPC's non-financial performance disclosures relating to the 4 sustainability dimensions, a well-defined sustainability reporting governance structure has been developed. The governance structure provides clear directions to KPC's and its subsidiaries' key personnel in terms of having well-defined and clear instructions regarding their roles and responsibilities, facilitating the process of effective decision-making, specifically in terms of:

- Implementing the sustainability reporting framework across the entire Group
- Managing and overseeing the goal and target-setting
- Managing and overseeing the reporting process and the successful integration of such practice at a group level
- Strengthening stakeholder engagement and transparent communication with the Group's internal and external stakeholders
- Ensuring overall disclosure accountability within the Group
- Enabling the delegation of authority and responsibilities across the KPC Group, making clear who are responsible for the sustainability reporting process

Additionally, having a sustainability reporting governance structure allows continuity in the sustainability reporting process even amidst crisis and unforeseen events such as the COVID-19 pandemic. Despite the challenges of the pandemic, under the guidance of the sustainability reporting governance structure KPC continued to manage the realization of its aspirations and set goals and embed sustainability elements into its existing corporate strategy.

Within this structure, a Sustainability Function exists (at a sector level / data hub level) comprising Managers, Team leaders and Controllers selected from the Corporate Planning Function within each subsidiary. The Sustainability Function is responsible for the majority of the Group's sustainability-related tasks, including data collection and executing the entire materiality assessment process. An illustration of KPC's overall sustainability reporting structure is represented in the following.





## KPC Group Sustainability Reporting Governance Structure

	Governance Function	No.	Position	Corporate Function	Roles
<b>Summary</b> <ul style="list-style-type: none"> <li>KOC leads data consolidation, review and sign-off for the Upstream sector</li> <li>KPC Marketing leads data consolidation review and sign-off for the Midstream sector.</li> <li>KNPC leads data consolidation, review and sign-off for the Downstream sector</li> <li>KNPC Manager, Corporate Communications (SEC member) acts as an advisor and supports the SEC in the implementation of sustainability reporting framework during the transition period</li> <li>Controllers - Responsible for consolidating data at subsidiary level and sector level</li> <li>Team Leaders - Responsible for carrying out pre-review of data submitted by controllers (at subsidiary level and sector level)</li> <li>Managers - Carry out final review of data submitted by Team Leaders (at subsidiary level and sector level)</li> <li>DMDs/ DCEOs/ MDs - Carry out final review and sign-off of data (at sector level, KPC (Standalone) and Group (O&amp;G sector))</li> </ul>	KPC Level	1	Managing Director (Head of SEC)	HR	Sign-off KPC 2040 Sustainability report
		10	2 DMD's (SEC members)	Corporate Relations Corporate planning (1 DMD from each sector)	Data Sign-off for KPC (Standalone) Data sign-off for KPC-group (O&G sector)
			2 Manager 2 Team Leader	Corporate Relations Corporate planning (1 /manager/Team Leader from each sector)	KPC (Standalone) review KPC group (O&G sector) review
			4 Controller	Corporate Relations Corporate planning (2 controllers from each sector)	KPC (Standalone) collection KPC group (O&G sector) consolidation
	Sector / Subsidiary Level	16	1 DCEO (SEC member)	KOC South and East Kuwait	Data Sign-off for Upstream sector
			1 Manager 1 Team Leader 1 Back-up	KOC Planning	KOC review Upstream review
			1 Controller 1 Back-up		KOC collection Upstream consolidation
			2 Manager 2 Team Leader 2 Back-up	Planning & Quality Assurance (KGOC, KUFPEC)	Company review Company Data collection
			2 Controller 2 Back-up		
		7	1 DMD (SEC members)	KPC Marketing	Data Sign-off for Midstream sector
			2 Manager 2 Team Leader	KPC Marketing (Planning) and KOTC Planning (1 from each sector)	KOTC review Midstream review
			2 Controller		KOTC data collection Midstream consolidation
		21	1 DCEO (SEC members)	KNPC Support Services	Data Sign-off for Downstream sector
			1 Manager 1 Team Leader 1 Back-up	KNPC Planning	KNPC review Downstream review
			1 Controller 1 Back-up		KNPC collection Downstream consolidation
			3 Manager 3 Team Leader 3 Back-ups	Planning (PIC, KIPIC, KPI)	Company review Company data collection
			3 Controller 3 Back-ups		

## Sustainability Reporting Policy

KPC Group is committed to providing accurate information and disclosures that are transparently communicated to our external and internal stakeholders in a comprehensive, clear, accurate and timely approach.

To reflect and govern KPC's and its subsidiaries' commitment to sustainability, a sustainability reporting policy has been developed. The scope of the policy applies to KPC and each of our subsidiaries, whether in the Upstream, Midstream or Downstream sectors, covering both Kuwait operations and those in other operating jurisdictions. All those who fall under KPC's and its subsidiaries' operational control, such as suppliers, joint ventures vendors, etc. are expected to adhere to the commitments set out in the sustainability reporting policy.

The policy reflects the Group's commitment towards ensuring effective management and communication of the Group's performance in the economic, social and environmental areas. It is aligned with KPC's and its subsidiaries' corporate vision, mission and values, as well as the 2040 Strategic Directions. The sustainability reporting policy serves as a basis for creating a comprehensive sustainability framework that integrates all sustainability-related initiatives, activities and projects performed by the Group.

By implementing our policy, we seek to further embed sustainability into our Corporate Strategy and communicate our current sustainability effort and performance to our wider group of stakeholders. Through this policy we aim to accomplish the Group's ambitions and commitments towards the following:

## Commitments of KPC's Group Sustainability Reporting Policy



### Contributing to economic growth

Create both direct and indirect economic growth through the development of local initiatives and products as the main contributor to elevating Kuwait's national economy



### Minimizing operational environmental impacts

Prevent pollution and the negative impacts of our operations have on the environment by reducing waste and emissions, and through the efficient utilization of resources



### Promoting effective labor practices and decent work

Adopt labor practices that promote decent work and contribute to the development and wellbeing of our employees as well as our contractors



### Engaging with local communities

Assess the impacts of our operations on local communities and actively seek opportunities to contribute to community development



### Remain responsible for our products

Produce, market and distribute innovative and safe products with low environmental impacts



### Comply with regulations and standards

Comply with all socio-economic and environmental regulations and strive to meet international sustainability standards in all of our operating geographical locations

To effectively govern and achieve the aforementioned commitments, the sustainability reporting policy further emphasizes 5 primary principles that need to be abided by. These are:



#### **Principle 1: Stakeholder engagement**

Our stakeholders, including governments, regulators, business partners, suppliers, local communities and others, are integral to our success. We seek to create value for all our stakeholders and are committed to assess and respond to their feedback and expectations in relation to the areas that relate to our economic, social and environmental performance – by the development and implementation of the Group's strategic plans.



#### **Principle 2: Governance and ownership**

This policy forms part of the Group's Sustainability Reporting Framework and therefore is owned and governed by the identified sustainability governance functions within KPC and its respective subsidiaries. The overall responsibility for the implementation of this policy rests with SEC, acting on behalf of the KPC CEO.



#### **Principle 3: Prioritizing what matters**

We will focus our efforts to manage the Group's economic, social and environmental topics which are aligned to our corporate strategy as well as to the objectives of New Kuwait Vision 2035. These material topics reflect our significant impacts and substantially influence the assessments and decisions of our stakeholders.



#### **Principle 4: Review and continuous improvement**

We will set objectives and targets to regularly review the Group's sustainability performance and promote a culture of continuous improvement. We will review and update our commitments over the years to meet the needs of our stakeholders and adapt to an evolving sustainability context.



#### **Principle 5: Transparent communication**

We value openness and transparency towards all our stakeholders. We will report on our sustainability performance and progress on our commitments in accordance with international standards in sustainability reporting along with regular updates through other channels. We will ensure the credibility of our report by focusing on the quality and accuracy of data and information reported.

In the following sections, we will present more details regarding KPC's and its subsidiaries' adoption of the 5 principles within this reporting period of 2020/2021, noting that regarding principle 2 this was already covered within the section Sustainability Governance Structure and Committee.

As for principle 5, which is "Transparent Communication", this principle would be applied throughout our entire sustainability reporting process, reflecting our commitments, reporting metrics and 2 years' performance data through the ongoing practice of publishing the Group's sustainability report.

To determine which metrics to include under principle 5, we considered - prior to establishing and developing our report - reporting guidance and frameworks would be integrated within the report (i.e. SDGs, GRI, IPIECA, etc.). We also pre-defined which ESG performance metrics to disclose in the reporting period, including GHG emissions data, data related to the Board of Directors, remuneration and workforce-related metrics etc., that would ultimately enable investors and other stakeholders to efficiently compare our ESG-related performance progress.





## Stakeholder Engagement

In line with our 3 values – Integrity, One Team and Caring for People – KPC actively aims at creating a culture that allows its stakeholders to engage freely, are able to develop and grow, and are positively motivated to continue to the success of others.

The trust, loyalty and support of our stakeholders is fundamental and considered crucial in achieving excellence and building KPC's and its subsidiaries' sustainable path. Therefore, at a Group level we consider value for our stakeholders as our top priority, and we always seek how we can create engagements that are mutually beneficial, yielding maximized quality and profitability from both a financial and sustainability perspective.

We engage on an ongoing basis with our key internal and external stakeholders, to better understand their demands and effectively meet their expectations, and these may significantly contribute and influence the realization of our 2040 Strategy. While the year 2020 witnessed a severe and unforeseen crisis with the impact of the COVID-19 pandemic, we still managed as a Group to safely maintain effective communication and engagement with our stakeholders and avoid any outreach delays.

The identification and selection of KPC's and its subsidiaries' stakeholders is carried out by senior management at each of the Group's Corporate Communications Departments. The process of stakeholders' identification relies heavily on each stakeholder's influence and interest whether related to KPC itself or its relevant 8 subsidiaries. Given the Group's international operations, stakeholder registers are maintained by the joint ventures operating companies and the responsible subsidiary as well, as they are best placed to understand their obligations under the local laws and regulations. Moreover, KPC has a well-established internal structure that facilitates ongoing and effective engagement between all streams - and that ensures the management

of all Upstream companies collaborate and advise each other on issues concerning business plans and other critical matters. The latter usually falls under the responsibility of each stream's Program Management Office (PMO), where both proactive and ad hoc meetings are conducted extensively to provide independent perspectives on the Group-wide activities and performance.

Various communication channels are utilized during our engagement with our stakeholders, in which the engagement frequency and method depends on each stakeholder respectively. Throughout 2020/2021, we have engaged with numerous stakeholders, including investors, governmental regulators, joint venture partners, suppliers, customers, local communities, shareholders, and employees, among others. It is worth mentioning that, during each of our stakeholder engagements, we were keen to directly or indirectly consult with them to better understand their demands, regardless of whether the engagement was specifically undertaken as part of the report preparation process or not. Also, as part of KPC's and its subsidiaries' stakeholder engagement process, we were keen to analyze and discuss any of their key concerns that were raised during the engagement and that are deemed to be material to report on within the Group's sustainability report. Such conclusions or key concerns were obtained via various methods ranging from conducted meetings to satisfaction surveys or through day-to-day communication mediums (i.e. emails, phone calls).

The following illustrates a list of KPC Group stakeholders, including details of the stakeholder groups, frequency of engagement, communication method, key topics raised and topics of interest.



## Internal Stakeholders

Stakeholder Group	Communication Method	Frequency of Engagement	Key Concerns raised and Topics of Interest
SEC	<ul style="list-style-type: none"> <li>• Committee meetings</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Workshops</li> <li>• Internal reports</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>• Sustainability performance</li> <li>• Integration of sustainability elements in daily operations</li> <li>• Effective communication</li> <li>• Empowered decisions</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Evaluations</li> <li>• Internal reports</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>• Effective governance cycle</li> <li>• Training and development</li> <li>• Empowered decision-making</li> <li>• Voting rights</li> <li>• Transparency</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employee survey</li> <li>• Corporate intranet</li> <li>• Suggestions and complaint mailbox</li> <li>• Code of conduct</li> <li>• Departmental training sessions</li> <li>• Emails</li> <li>• Phone calls</li> <li>• Events</li> </ul>	Day-to-day interactions	<ul style="list-style-type: none"> <li>• Professional development</li> <li>• Career path</li> <li>• Employee retention and acquisition</li> <li>• Health and safety</li> <li>• Grievance mechanism</li> <li>• Employee recognition</li> <li>• Compensation and benefits</li> <li>• Wellbeing</li> </ul>



## External Stakeholders

Stakeholder Group	Communication Method	Frequency of Engagement	Key Concerns raised and Topics of Interest
Governmental regulators	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• Sustainability reports</li> <li>• Consolidated Partnership Advisory Council</li> <li>• Meetings</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>• National vision and plans</li> <li>• Nationalization</li> <li>• Ethical operations</li> <li>• Compliance with local regulations</li> <li>• Socioeconomic development</li> <li>• Regulatory reporting</li> </ul>
Financial institutions	<ul style="list-style-type: none"> <li>• Payments</li> <li>• Meetings</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Annual reports</li> <li>• Sustainability reports</li> <li>• Press releases</li> </ul>	Yearly	<ul style="list-style-type: none"> <li>• Compliance with terms and conditions</li> <li>• Timely payment of funds</li> <li>• Audits</li> <li>• Public disclosures</li> <li>• Integration of sustainability</li> <li>• Responsive communication</li> </ul>
Suppliers and contractors	<ul style="list-style-type: none"> <li>• Bids and tenders</li> <li>• Contracts</li> <li>• Emails</li> <li>• Phone calls</li> <li>• Surveys</li> </ul>	Yearly	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Timely payments</li> <li>• Fair selection</li> <li>• Partnerships with mutual interest</li> <li>• Engagement with local suppliers</li> <li>• Contractor health and safety</li> </ul>
Press	<ul style="list-style-type: none"> <li>• Phone calls</li> <li>• Meetings</li> <li>• Conferences</li> <li>• Media</li> <li>• Emails</li> </ul>	As needed	<ul style="list-style-type: none"> <li>• Transparency and accountability in communication</li> <li>• Prompt updates on performance</li> <li>• Public disclosures</li> <li>• Responsive engagement</li> </ul>



## External Stakeholders

Stakeholder Group	Communication Method	Frequency of Engagement	Key Concerns raised and Topics of Interest
Customers	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Marketing and social media</li> <li>• Conferences and exhibitions</li> <li>• Retail stations</li> <li>• Website</li> <li>• Sustainability reports</li> </ul>	Frequent interaction	<ul style="list-style-type: none"> <li>• Supply of products and pricing</li> <li>• Product safety</li> <li>• Product innovation</li> <li>• Service quality</li> <li>• Timely delivery</li> </ul>
Joint Ventures	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Contracts</li> <li>• Joint social initiatives</li> <li>• Conferences</li> <li>• Annual reports</li> <li>• Sustainability reports</li> <li>• Emails</li> <li>• Phone calls</li> </ul>	Frequent interaction	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Economic performance</li> <li>• Transparent communication</li> <li>• Resources and expertise</li> <li>• Knowledge sharing</li> <li>• Service quality</li> </ul>
Non-governmental organizations (NGOs)	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Sponsorships</li> <li>• Events</li> <li>• Sustainability reports</li> <li>• Phone calls</li> </ul>	Event related	<ul style="list-style-type: none"> <li>• Support for social cause</li> <li>• Volunteering</li> <li>• Social impacts</li> <li>• Financial aid</li> </ul>
Labor unions	<ul style="list-style-type: none"> <li>• Meetings with employee representatives</li> <li>• Emails</li> </ul>	Yearly	<ul style="list-style-type: none"> <li>• Employee rights and wages</li> <li>• Transparency</li> <li>• Fair treatment</li> <li>• Safe working conditions</li> <li>• Project and operational impacts</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Sponsorships</li> <li>• Community events</li> <li>• Sustainability reports</li> <li>• Public exhibitions</li> <li>• Press releases</li> </ul>	Event related	<ul style="list-style-type: none"> <li>• Land use</li> <li>• Job creation</li> <li>• Support to educational institutions</li> <li>• Health and safety</li> <li>• Mitigation of emissions and hazards</li> <li>• Endorsement of community events and community support</li> </ul>

### Collective Bargaining Agreements

Collective bargaining refers to all negotiations that take place for determining the employment terms and working conditions, often held between employers and workers' organizations (i.e. trade unions). Thus, a collective bargaining agreement would represent a form of joint decision-making and obligations that concern an organization's operations, and they are often legally binding. Collective agreements can cover specific groups of workers; for example, those performing a specific activity or working at a specific location and can be either at an organization level, industry level or country of operation level.

The Group generally operates in jurisdictions where trade unions and collective bargaining agreements are not that common. Nonetheless, there is a total of 401 employees at KPC itself who are covered by collective bargaining agreements, representing 49.1% out of the total employees. A total of 274 and 616 employees are covered by collective bargaining agreements at KOTC and KIPIC, respectively, which represents 44% and 51% out of the total employees at KOTC, and KIPIC respectively. KUFPEC operates under labor unions.



## Materiality Assessment

One of the main GRI reporting principles for defining report content is Materiality. It is also considered to be Principle 3 of KPC's Sustainability Reporting Policy principles. Material topics vary from one organization to another; however, they are to some extent similar when looking at industry-specific topics. The process of identifying material topics refers to selecting topics which potentially reflect the reporting organization's significant economic, environmental, and social impacts; or that substantially influence the assessment and decisions of the organization's stakeholders.

In this context, "impact" as GRI clearly defines, refers to the effect an organization has on the economy, the environment, and / or society, whether that effect is deemed positive or negative. A topic can be relevant – and so potentially material – based on only one of these dimensions.

At KPC, principle 3 emphasizes the need for the Group to focus on topics that reflect economic, environmental and social impacts within the context of our reporting practices, which are identified as a result of our stakeholder engagement processes. Our adopted materiality assessment entails stakeholder engagement to identify which sustainability topics are considered important to KPC itself and to its 8 subsidiaries. Our materiality assessment is conducted through a 3-step approach: (1) Identification; (2) Prioritization; and (3) Validation. The purpose of this materiality assessment is to provide a complete and representative view of the Group's stakeholder expectations on sustainability-related topics, while at the same time serving to guide the Group in prioritizing its future-related performance disclosures – in line with the topics that have a significant impact on economic, social and environmental areas.

During the reporting period 2020/2021 KPC invited seniors and team leaders from all departments across all its 8 subsidiaries and

KPC as well, to vote on the importance of the material topics identified from the Group's 1st published sustainability report. As a result of the COVID-19 pandemic, we were not able to re-identify a list of material topics, as such a unified decision was taken in terms of re-assessing the previously identified 16 topics from the Group's 2018/2019 sustainability report.

In preparation for this report, a total of 4 voting sessions (materiality workshops) were held to reflect the opinions and topics' ratings of each stream on its own, including the Upstream, Downstream, Midstream, and KPC on its own. Scores were gathered separately and were then averaged to get the aggregated scores. Participants who attended the voting sessions were asked to rate the topics from 2 perspectives, one being the significance of the material topic to KPC and its subsidiaries and the second the significance and importance of the material topic to stakeholders' assessments and decisions – representing the x-axis and y-axis on the materiality matrix, respectively. The materiality assessment voting sessions recorded a participation rate of 97.6%, comprising internal stakeholders. The PMO then examined the scores and presented them to SEC with a recommendation list and rationale behind each recommendation. The SEC then approved the recommendation list submitted by PMO.

A detailed representation of KPC's 3-step materiality assessment approach is illustrated in the following.



### 1) Identification

Identifying a preliminary list of topics that is based on consideration of a number of internal and external factors. Such factors include KPC's 2040 Strategic Directions, broader local expectations and trends, future trends in the oil and gas industry, KPC Group's interest from Upstream to Downstream sectors, benchmarks, sustainability frameworks and updates. In addition to these factors, the importance, impact and influence of each topic is also taken into consideration as part of the preliminary topics list identification process. Most importantly, the topics of choice should reflect a significance to economic, environmental and social areas as well.

This step also took into account the basic expectations expressed in international standards (i.e. GRI Standards and IPECA), as well as international, national and sector-based regulations, strategies and goals.



### 2) Prioritization

Prioritizing the list of topics. After identifying an initial broad list of relevant topics, KPC stakeholders were then invited to evaluate the importance of identified material topics. A virtual collaborative platform, Think Tank tool, was used to facilitate engagement with KPC's stakeholders to rank the identified material topics and develop a prioritized list of material topics that later would be used for defining the sustainability report context and content. A total of 4 Think Tank sessions were conducted with KPC and Subsidiaries managers and team leaders as follows:

- One session with internal stakeholders from the Downstream sector.
- One session with internal stakeholders from the Upstream sector.
- One session with internal stakeholders from the Midstream sector.
- One session with internal stakeholders from KPC standalone.



### 3) Validation

The list of material topics identified for inclusion in the report during Step 2 were approved by the relevant internal senior decision-makers at the KPC Group. Validation is undertaken with the aim of ensuring the KPC Group Report provides a reasonable and balanced representation of the organization's sustainability performance, including both its positive and negative impacts.

The 16 identified material topics of KPC's 2020/2021 are mapped to its 2040 strategy and cover economic, environmental and social topics as well as reflect both common and sector-specific material topics. The following illustrates the Group's identified topics including each's impact boundary and its mapping to the specific GRI standard.

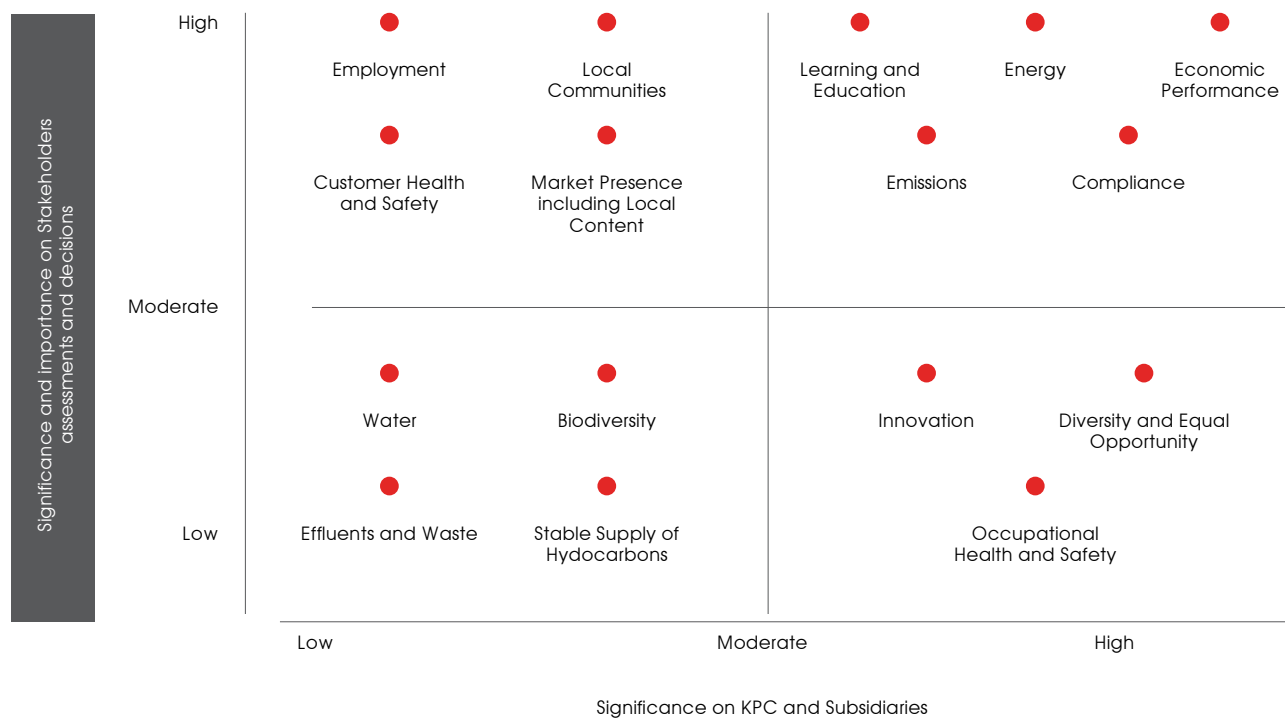
## Material topics and impact boundaries

Material Topic	Impact Boundary	Link to GRI Standards
Common Material Topics		
Learning and Education	Employees	GRI 404
Economic Performance	Employees, suppliers, contractors, government, JV partners, and NGOs	GRI 103, GRI 201
Water	Local communities, government, and KEPA	GRI 103, GRI 303
Energy	Local communities, government, and KEPA	GRI 103, GRI 302
Emissions	Local communities, government, and KEPA	GRI 103, GRI 305
Innovation	Suppliers and contractors, customers, and JV partners	N/A
Occupational Health and Safety	Employees and contractors	GRI 103, GRI 403
Stable Supply of Hydrocarbons	Employees, contractors and customers	GRI 102-7, GRI 103 OG1
Downstream Material Topics		
Effluents and Waste	Local communities, government, and KEPA	GRI 103 GRI 306
Employment	Employees, local communities, educational institutions and labor unions	GRI 102-8, GRI 103 GRI 401
Upstream Material Topics		
Customer Health and Safety	Customers, local communities	GRI 103, GRI 416
Compliance	Government, KEPA	GRI 103, GRI 307 GRI 419
Market Presence Including Local Content	Local communities, employees, suppliers and contractors	GRI 103, GRI 202
Additional Topics Disclosed		
Biodiversity	Local communities, government, and KEPA	GRI 304
Local Communities	Local communities	GRI 413
Diversity and Equal Opportunity	Employees, local communities	GRI 405

The top 5 most prioritized topics for this year were Economic Performance, Energy, Emissions, Compliance and Learning and Education. In comparison with the prioritization of our material topics, Economic Performance, Energy, Learning and Development and Emissions remain in the top 5 rated topics – while Compliance was rated 12th last reporting period and Water was 3rd. Similarly, diversity and equal opportunity remains last, as it was last reporting period, while occupational health and safety was rated 6th during this reporting period. A representation of 2020/2021 materiality matrix is given below, showcasing where each material topic priority falls with regards to its significance to KPC and its subsidiaries, as well as its significance and importance for stakeholder assessments and decisions.



## Materiality Matrix 2020/2021



Material Topics	Priority
Economic Performance	1
Energy	2
Emissions	3
Compliance	4
Learning and Education	5
Occupational Health and Safety	6
Stable Supply of Hydrocarbons	7
Employment	8
Customer Health and Safety	9
Local Communities	10
Market Presence including Local Content	11
Innovation	12
Water	13
Effluents and Waste	14
Biodiversity	15
Diversity and Equal Opportunity	16

In general, there are different material topics identified, prioritized, and assessed in the 2020/2021 reporting period. The ones listed are the new material topics for this reporting period, while, in comparison, the previous material topics relevant to the 2018/2019 reporting period are displayed as follows.

Material Topic	
Common Material Topics	
Learning and Education	
Economic Performance	
Water	
Energy	
Emissions	
Innovation	
Occupational Health and Safety	
Stable Supply of Hydrocarbons	
Downstream Material Topics	
Effluents and Waste	
Employment	
Upstream Material Topics	
Customer Health and Safety	
Compliance	
Market Presence Including Local Content	
Additional Topics Disclosed	
Biodiversity	
Local Communities	
Diversity and Equal Opportunity	



# Economic Advancement

KPC reconciles economic advancement through our business portfolio and the viability of our projects as a Group. We strive to be the enablers of resilient communities that are capable to adapt to unforeseen circumstances, with minimal negative impact on the economy or the fulfillment of financial obligations.

We strive as part of our strategic directions to continuously optimize the Group's portfolio to capitalize on opportunities and meet the State of Kuwait's current and future energy demand - by providing an economically and environmentally friendly fuel mix as well as a strategic backup.

KPC's 2040 Strategic Directions aim to ensure sustainability within our business operations and to improve and optimize its current portfolio to achieve operational excellence and maximize financial returns to KPC and thereby fulfilling the needs of communities and creating an impact on stakeholders' quality of life.

In this chapter we delve into more detail on how as a Group we are generating economic value and are establishing a competitive market presence, with a strong and resilient performance and demonstrating the ability and capabilities to rapidly respond and adapt to unforeseen circumstances.



**Covered Sections:**  
Generating Economic Value  
Establishing Market Presence





This chapter outlines the following material topics, covering “Economic Topics”:

**Economic Performance**  
**Market Presence including Local Content**



## GOAL 8

### Oil and Gas Economic Growth

#### **Integrate into Core Business**

- Faster full and productive local.
- Encourage local procurement and Supplier development.
- Employment and workforce development.

#### **Collaborate and Leverage**

- Support economic diversification to achieve higher levels of economic productivity.



## Generating Economic Value

Economic advancement is considered to be one of the most monitored performance metrics and indicators, highly affected by the decision-making process in terms of allocating investment toward opportunities. Generating a sustainable economic value in the oil and gas sector heavily influences other organizations' revenues (i.e. governmental, private sector or financial institutions), income and labor wage, wealth creation and the community's overall profitability.

Generating an economic value relies greatly on production and the development of goods and services. Various factors are considered as attributes in enabling an entity to earn profits and sustain production. The oil and gas sector per se is affected by 3 factors of production: land, capital (i.e. capital goods such as machinery, tools, equipment) and labor. Land is considered a natural resource production factor, which is generally considered one of the main factors that cannot be controlled in the oil and gas sector. However, allocating the proper investment to labor and capital may significantly influence and impact the generated economic value.

Assessing the generated economic value is relative and there are various indicators or metrics that are related to societal or economic aspects. One indicator to economic advancement is the Gross Domestic Product (GDP). Kuwait is considered to be one of the major members (a founder member) and oil suppliers of the Organization of the Petroleum Exporting Countries (OPEC). It has a prosperous economy relying heavily on KPC and its 8 subsidiaries as they are considered to be one of the main drivers to the socioeconomic status of the country and approximately 90% of government revenue. Kuwait holds approximately 7% of global oil reserves and has a current production capacity of about 2.7 million barrels per day.

Despite the COVID-19 crisis, the oil and gas price shock and the unprecedented oil market collapse, KPC Group continued its contributions to sustainable development of the society and economy in Kuwait. Repercussions were expected to hit the oil-exporting industry and cause market volatility and vulnerability due to trading and transportation concerns affecting

the supply chain. Facing such uncertainty had a severe global impact that caused a drop in economic activities, specifically regarding the oil barrel price. Nonetheless, a few months later there was an economic rebound driven by resilient actions and long-term development plans.

KPC overcame these challenges and had a rapid response, achieved through the continuous analysis of current and emerging industry trends, our effective risk management framework, and scenario planning, the strategic investments in technology and the adaptability and dynamic behavior of our valued employees.

At KPC Group, we believe it is imperative to constantly innovate within our processes, operations, infrastructure and products – as it represents one of our core strategic values. Developing and embracing new ideas, methods and approaches to solving challenges is essential to us in order to remain profitable, sustain a resilient market presence and positively influence our stakeholders, specifically in times of crisis. In 2020/2021 we managed to overcome such regression through undertaking various initiatives, which we cover later in this report.

To achieve sustained growth and leverage future competitive economic advancement, KPC focuses on understanding its fiscal future positioning that revolves around having a revenue strategy and an optimization plan. Yearly budgets and targets are developed by each subsidiary, which are then reviewed by top management and approved by the Board of Directors (BoD). Growth, annual budgets and business targets are as well developed by each subsidiary, these are reviewed and approved by the top management, where any potential budget deviations are further discussed and assessed. The latter is performed to identify measures to balance budgets' deviation or obtain further approvals, as may be required.

Furthermore, quarterly meetings are conducted with the BoD to present the actual performance results achieved in comparison to the budget and targets set. KPC Group's BoD are responsible for overseeing the financial reporting processes




undertaken by the Group's management and have ultimate responsibility for ensuring transparency and providing accurate information to our stakeholders. To maintain such transparency and accountability, the Group's finance and accounting policies and procedures have been developed in line with the International Accounting Standards Board (IASB) standards, regulatory requirement, as well as international best practice.

Within the KPC Group, all financial control and reporting aspects are overseen by KPC's Managing Director - Planning and Finance, who is responsible for receiving and reviewing all financial performance data related to all subsidiaries. KPC Group prepares and reports its financial performance in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). Our annual financial

statements are independently assured by external auditors, to ensure the accountability of our financial performance to our stakeholders. All external and internal auditors are directly appointed by and report independently to the Group's BoD.

We do believe that there is a necessity to protect the Group's critical revenue streams and to increase public spending efficiency. Most importantly, to sustain economic advancement it is deemed necessary that financial institutions bridge any existing infrastructure investment gaps that are needed to achieve the oil and gas sector's transformation programs.

More details on KPC's Group selected generated economic value for 2020/2021 performance are presented in the following table, for the fiscal year ending 31 March 2021 in KWD.

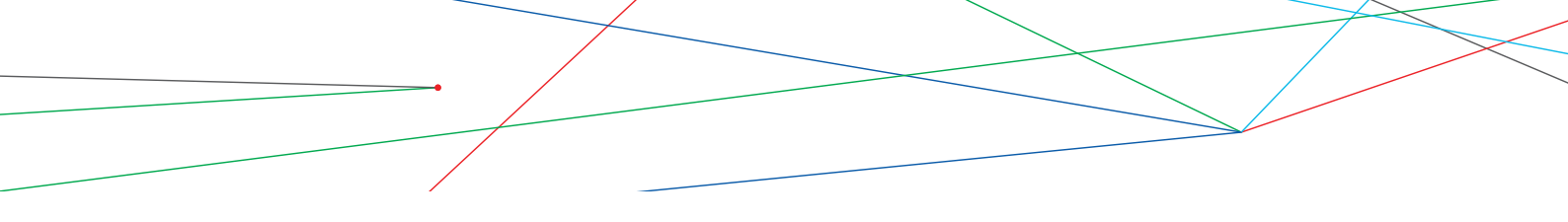
									
	Entity	Upstream			Downstream			Midstream	
Metrics	KPC Standalone	KOC	KGOC	KUFPEC**	KNPC	KIPIC	KPI***	PIC	KOTC
Gross sales from products and services	17,369,361,725	N/A	N/A	597,769,000	5,276,588,147	-	8,630,588	99,910,259	145,655
Allowances	1,517,156,190	N/A	N/A	17,747,000	24,154	-	N/A	7,174,545	4,513
Net sales	17,383,200,900	N/A	N/A	597,769,000	5,276,588,147	-	8,544,434	92,735,714	145,655
Interest on financial loans	1,447,028	N/A	N/A	2,602,000	11,189,321	18,017,000	86,154	0	2,626
Dividends from shareholdings	10,730,000	N/A	N/A	0	60,000,000	-	0	54,503,973	0
Dividends to all shareholders	400,000,000	N/A	N/A	0	-	-	25,872	0	10,730,000
Revenues from financial investments	12,177,028	N/A	N/A	2,932,000	12,164,180	6,561,052	N/A	56,263,973	0
Revenues from sale of assets	0	N/A	N/A	865,000	-	-	0	0	0
Net Revenue	16,416,661,000	N/A	N/A	597,769,000	5,276,588,147	-	N/A	92,735,714	23,840
Direct economic value generated	17,395,377,928	N/A	N/A	597,769,000	4,908,308,711	6,561,052	8,630,588	98,224,027	145,655
Direct economic value distributed	465,708,747	853,937,937	290,748,515	169,400,000	1,082,768,712	148,873,584	383,465	54,218,901	91,204

\* A detailed list and summary of the Group's financial performance is provided in Appendix (c).

\*\* Total direct economic value generated for KUFPEC is not disclosed as the subsidiary's revenue-generating activities are outside the boundary of this report.

\*\*\* KPI numbers are in USD





It is worth mentioning that there were no financial implications present nor other risks and opportunities posed by climate change during the reporting period of 2020/2021 that are considered to have the potential to generate substantive changes in the Group's operations, revenue or expenditure. On the contrary, we did experience a reduction in operating costs which resulted from the decrease in raw materials and operational costs for 3 of our strategic business units as an aftermath of the pandemic.

Moreover, there was a decline in employee wages and benefits since some benefits were halted during the pandemic as a result of the work-from-home policy. The latter was also used to accommodate payments to employees who were not able to enter Kuwait due to airport lockdown and given that the Group's local stay-

in-place policies were in effect. There were no payments to Providers of Capital due to some incurred losses due to the non-distribution of our products during the pandemic-induced lockdowns. Dividends were paid to KPC based on 90% of our net profit.

Future production increases will depend on actual implementation of several Upstream projects including the development of heavy oil capacity of 60 thousand barrels per day (as of March 2021 KOC heavy crude production reached 51 mbpd) and the intention to increase natural gas production to 4 billion cubic feet per day by 2030. KPC has announced an approximately \$115 billion investment plan to be executed between 2015-2020 dedicated mainly to the Upstream and Downstream sectors. 30% of the invested amount will be on local content.

## Establishing Market Presence

Market presence and market share are considered essential performance metrics for establishing economic advancement, as they are an indicator of a company's profitability and success. It can signal dominance in an industry and how well a company's revenue-generating efforts are working to achieve business goals. Having a sustained revenue growth corresponds to establishing a significant market presence and share – which in return may greatly affect operations efficiency, product pricing, and eventually a company's stock market performance. A growing market share corresponds to growing revenue. Market share can affect operations, pricing of products and services, and potentially stock market performance.

There are various strategies that can be put in place to increase market presence and share. These include utilizing alternative, renewable and other energy sources that add value to KPC's Group operations, adopting innovative

practices and projects, investing in employee development, establishing joint ventures with mutual goals, and most importantly increasing local and private sector participation.

Being one of the main drivers to Kuwait's economy and having an influential role even amongst international markets comes with great responsibility in terms of creating a competitive and yet sustainable market presence. KPC strives to constantly create local value across our operational locations and our stream segments. We demonstrate our commitment and market presence by creating opportunities that impact the Kuwaiti private sector, workforce nationalization representation and contracting with local suppliers.

At KPC Group, our market presence boundary is our operations in Kuwait. This is assessed and monitored against various Key Performance Indicators (KPIs), which include:





Ratios of standard entry level wage by gender compared to local minimum wage



Kuwaitization rate (employees)



Kuwaitization rate (contractors)



Percentage of Kuwaitis on the Board of Directors



Proportion of senior management hired from the local community



Proportion of spending on local suppliers

Sustainable development requires job creation to reach an inclusive economic growth and competitive market presence. The oil and gas sector is considered to be one of the more labor-intensive industries, in which promoting decent work opportunities that meet internationally recognized labor standards is an obligated requirement. KPC Group tends to generate

much higher fiscal revenues when compared to other entities in the business market, thereby it attracts a significant number of foreign investments and acts as an enabler for creating long-term sustainable resource-based economies empowered by local employment and resources.



## KPC Group SDG8 Integration Within Core Business

### SDG Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

For KPC, local employment is considered a priority and is one of our valuable assets. In support of both SDG goal 8 and New Kuwait Vision 2035, we have developed a 2040 Local Content Strategy. We believe in the proactive development of local employment and in the empowerment of our workforce.

The Group's 2040 Local Content Strategy outlines various objectives that are tailored to fostering local employment and encouraging local procurement and local suppliers' development. The strategy's main objectives include:

- Expanding the sustainable development of linked Downstream manufacturing industries and engaging private sector to build a new industry that depends on utilizing oil and gas sector products and by-products
- Maximizing the efficiency of procurement procedures to increase involvement of local goods and services suppliers
- Increasing participation of the local private sector across the oil sector value chain
- Increasing effective participation of Kuwaitis with relevant skills and capabilities in the supplier workforce
- Engaging with different stakeholders and advocating the promotion of government policies and legislation on local content
- Strengthening local and internal capabilities to reduce increased level of dependency on foreign skills, products and services




The Local Content Supreme Petroleum Council approved the strategic directions up to 2040. The 2040 Local Content Strategic Plan has been cascaded down to the concerned departments in each of the 8 subsidiaries and across KPC itself.

To ensure the sound governance and achievement of the local content strategic plan, the Group's policies and procedures have been updated to include the 2040 Local Content Strategy's requirements and governance attributes. In addition, the concerned departments were then required to set out operational plans and realistic targets to achieve the Group's aspirations and objectives set forth towards locals' empowerment.




As a result of the collaborative efforts and implementation of the Group's recruitment strategies to hire and upskill local employees, we managed to increase our nationals' representation despite the COVID-19 pandemic and the oil crisis.

The following provides more details on KPC's and its subsidiaries' performance concerning its local employment representation, showcasing our performance across 2018-2021.

Kuwaitization Rate (Employees)

	Entity	2020/2021	2018/2019	%Difference
Standalone	KPC	99.8%	99%	+0.8%
 Upstream	KOC KGO KUFPEC	83.8% 98.5% 83.8%	82% 98% 81%	+1.8% +0.5% +2.8%
 Downstream	KNPC KIPIC KPI PIC	89.3% 93.9% 98.2% 92.7%	87% 91% 98% 87%	+2.3% +2.9% +0.2% +5.7%
 Midstream	KOTC	95.3%	94%	+1.3%

#### Kuwaitization Rate (Contractors)

	Entity	2020/2021	2018/2019	%Difference	
	Standalone	KPC	19%	10%	+9%
	Upstream	KOC	27.64%	27%	+0.64%
		KGOC	100%	-	-
		KUFPEC	11.2%	5%	+6.2%
	Downstream	KNPC	23%	64%	-41%
		KIPIC	1.3%	1%	+0.3%
		KPI	0%	0%	0%
		PIC	10.8%	9%	+1.8%
	Midstream	KOTC	18.7%	18%	+0.7%

The local content strategy has an assigned target for increasing Kuwaitization rate at the Group level. Looking at KPC's Group performance in that area, over the past 2 years we managed to exceed the required target of 85%. Although KUFPEC did not meet the targeted percentage, it still managed to increase its Kuwaitization rate by 2.8% when compared to 2018/2019 performance. It should be noted that the percentage of full-time senior management employees that are hired from the local community is 100% across KPC itself and amongst all 8 subsidiaries. Such performance has been maintained throughout the years 2021-2018.

This was achieved through the collaborative efforts of our HR departments and key personnel participating in local job fairs, exhibitions and recruitment activities at local colleges and universities. KPC and its Subsidiaries are committed to recruit 30% of Kuwaiti staff amongst contractors in accordance with the Kuwaitization Policy guidelines of National Manpower within Contracts in the Oil Sector. KPC aims to bridge the gap of Kuwaiti employment and enhance our impact on the local community's economy. We strive to increase pre-job awareness through targeting academic and vocational institutions, and developing attractive job advertisement campaigns, which would enable us to effectively source national candidates by job type.





## KPC Group SDG8 Integration Within Core Business

### SDG Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

In order to build local capacity and further contribute to economic growth of Kuwait, and further contribute to SDG8 in terms of encouraging local procurement and supplier development, our 2040 Local Content Strategy has set a target to increase total budget on local supplier spend, across all operations. At KPC Group, we show our support to local suppliers and to inclusive economic growth either through the direct procurement of goods and services by the Group or through indirect procurement via contractors.




All suppliers are required to undergo a prequalification and sourcing process in which they are assessed against various sustainability and supplier-related criteria such as quality, technical qualifications, health and safety,

certifications and commercial value. Any new supplier who wishes to form an engagement with KPC Group or participate in tenders must register on our eSourcing portals; for Upstream operations the registration is via KOC and KNPC for Downstream operations.

A total of KWD 2,823,002,200 was spent in procuring goods and services from local suppliers in 2020/2021. During the reporting year, the overall procurement local sourcing percentage reached -38%.




We managed to extend our support to the local economy and sustain its growth despite of the pandemic challenges. By continuing our engagement with local suppliers, we remain insulated from risks that may arise from relying on foreign suppliers and procurement practices. The following illustrates more details about KPC group's %spending on local procurement across 2018-2021 performance.

#### Local Suppliers Sourcing

	Entity	2020/2021	2018/2019	%Difference
Standalone	KPC	64%	46%	+18%
 Upstream	KOC	25%	31%	-6%
	KGOC	79%	38%	+41%
	KUFPEC	46%	49%	-3%
 Downstream	KNPC	68%	40%	+28%
	KIPIC	45%	29%	+16%
	KPI	79%	61%	+18%
	PIC	93%	30%	+63%
 Midstream	KOTC	11%	15%	-4%

More details on KPC's proportion of spending on local suppliers are presented in the following.

#### Monetary Value of Total Spending on Local Suppliers (KWD)

	Entity	2020/2021
Standalone	KPC	13,610,100
 Upstream	KOC KGOC KUFPEC	1,954,770,869 34,236,698 13,193,000
 Downstream	KNPC KIPIC KPI PIC	359,270,000 359,792,000 3,798,040 10,572,538
 Midstream	KOTC	73,795,000

At a Group level, we have progressively implemented sustainable procurement practices across our subsidiaries, which include policy setting, obtaining certifications, training and development programs and vendor / suppliers screening criteria. Moving forward, we will continue to further develop initiatives that are directed at achieving and implementing Group-wide sustainable procurement practices across the supply chain.

During the reporting period 2020/2021, there were some significant changes across the Group's respective subsidiary's supply chain. These changes are summarized as follows:

- Startup of GC-31 with production capacity of 100 mbpd of crude oil, 62.5 mmscfd of natural gas and 240 mbpd of processed water
- Start of Heavy Oil project with production capacity of 60 mbpd of crude oil
- Restart of WJO and KJO operations
- Largest discovery of natural gas in KUFPEC's history in Malaysia (SK-410B)
- Commissioning of AGRP (Acid Gas Removal Plant) to treat acid gas produced from KOC and KGOC, in line with gas flaring reduction to less than 1%
- Export of first shipment of KSLC to China
- The addition of 1 VLCC and 2 MR vessels to KOTC's fleet
- Commissioning of 17 fuel retail stations domestically and 29 stations internationally



The background of the page is a photograph of an oil pumpjack (jackal) in silhouette against a bright, hazy sky at sunset or sunrise. The sky is filled with soft, white clouds. Overlaid on the image are several thin, intersecting lines in red, blue, and white, creating a geometric pattern. A solid red rectangle is positioned to the left of the main title.

# Environmental Stewardship

Globally, the oil and gas sector is expected to take a stance on addressing its impact and actions affecting the environment. Incorporating renewable, clean energy, efficient resources utilization, management of waste and reduction, biodiversity conservation and emissions reduction are some of the many environmental aspects that KPC as a Group has a commitment to.

Environmental stewardship is one of the areas that KPC Group considers a priority to monitor, address and manage. We consider ourselves responsible for influencing communities, individuals and entities to be more environmentally conscious.

Due to the nature of the oil and gas sector operations, they are considered to be one of the most negatively impactful and environmentally harsh operations. Therefore, we strive to not only adopt or develop innovative technologies, but to also promote responsible practices and the transition into a less environmentally invasive operations.

KPC's 2040 Strategic Directions aim to utilize alternative, renewable and other energy sources that add value to KPC's business and to fulfil KPC's share of Kuwait's Greenhouse Gas (GHG) management commitments. We aspire to achieve a sustainable leadership position in the oil and gas industry, being renowned for our environmental stewardship and performance excellence within the sustainability domain.

This chapter highlights the Group's performance and approach in managing energy use, GHG emissions, water consumption and waste and effluents. It also covers our role in preserving biodiversity.



This chapter outlines the following material topics, covering "Environmental Topics":

**Energy**  
**Emissions**  
**Effluents and Waste**  
**Water**  
**Biodiversity**



## GOAL 7

### Oil and Gas Clean Energy

#### Integrate into Core Business

- Increase the share of alternative energies and technologies in the global energy mix.
- Improve energy efficiency in operation and production.



Covered Sections:  
**Managing Energy Use and Greenhouse Gas Emissions**  
**Managing Water Consumption**  
**Preserving Biodiversity**  
**Managing Waste and Effluents**



## Managing Energy Use and Greenhouse Gas Emissions

At KPC, we constantly assess, measure and report our energy use and Greenhouse Gas (GHG) emissions. With oil and gas considered to be one of the most GHG-emitting industries, KPC Group seeks to manage its carbon footprint and have a positive impact on tackling climate change. We readily consider the feasibility and applicability of implementing technologies that target the Group's GHG and gas-flaring reduction as part of our project management approach, design phase or during project operations. We are keen to be up to date with any existing or emerging GHG reduction regulatory programmes - and ensure that our relevant key personnel are aware of any risks and opportunities that are associated with the Group's GHG performance.

As a Group, our energy sources vary, ranging from electricity grid to thermal energy. Concerning Midstream operations, the source of energy

consumption is derived from thermal sources (i.e. gas and oil). Similarly, most Upstream operations rely on thermal energy sources, specifically on fuel gas and diesel with little dependency on electricity as a secondary source providing energy supply to our Upstream buildings. Downstream operations' energy sources are similar to those for the Upstream segment, having imported steam as an additional source of thermal energy. It should be noted that KPC as a standalone organization utilizes grid electricity as its energy source.

To ensure the oversight and governance aspects of KPC Group's energy and GHG management practices, a policy has been developed covering the Group's Energy Management System. The guidelines in the policy are to ensure that KPC as a Group is in line with sound energy management practices, covering elements as illustrated in the following.



### Leadership and Commitment

To provide visible leadership and commitment to energy management as a prime value that is not compromised and to deliver world-class energy management performance.



### Energy Planning Reporting and Performance Management

To ensure that a planned, systematic, measurable and achievable approach to energy planning and performance management is adopted across KPC and Subsidiaries.



### Compliance Management

To comply with applicable energy laws, regulations, standards, codes, statutory licenses and other requirements.



### Energy Risk Management

To promote a risk-based culture in KPC and Subsidiaries, where decisions are based on clear understanding and management of energy risks and opportunities to achieve continual improvement of the energy performance.



### Retrofit, Design and New Construction

To ensure that projects (new construction, retrofitting and renovation) in KPC and Subsidiaries incorporate energy performance considerations during the design, procurement and construction.



#### Energy Management in Operations and Maintenance

To ensure that energy management improvement opportunities for operational and maintenance activities are implemented in a planned and systematic approach.



#### Communication and Awareness

To ensure that all aspects of the KPC Energy Management System are properly and effectively documented and communicated to all concerned personnel and interested parties.



#### Training and Competence

To ensure that a well-trained and competent workforce is developed and a strong energy management culture is established in KPC and Subsidiaries.



#### Internal Audit

To ensure the effective monitoring of KPC and Subsidiaries' implementation of the KPC Energy Management System (EnMS) by means of internal audits and inspections.



#### Management Review

To ensure that KPC and Subsidiaries' Management regularly review the suitability and effectiveness of the Energy Management System and in parallel work proactively to improve energy performance.






#### Management of Change




To ensure that all changes are identified and managed effectively, such that energy performance of KPC and Subsidiaries is not compromised.

The following represents KPC Group's performance pertaining to its total energy consumption, categorized per type of energy consumed (i.e. thermal / electricity) and per subsidiary.

Total Fuel Consumption (GJ)

	Entity	2020/2021	2018/2019	Difference in performance
Standalone	KPC	0	0	0
 Upstream	KOC KGOC KUFPEC	81,054,719.8 15,482,004.0 N/A	80,408,120.0 50.0 N/A	+646,599.80 +15,481,954.00 N/A
 Downstream	KNPC KIPIC KPI PIC	178,467,827 867,621.0 N/A N/A	94,805,951.0 247,965.0 N/A N/A	+83,661,876.00 +619,656.00 N/A N/A
 Midstream	KOTC	16,218,327.45	14,739,940.0	1,478,387.45
Total		292,090,499.25	190,202,026	+101,888,473.25

#### Total Electricity Consumption (GJ)

	Entity	2020/2021	2018/2019	Difference in performance
Standalone	KPC	44,892	49	-4.108
 Upstream	KOC KGOC KUFPEC	12,068,649.2 497,238.0 1,202.50	11,765,969.0 114,688.0 1,595.0	+302,680.20 GJ +382,550.00 GJ -392.50 GJ
 Downstream	KNPC KIPIC KPI PIC	9,865,453.0 389,013.0 N/A 182,883.8	7,437,444.0 N/A N/A 205,200.0	+2,428,009.00 GJ - N/A -22,316.20 GJ
 Midstream	KOTC	53,912.37	48,530	+5,382.37
Total		23,058,396.76	19,573,475	+3,484,921.76

#### Total Consumption (Fuel and Electricity) (GJ)

All	All	315,148,896.01	209,775,501	+105,373,395.01
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The total energy consumed from fuel and electricity resources in 2020/2021 performance accounted for 315,148,896.01 GJ. In comparison with 2018/2019, there was a 50.2% increase in total energy consumption from the aforementioned energy sources. Noting that, PIC does not generate energy from fuel, instead, it imports steam from another provider. Note that the increase in consumption is attributed to Clean Fuel Projects.




As for KPI, data is considered outside the scope of this report, since its fuel and electricity consumption and emissions are from international fully owned subsidiaries and joint ventures. For our subsidiary KIPIC, data presented illustrates LNG facility performance only and does not reflect Al-Zour facility operational performance.

KPC has actively been working on increasing its dependency on renewable energy resources, to be inline with Kuwait's international commitments and its New Kuwait Vision 2035 (reaching 15% of energy from renewable resources). During the reporting period, a total of 87,363.16, GJ were produced from Renewable energy and consumed by KPC. It is worth noting that KPC spent KD 102,341 (expenditure spent in total on the solar project. This renewable energy was mainly from the utilization of solar panels located in several locations - and used either to lighten streets in KPC Group's locations of operation, or to lighten respective facilities or the surrounding area itself.

In parallel, reduction initiatives that took place in all KPC units achieved a reduction of 1,689,057 GJ from all units. Details on KPC Group's renewable energy performance are presented in the following.



## Renewable Energy (GJ)

	Entity	2020/2021	2018/2019
Standalone	KPC	N/A	N/A
 Upstream	KOC KGOB KUFPEC	79,927.2 N/A N/A	56,320 N/A N/A
 Downstream	KNPC KIPIC KPI PIC	3,688.1 61 N/A 3,339.86	720 N/A 13,385,880 2,503
 Midstream	KOTC	347	N/A
		Total: 87,363.16	Total: 13,445,423

KPC and its 8 subsidiaries' emitted emissions were grouped into 2 scopes: Scope I and Scope II - thus accounting for the direct GHG emissions from sources that are owned or controlled by KPC Group emissions (i.e. fuel consumption in generators, refrigerant gases, vehicles), as well as indirect GHG emissions from purchased electricity (from local authorities) and steam by the Group, respectively. It is worth noting that, the results of the GHG emissions summarized below are the cumulative emissions from CH<sub>4</sub>, HCFs, NO<sub>x</sub> and CO<sub>2</sub>, expressed in CO<sub>2</sub> equivalent, after accounting for the specific global warming potentials of each of the aforementioned gases.

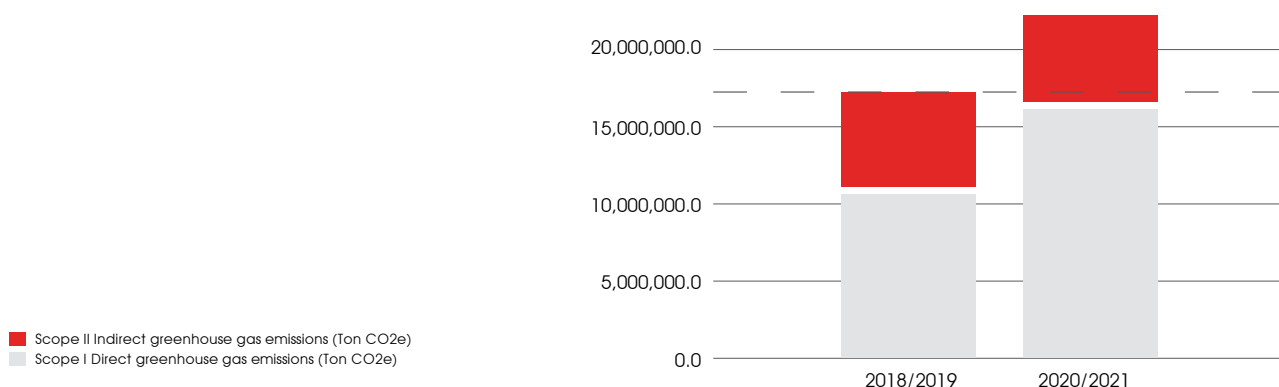
Scope I was the main contributor (73% of the total GHG emissions). While Scope II came from purchased electricity from local authorities, it contributed only 27% of the total GHG emissions. The GHG emissions were computed in tons of

CO<sub>2</sub> equivalent, thus, taking into consideration CO<sub>2</sub> emissions, N<sub>2</sub>O as well as CH<sub>4</sub> and other gases that are considered under the used protocol. It is worth noting that the electricity emission factor of Kuwait was 0.632 TonCO<sub>2</sub>e/ MWh.

The total GHG emissions emitted during the period covered in this report increased by only 16.7% compared to the previous report (21,490,443 TonCO<sub>2</sub>e in 2020/2021 versus 18,196,886 TonCO<sub>2</sub>e in 2018/2019). When comparing Scope I performance with 2018/2019 data, there was a slight increase in GHG emissions which accounted for 9%, whilst Scope II emissions increased by +49% in comparison with 2018/2019 data.




The following illustrates Scope I and II emissions for KPC Group's performance from 2021-2018, with further detailed emissions breakdown per stream and Scope.

### Total GHG Emissions (Scopes I and II)






## Total GHG Emissions (TonCO2e)

### Scope I

	Entity	2020/2021	2018/2019	%Difference
Standalone	KPC	0	0	
 Upstream	KOC KGOC KUFPEC	5,567,479.0 560,351.0 N/A	5,752,917.0 N/A N/A	-3.2%
 Downstream	KNPC KIPIC KPI PIC	8,066,659.0 65,627.2 14,519 3,840.0	7,292,816.0 N/A 14,751.0 N/A	+10.6% -1.6%
 Midstream	KOTC	1,306,951	1,177,228	+11.0%
Total		15,585,426.20	14,237,712	+9%

### Scope II

	Entity	2020/2021	2018/2019	%Difference
Standalone	KPC	N/A	9	
 Upstream	KOC KGOC KUFPEC	3,354,518.2 255,568.80 0	2,222,461.0 78 301	+50.9%
 Downstream	KNPC KIPIC KPI PIC	2,189,392.8 69,825.0 25,594 N/A	1,611,878.0 47,058.0 28,995.0 39,184.0	+35.8% +48.4% -11.7%
 Midstream	KOTC	10,118.0	9,210.0	+9.9%
Total		5,905,016.8	3,959,174	+49%

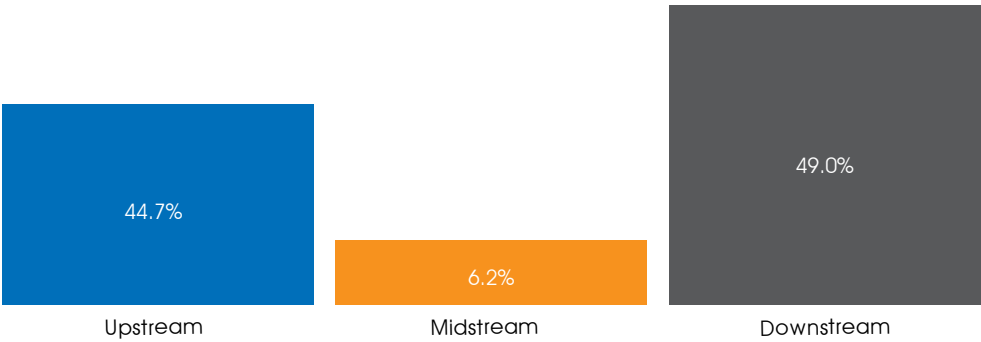
### Total GHG Emissions (Scope I + Scope II)

All	All	21,490,443	18,196,886	+3,037,988.2
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When studying the GHG emission contribution, Downstream and Upstream operations were the main contributors, while the remaining emissions came from Midstream operations. We see that KNPC had the highest contribution in Scope I, while KOC had the highest Scope II contribution.

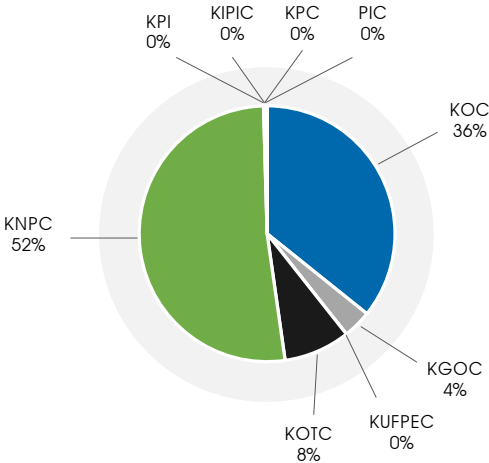
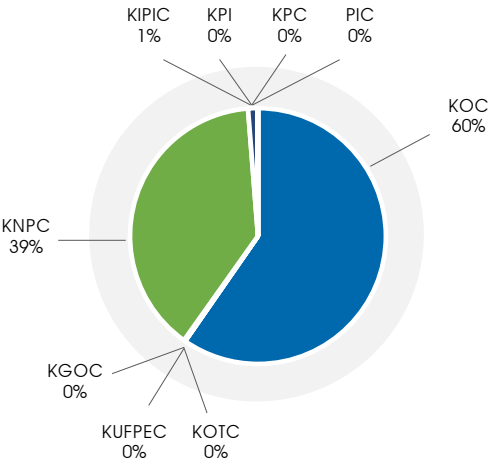
Streams' Contribution to GHG Emissions

Total GHG (21,220,355 Tons CO2e)



Scope I in 2020/2021 per Subsidiary

Scope II in 2020/2021 per Subsidiary



## Intensities of Energy and GHG Emissions

In order to better understand the improvements done by KPC Group, intensities of energy and GHG were computed in terms of GJ/BOE and tCO<sub>2</sub>e/BOE, respectively. In the current report

the power intensities varied between 0.094 and 1.05. Intensities of Scope 1 varied between 0.0056 (KOC) and 1,306,950.90 (KOTC). Table below shows the results from different KPC subsidiaries.

	Upstream				Downstream			Midstream
Intensities	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC
Energy	0.094	N/A	0	N/A	Data not available		1.05	N/A
GHG - Scope 1	0.0056	560,361		N/A	Not applicable as for the reporting period of 2020/21 KIPIC did not start processing crude oil hence there is no unit of volume being processed (i.e. no denominator to calculate the intensity ratio)	14,519	3,840.19	1,306,950.90
GHG - Scope 2	0		N/A			25,594	Data not available	N/A

## Flared and Vented Gases

During the reported period, KPC's flared gas was mainly from 3 operating locations, being KOC, KGOC and KNPC - while flaring was

deemed not applicable in other locations. Moreover, KNPC had a total of 1,613,359 CO<sub>2</sub> metric tons equivalent of vented gases.

	Upstream				Downstream			Midstream
	KOC	KGOC	KUFPEC	KNPC	KIPIC	KPI	PIC	KOTC
Flared gases	131,004,508.5 m <sup>3</sup>	178,952 CO <sub>2</sub> metric tons equivalent	Not applicable	336,717.56 CO <sub>2</sub> metric tons equivalent	0	0	0	Not applicable
Vented gases				1,613,359 CO <sub>2</sub> metric tons equivalent				



## KPC Group SDG7 Integration Within Core Business

### **SDG Goal 7: Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All**

Energy is one of the key drivers of sustainable development and excellence, being inextricably linked to climate change and the management of GHG emissions. To ensure access to affordable and reliable energy, one that meets an entity's demand and supply while at the same time has a lower-carbon energy source, depends greatly on having a long-term energy management plan, system, strategy or framework.

Whether through the adoption of technologies, the construction of renewable energy facilities or the implementation of energy management systems, among various other developments, over the years our subsidiaries have been developing initiatives targeted at managing their operations' energy consumption.

For instance, at KOC, around 10 MW of electrical power as part of Sidrah 500 project, is generated solely from our photovoltaic solar plant in West Kuwait. The Sidrah 500 solar plant is registered as a Clean Development Mechanism under the United Nations Framework Convention for Climate Change.

KOTC Fleet Operations and PIC Head Office have an energy management system in place, which is in accordance with ISO 50001. This enables both subsidiaries to be guided in terms of incorporating responsible energy consumption practices and identifying significant energy uses opportunities against an energy performance

indicators. Both subsidiaries perform energy management audits on a regular basis, to identify any potential energy reduction opportunities and to ensure the continuous evaluation and maintenance of their energy systems.

Our subsidiary, KNPC, has shown its commitment to energy management and GHG mitigation in areas concerning green buildings. KNPC successfully adopted pilot studies of implementing the Global Sustainability Assessment System (GSAS) in 2 operational building categories. KNPC's Head Office is certified as "Gold" level rating and Mina Abdullah Admin Building is certified as a "Silver" level rating from the Gulf Organization for Research and Development (GORD). Moreover, work is underway regarding the installation of solar energy systems at KNPC's Petrol Filling Stations. This is currently being implemented in a phased manner till 2023.

KIPIC through its LNGI project is planned to meet Kuwait's growing needs for clean fuel (natural gas) utilized to generate electricity and supply the demand of other natural gas consumers such as oil refineries and petrochemical industries.

Some of the technologies used at KOC to mitigate emissions are Sulfur recovery units, acid gas recovery plants, gas reinjection plant and gas sweetening facility. At KGOC, our Wafra Joint Operations implemented an energy management procedure as part of our efforts to promote environmental protection.



# Clean Fuels Project

The Clean Fuels Project involves the upgrading and expansion of Mina Abdullah and Mina Al Ahmadi refineries to increase capacity and aiming to integrate the refining system into one complex with full conversion operation. The overall process capacity will increase from 736,000 bpsd (after SHU retirement) to 800,000 bpsd.

Both refineries should fulfill the local and international demand for clean fuels as they will be in line with the most stringent environmental requirements. The resulting products would meet Euro-4/Euro-5 specifications, thereby creating a significant environmental impact as SO<sub>x</sub>, NO<sub>x</sub> and other relevant pollutants' emissions would be reduced. For example, the Sulfur content in gasoline should go down from 500 ppm to 10 ppm, and in gas oil from 5,000 ppm to 10 ppm. In addition to having a positive environmental impact, the Clean Fuel project will have a social impact too. This will be reflected by the number of job opportunities created and how it will influence the community's economic prosperity.

We are proud of this strategic project, where our outstanding project concept and efforts have been awarded with the Gold Award in HSE Excellence by the American Society of Safety Engineers Kuwait Chapter.







## Other Air Pollutants

Due to the type of operation, KPC subsidiaries emit different air pollutants, which have serious impacts on health and the environment. Among these pollutants are PM (particulate matters) which are emitted from burning fuels, NO<sub>x</sub>, SO<sub>x</sub>, CO, POP (Persistent organic pollutants), VOC (Volatile organic Compounds), HAP (Hazardous air pollutants). These gases are emitted during

fuels burning or by evaporations of oil and gases. KPC subsidiaries constantly monitor such air pollutants due to their adverse impacts on individuals' health and the surrounding environment. It was evident during the reporting period such air pollutants mainly result from our Upstream and Downstream operations, stating that KPI data cover Milazzo refinery operations.

	Upstream			Downstream		Midstream	
	KOC	KGOC	KUFPEC	KNPC	KPI	PIC	KOTC
Nox (Kg)	39,919,333.0	*	0	-	1,226,885	-	29,532,500
SOX (Kg)	210,009,866.6	*	0	-	1,620,744	-	3,629,500
Persistent organic pollutants (POP) (Kg)	Data is not available	N/A	0	Data is not available	N/A	-	-
Volatile organic Compounds (VOC) (Kg)	18,449,666.6	N/A	0	-	76,114	-	-
Hazardous air pollutants (HAP) (Kg)	3,407,768.7	*	0	-	N/A	-	-
Particulate matter (PM) (Kg)	1,212,968.7	*	0	502,210.0	2,668	-	-
Other standard categories of air emissions identified in relevant regulations (Kg)	Data is not available	*	0	5,157,250.0 (CO)	1835.23 (CO <sub>2</sub> )	-	-

\*CO<sub>2</sub>e is based on total flaring, fugitives, combustion activities etc in Upstream operation. Not single source of Emission factor. 125,191,494 Kg Co<sub>2</sub>e.

## Managing Water Consumption

The availability of sufficient water resources is essential for our operations. Water is needed to supply KPC Group's diverse activities, where various water sources are used that are tailored to each stream's operations and respective activities' demand. There are 2 main types of water sources the KPC Group uses, namely potable and industrial water. All our subsidiaries and KPC itself require potable water for daily use, and that is supplied by Kuwait's Ministry of Electricity and Water (MEW). However, industrial water is considered to be the primary type of water used at our operations. The source

of most of our industrial water is surface water – seawater withdrawn from the Arabian Gulf – while groundwater is occasionally used in our Upstream segment.

For our Upstream operations, industrial water is used for hydraulic fracturing, exploration, drilling, machine washing, dust control, water flooding in enhanced oil recovery, and pipeline testing. Downstream operations consume abundant quantities of industrial water, mainly during processing and cooling activities. In contrast, Midstream operations do not use any industrial



water but this stream's operations, nevertheless, have a direct impact on natural water bodies through possible discharges or spill incidents.

In relation to our water use, we seek to adopt low-intensity and water dependent technologies in our operations, in order to facilitate responsible consumption and minimize water withdrawal. Subsequent to water usage and consumption, wastewater is generated as a byproduct of our Upstream and Downstream segments' operation. At our Upstream operations, nearly all wastewater resulting from the stream's operations is either reused, recycled or reinjected into our reservoirs, and we do not discharge it to any surface bodies. Most of the Group's water discharges originate from our Downstream operations, where wastewater is produced. Thus, primarily KNPC, PIC and KIPIC are responsible of ensuring the highest quality of

standards are applied while treating wastewater - in accordance with Kuwait Environment Public Authority (KEPA). KIPIC's LNGI facility vaporizes liquified natural gas before sending it to the local grid for consumers including power stations.

During the reported period, the total amount of withdrawn water accounted for 106,654,562.6 Mega liters (ML) of water, thus, reflecting a 104,163,025.21 ML increase comparatively to the previous period (2,491,537.44 ML of water. On the contrary, compared to the previously reported values, there was a -6.05% decrease in the quantity of discharged water, going from 1,422,056.6 ML in 2018/2019 to 1,335,967.0 ML in 2020/2021.

Details on KPC Group's water performance data for both discharge and withdrawal and per subsidiary are presented in the following.

#### Water Discharge (ML)

	Entity	2020/2021	2018/2019
Standalone	KPC	N/A	N/A
Upstream	KOC KGOC KUFPEC	0 N/A N/A	0 N/A N/A
Downstream	KNPC KIPIC KPI PIC	1,335,964 3.02 N/A N/A	1,421,298 515 N/A 2.6
Midstream	KOTC	N/A	241

#### Water Withdrawal (ML)

	Entity	2020/2021	2018/2019
Standalone	KPC	78.768	106.44
Upstream	KOC KGOC KUFPEC	106,594,486 14,303.0 1,800.31	94,091 N/A N/A
Downstream	KNPC KIPIC KPI PIC	17,884 169.68 N/A 25,752.90	2,379,743 N/A N/A 17,329
Midstream	KOTC	87.99	268

\* It should be noted that some data is not applicable to KGOC since all KGOC industrial sites were not operational across 2021-2018 performance.

\* Any KUFPEC and KPI, operations that are outside the reporting boundary of Kuwait, were also excluded. As for KPC, some data is considered not applicable since it does not have any industrial operations nor data for potable water is available.

\* KOTC data covers the scope of Umm Al Aish gas filling branch and fleet operations.

\* All figures for KIPIC represent data from LNG facility only and does not include data from Al-Zour facility.

## Managing Waste and Effluents

The oil and gas sector accumulates substantial quantities of waste and effluents as a consequence of its streams' activities and production. The quantity of generated waste and effluents is proportional to the level of drilling, extraction, production and transportation frequency. At KPC Group our generated waste is categorized into operational waste (i.e. paper, glass, plastic, etc.), which is mostly non-hazardous, and into hazardous waste (i.e. drilling fluids, petroleum refining process wastes, etc.). In our Upstream operations, the generated waste and effluents include drilling fluids, drilling muds, and solid cuttings from the borehole - which are considered hazardous waste due to constituting of toxic compounds. Midstream mainly generates operational waste consisting of incinerator ashes, cleaning agents and additives contained in cargo hold and external wash water. The external wash water does not include grey water, bilge water, or other similar discharges essential to ship operations.

Sludge waste is generated from Downstream operations and processes, whereas KPC's hazardous waste (i.e. oil, grease, refrigerant gas freon, chemicals used in cleaning) is generated from electromechanical systems use and maintenance in its premises.

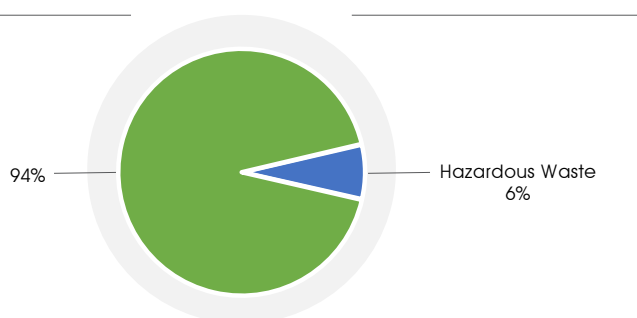
The Group's non-hazardous waste is generated from employee activities and equipment replacement activities - including admin-related waste (i.e. paper, cartoon, plastic bottles, etc.) stationery, organic waste (i.e. food and beverages), furniture, and computers among others.

During the reporting period, our Group generated 40,567.89 and 618,524.39 tons of hazardous and non-hazardous waste, respectively.

During the reporting period, KPC Group generated a total of 659,092.28 tons of waste, consisting of only 6% of hazardous waste.

### KPC Group Total Waste

Total Waste Breakdown



Comparing the amounts of generated hazardous waste during the period covered in this report, with that previously reported, only an increase of 1.5% was registered. Comparing 2020/2021 performance with 2018/2019 data, KPC Group had an increase of 596,420.39 tons of non-hazardous waste generated.

The following shows more detail on the total waste generated, categorized by each subsidiary and stream operations. Looking at the performance data, it is noticeable that Downstream operations are the main contributors of generated hazardous waste and KIPIC contributes the most quantity of non-hazardous waste.

## Total Waste Generated (Metric Ton)

### Hazardous Waste

	Entity	2020/2021	2018/2019
Standalone	KPC	Not applicable	<1
Upstream	KOC KGOC KUFPEC	7,549 106 12,584	7,114 N/A N/A
Downstream	KNPC KIPIC KPI PIC	12,729 1,401.08 Not applicable 120.61	32,502 11.44 Not applicable 93.37
Midstream	KOTC	6,078.2	231
Total		40,567.89	39,951.77

### Non-Hazardous Waste

	Entity	2020/2021	2018/2019
Standalone	KPC	105,051.3	56
Upstream	KOC KGOC KUFPEC	105,051.29 2,964 -	7,114 4,301 22
Downstream	KNPC KIPIC KPI PIC	386,571 17,301.476 Not applicable 0.33	2,936 6,019 Not applicable 243
Midstream	KOTC	1,584.99	1,413
Total		618,524.39	22,104

### Total Generated Waste

All	All	659,092.28	62,055.77
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KPI Data on waste is not applicable, as all the operations are outside of the reporting scope and boundary of Kuwait – noting that KPI does not own an office building. All figures for KIPIC represent data from the LNG facility only and do not include data concerning the Al-Zour Refinery.

Notably, to get rid of our non-hazardous and hazardous waste in a safe and sound manner, KPC worked on reducing its landfill dumping and implemented several waste management strategies that are in accordance with KPC HSSE standards and guidelines. The waste management guidelines outline how KPC as a Group ought to classify, handle, reuse, recycle

and dispose of both our non- and hazardous waste. Stating that, prior to the dumping of any of the Group's generated waste, KPC seeks KEPA approval for the oil and gas related waste dumping and landfill sites.

The following gives details regarding KPC Group waste disposal data, categorized by disposal method (i.e. recycling, compost, landfill, etc.) and for each subsidiary. It should be noted that, looking only at non-hazardous waste, the recycling rate was calculated at 79% of all non-hazardous waste managed and disposed. Meanwhile, looking at hazardous waste, the recycling rate was 15.7% of all hazardous waste managed and disposed.

## Non-Hazardous Waste Management and Disposal (Metric Ton)



Recycled

Entity		2020/2021
Upstream	KOC KGOC KUFPEC	18,214 Not Applicable 8,089
Downstream	KNPC KIPIC KPI PIC	386,165 1,721.175 Not Applicable Not Applicable
Midstream	KOTC	-
Total		414,189.175



Composting

Entity		2020/2021
Upstream	KOC KGOC KUFPEC	146 Not Applicable Not Applicable
Downstream	KNPC KIPIC KPI PIC	Not Applicable Not Applicable Not Applicable Not Applicable
Midstream	KOTC	Not Applicable
Total		146



Landfilled

Entity		2020/2021
Upstream	KOC KGOC KUFPEC	84,415.00 2,964 4495
Downstream	KNPC KIPIC KPI PIC	406.00 15,580.30 Not Applicable 120.61
Midstream	KOTC	-
Total		107,980.91

## Hazardous Waste Management and Disposal (Metric Ton)



Recycled

Entity		2020/2021
Upstream	KOC KGOC KUFPEC	1,757 Not Applicable -
Downstream	KNPC KIPIC KPI PIC	Not Applicable 860.64 Not Applicable Not Applicable
Midstream	KOTC	-
Total		2,617.64



Landfilled

Entity		2020/2021
Upstream	KOC KGOC KUFPEC	612 106 -
Downstream	KNPC KIPIC KPI PIC	12,728.00 540.44 Not Applicable Not Applicable
Midstream	KOTC	-
Total		13,986.44



Reused

Entity		2020/2021
Upstream	KOC KGOC KUFPEC	124 Not Applicable -
Downstream	KNPC KIPIC KPI PIC	Not Applicable Not Applicable Not Applicable Not Applicable
Midstream	KOTC	-
Total		124



## Drilling Mud

Drilling mud is a heavy, viscous fluid mixture that is used in oil and gas drilling operations to carry rock cuttings to the surface and also to lubricate and cool the drill bit. It may include water based, oil based mud (non-aqueous mud). Water should not exceed 50% of it. They are rich in chemicals and should be treated. In KOC, a total volume

of cuttings produced using aqueous drilling fluid (Tonnes) by onshore disposal to controlled sites was 19,183 Tonnes, while a similar amount was produced using aqueous fluids.

These muds were treated at both plants owned by the company and located at the north and west of Kuwait and with a capacity of 26,000 Tonnes per year per facility. Details are provided

Upstream		KOC
Total amount of drill mud produced using non-aqueous drilling fluid (Tonnes) by recycling		5,679
Total amount of drill mud (in Tonnes) produced using non-aqueous drilling fluid by disposal method		5,679
Total amount of cuttings produced using non-aqueous drilling fluid (Tonnes) by disposal recycling		7,870
Total amount of cuttings (in Tonnes) produced using non-aqueous drilling fluid		7,870
Total amount of drill mud produced using aqueous drilling fluid (Tonnes) by disposal method		0
Total amount of cuttings produced using aqueous drilling fluid (Tonnes) by onshore disposal to controlled sites		19,183
Total amount of cuttings produced using aqueous drilling fluid (Tonnes)		19,183

## Biodiversity

Recognizing the negative impacts on and potential risks to the local community's biodiversity that are associated with our operations is a matter that we do not take lightly. Guided by georeferenced data, standards and regulations, we constantly adopt best practices as means of protecting endangered areas or species in all our operating locations and facilities.

Our commitment to the preservation of natural habitat and biodiversity applies across all our subsidiaries. KPC has already signed several agreements with local and international bodies to protect the biodiversity of Kuwait in regions where it operates. More importantly, the 2040 Strategy highlights the role of biodiversity, remediations and treatment of oil leaks caused by the invasion in 1990 or from its operations.

Various methods that target the conservation of biodiversity and the local ecosystem are applied and taken into account, whether in terms of prevention, compensation or mitigation, throughout KPC Group's value chain. As a measure to protect biodiversity and minimize ecological footprint, our subsidiary KNPC ensures that all sites, both operational and planned project site locations, are not located within or near protected areas.

Since KOC controls areas that are considered to be biodiversity rich, with some unique plant communities (i.e. *Haloxylon salicornicum*, *epaposum* and *Cyperus conglomeratus* steppe), and where a large number of animals from different taxa are found (birds, mammals, reptiles, anthropods etc.) various projects have been implemented to preserve such fauna and flora. Since 2014, KOC has been collaborating with local and international bodies (i.e. consultants, research institutes) and has developed a detailed program for establishing an effective wildlife habitat management protocol for selected territorial areas of KOC. Internally, KOC ensures that its workforce is well educated and aware of the importance of protecting natural habitat and ensures that different programs and initiatives are implemented.

For KOC, soil samples are periodically monitored for exposures to PAH and oil contaminations. Several strategies were set in place to improve soil quality. Some examples include area remediation in and around wellhead pits that are geographically stretched across Raudhain, Sabriya Burgan and Magwa, as well as in areas damaged by oil leaks, oil-contaminated piles, oil trenches and oil spills in regions within 114 m<sup>2</sup> of KOC oilfields. Some of the main initiatives that KOC has implemented for biodiversity conservation include:



The development of the Wild Habitat (Flora & Fauna) Management Procedure and Programs



The establishment of effective wildlife habitats



The initiation of internal biodiversity awareness campaigns



The development and completion of the wildlife habitat survey to identify and mitigate the key concerns relating to wildlife habitats management

Last but not least, a plan to plant more than 8.6 million plants over a period of 3 years was approved. Long-term monitoring of the physical and biological parameters of the revegetation areas is to be conducted by Kuwait Institute Scientific Research (KISR) to determine the ecological functioning is being restored.

KPC has already signed several local and international agreements to protect the biodiversity in the regions it covers, with, among others, agreements with KEPA, the United Nations Convention to combat desertification in countries, and the United Nations Convention on biological diversity in Rio de Janeiro, as well as other conventions such as the Kuwait regional Convention for corporation on the protection of the marine environment from pollution and from land-based pollution sources, and the Convention on the protection and conservation of wildlife and natural habitats in GCC countries.





# Product Responsibility

Creating a prosperous future relies greatly on the development of new innovative ideas and products that seek to embrace technology, promote product responsibility, and solve challenges in manner that creates equilibrium value.

Innovation is considered to be a distinctive corporate value at the KPC Group, crucial to sustaining the steady flow of fuels and materials and the resilience of our operations and products. Through the incorporation of innovative solutions and product responsibility, we will be directly contributing to the Group's sustainable development and advancement. Incorporating sustainable and innovative thinking across the Group's decision-making process will further strengthen our business performance and competitiveness.



One of the Group's 2040 Strategic Directions is to develop a digital strategy and implement a digital transformation framework to achieve operational excellence. Moreover, the 2040 Strategy aims to build and maintain research and technology (R&T) skills, capabilities and infrastructure aligned with business needs through a physical R&T center and collaborations with strategic partners – and to proactively adopt and develop new technologies that align to business needs.

In this chapter we provide more details on how KPC Group adopts technological and innovative solutions that ensure product responsibility and how we proactively manage to meet our stakeholders' expectations through our products.

This chapter outlines the following material topics, covering "Product Responsibility" topics:

#### Innovation



## GOAL 9

### Oil and Gas Infrastructure

#### Integrate into Core Business

- Upgrade infrastructure and technology to make them sustainable

#### Collaborate and Leverage

- Enhance technological capabilities and knowledge transfer



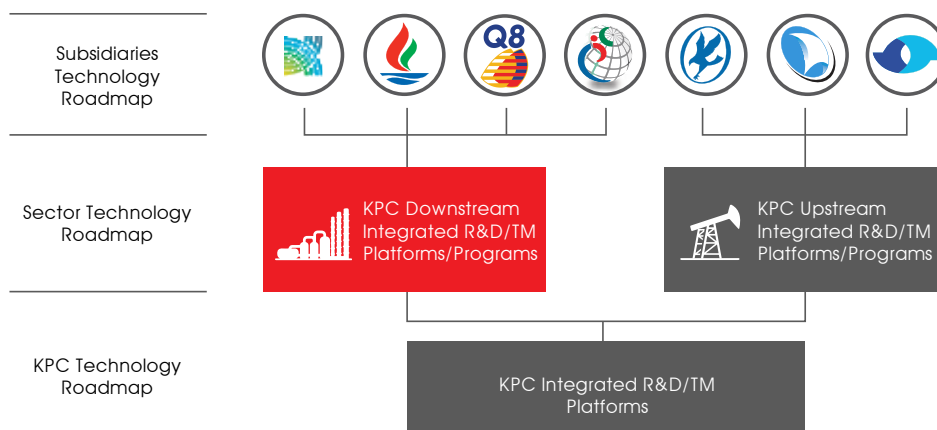
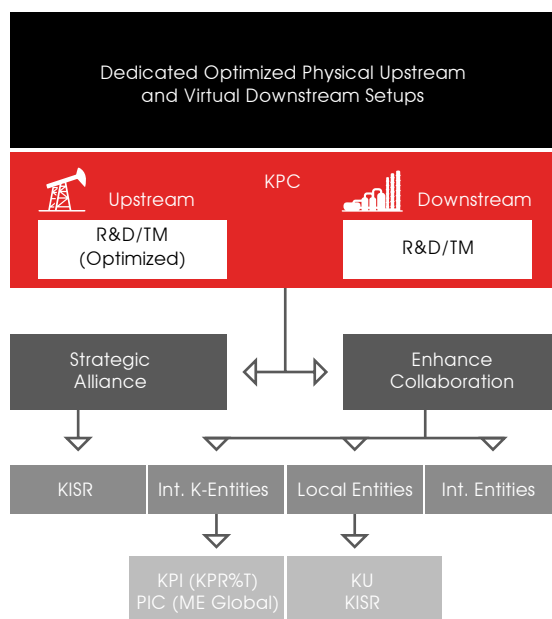
Covered Sections:  
**Research and Technology**  
**Innovating Responsibly**

## Research and Technology

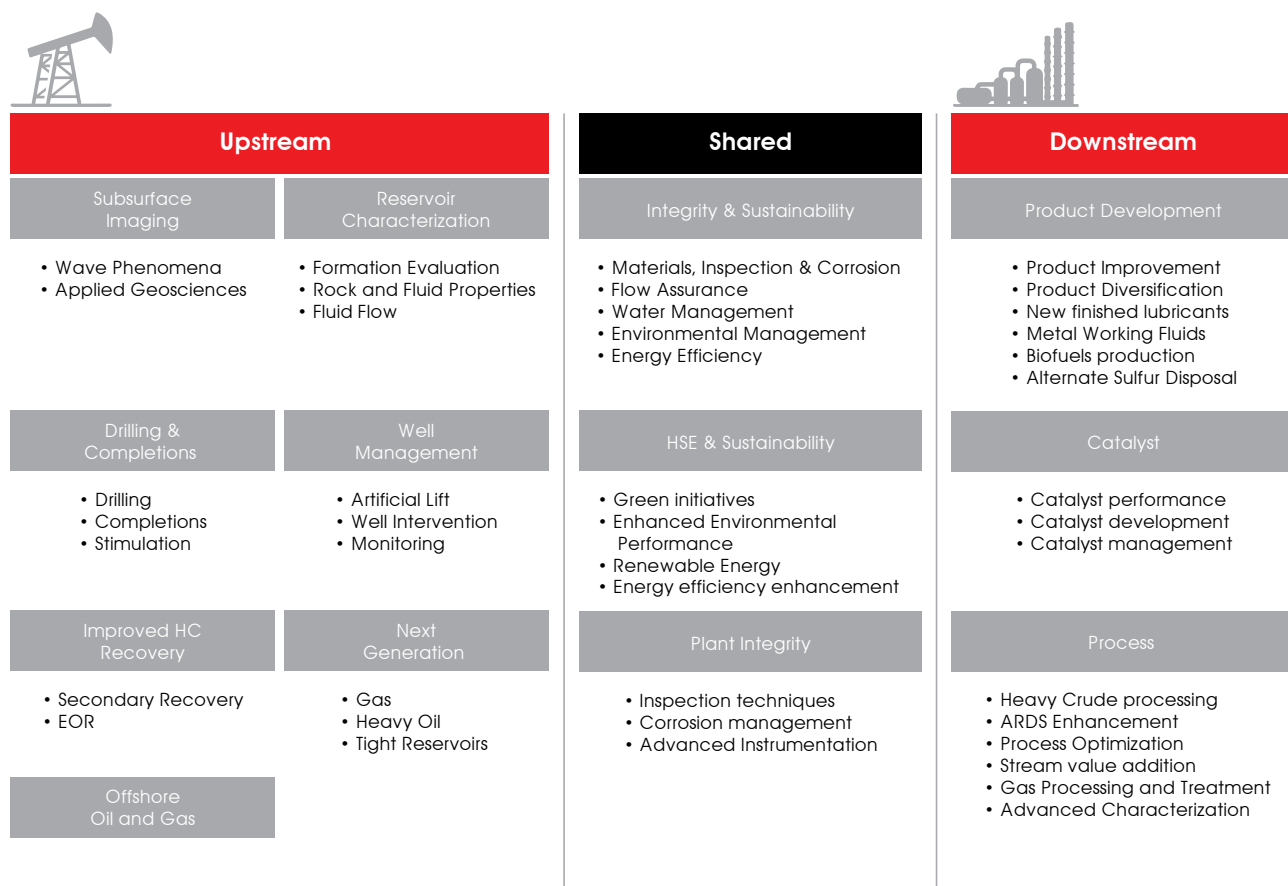
Addressing market needs and being in line with emerging technologies and innovative solutions requires extensive research and development to enhance our existing performance capabilities and drive change.

Through research and development (R&D), KPC aims to bridge and transform any gaps that may arise within its sustainability performance or business units and market needs, and explore any potential development opportunities within the oil and gas sector.

The R&D/TM operating model is dedicated mainly to optimizing our Upstream physical setup and the Downstream virtual setup. The model focuses on forming strategic alliances and enhancing collaboration within the R&D/TM domain. A detailed representation of R&D/TM operating model and KPC's master integrated technology roadmap is provided in the following.



## KPC Master Integrated Technology Roadmap – Platforms & Programs



Q8Research is part of KPC's subsidiaries and provides group services, with its activities encompassing new product development, specifications for materials and products, legislation compliance and quality control. Q8Research also provides product testing, along with certification and quality control services to KPC and to third party customers. This entails problem solving, optimizing the daily operations and employing the latest test techniques.

With our holistic approach to petroleum research and product development, Q8Research is ideally placed to provide the very best support to our customers and to our internal operations as well.

The Q8Research services further extend and offer full-service package for petroleum product quality issues, where a summary of Q8Research services is illustrated in the following.

## Q8 Research Services and Capabilities



### a) Analytical Lab

- Diagnose issues and decide what analytical testing is necessary to have a correct analysis of the issue or claim
- Take samples from facilities, by professional samplers to ensure enough product is sampled at the right location enabling the correct analysis of the product
- Analyze samples in a professional lab with legally approved analysis methods (ASTM, EN, DIN)
- Interpret results and compose an advisory report
- Analyze filters, engine parts (i.e. injectors, valves) in case more complex issues may be found



### b) Catalysis Services

- Benchmarking
- Catalyst quality control
- Reproducibility
- Unit optimization / Energy saving
- Analytical & Characterization Services
- Coking studies
- Poisoning studies
- Kinetic data generation
- Characterization



### c) Crude Assay

- Pilot plant equipment available to process crudes and other feed stocks and for distillation of the crude oil
- Analysis of product fractions that are utilized for performance testing and further research
- Stimulation of catalysis processes in catalyst pilot plants that are utilized for catalyst research, catalyst performance testing and benchmarking catalysts from different vendors

Through Q8Research, KPC Group participated in various international research and development projects that were looking at innovating the oil and gas sector adopted practices.

In the following section, we present how, as a Group, we integrate Sustainable Development Goal (SDG) 9 within our core business, summarizing 3 of our main conducted international research and development projects: Project SherLOHck, Project BioSFerA and Project MOTOR.



## KPC Group SDG9 Integration Within Core Business

### SDG Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

#### SherLOHCk: Liquid Organic Hydrogen Carrier

The SherLOHCk project targets joint developments in order to reduce the system cost for Liquid Organic Hydrogen Carriers (LOHC) technology to 3EUR/kg for large-scale applications. The project covers the partial / total substitution of PGM catalysts, higher efficiency through novel catalytic system architecture and prototype demonstration in a stationary unit (>10kW, > 200h). The project was initiated in April 2020 and is expected to be complete by March 2024, with a financial budget of €2.500.000.

The project leading to this application has received funding from the Fuel Cells and Hydrogen 2 Joint Undertaking (JU). The JU receives support from the European Union's Horizon 2020 research and innovation programme and France, Germany, Spain, and the Netherlands.

The main role of Q8Research in this project is to compare the performance of different

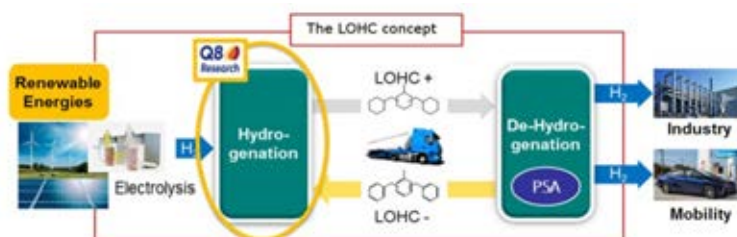
hydrogenation catalysts in the continuous flow catalyst pilot plant to select the best catalyst(s) for upscaling, and perform life-time-testing (>120h) of the final selected hydrogenation catalyst(s).

A combination of challenges for the catalyst material, catalyst system and their related energy storage capabilities will constitute the core of a catalyst system for LOHC, and that will be validated first at a lab scale, then in a demo unit > 10kW. As a whole, the project will enable the reduction of energy intensity during loading / unloading processes, a higher efficiency and increased lifetime.

Technological, economic and social bottlenecks are considered to determine the economic viability, balance of energy and the environmental footprint of the novel catalyst synthesis route.

Scale-up of the obtained solutions will be carried out together with technology comparison with other hydrogen logistic concepts based on LCA and TCO considerations to finally improve the economic viability of the LOHC technology.

SherLOHCk project is supported by:



## KPC Group SDG9 Integration Within Core Business

### **SDG Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

#### **BioSFerA**

The project aims to develop a cost-effective interdisciplinary technology to produce sustainable aviation and maritime fuels from biogenic residues and wastes. The project was initiated in April 2020 and is expected to be complete by March 2024, with a financial budget of €4.998.653,70.

The overall process involves combining thermochemical, biological and thermocatalytic parts that are based on the gasification of biomass and other biogenic waste in a Dual Fluidized Bed gasifier and undergoing a 2-stage fermentation of the produced syngas. Through this process the syngas is converted to acetate (1st stage) and then the acetate is converted to TAGs (2nd stage). The produced TAGs contain medium and long fatty acids, which are hydrotreated and isomerized after the necessary separation and purification, and the end-products are sustainable aviation and maritime fuels.

BioSFerA aims to evolve the proposed technology from TRL3 to TRL5. In the TRL3 phase, extensive lab scale tests will take place in order to optimize the process and increase its feedstock flexibility

in terms of non-food bio-based blends. The best acetogenic bacterial strain will be identified based on its tolerance to syngas contaminants. Moreover, oleaginous yeasts will be genetically modified to convert the acetate derived from the first stage into C14 and C16-18 TAGs. Then, building upon lab tests, the pilot scale runs (TRL5) will investigate the overall process. At least 2 barrels of hydrotreated TAGs will be produced as drop-in biofuels.

The main role of Q8Research in this project is to assess the potentiality of converting the fermentation products into liquid fuels and assess the feasibility to market them from commercial and legal point of views. Additionally, Q8Research is responsible for the assessment of the business cases and exploitation strategy (blending, co-processing and commercialization, "in situ" consumption, etc.); and the assessment of products against legal specifications/requirements. Its responsibilities also include the process of qualifying products as blend-stock (or pure) or co-processing liquids for jet fuel and diesel; the development of tests for the validation of the technology up to TRL 5; and the assessment of legal feasibility in view of REDII regulations.

This project is supported by and has received funding from the European Union's Horizon 2020 research innovation programme.



## KPC Group SDG9 Integration Within Core Business

### SDG Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

#### Project MOTOR: Biofuels

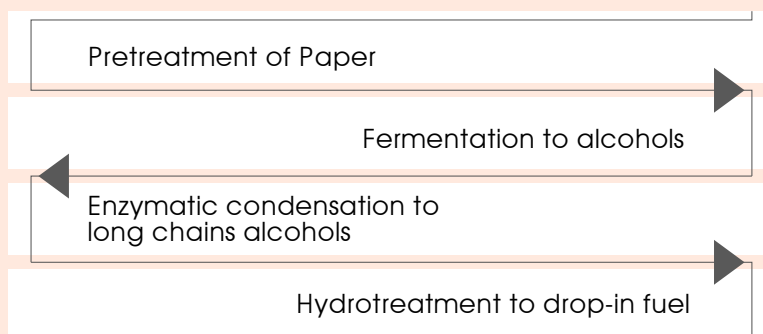
The aim of the project MOTOR is the production of advanced biofuels from paper sludge for heavy duty transport and aviation. This paper sludge is provided by Smurfit Kappa, a world leader in the production of paper-based packaging solutions. A consortium of 3 SME's, 2 large industrial organizations, 2 research organizations and Q8Research aims to develop novel technologies that ultimately can be applied globally.

The project was initiated in June 2019 and is expected to be complete by May 2022, having a total financial budget of €408,432. During the project period, a techno-economic analysis was conducted to confirm the economic feasibility of this production technique.

This research has the potential to contribute to the reduction of CO<sub>2</sub> emissions. The use of enzymatic conversions is energy efficient, since all techniques are done at ambient conditions, thereby resulting in a major advantage for the overall low CO<sub>2</sub> footprint of this fuel.

The main role of Q8Research in this project is to assess the potential of converting long chain alcohols into liquid fuels and the feasibility of marketing them from a commercial and legal point of view. Q8Research is additionally responsible for the in-depth analysis of long chain aliphatic alcohols or ketones produced during enzymatic condensation – and the hydrotreatment of long chain aliphatic alcohols or ketones. Q8Research is also responsible for qualifying the products as blend-stock (or pure) or as co-processing liquids for jet fuel and diesel.

Innovative process steps to convert paper sludge transport fuel



The MOTOR project is supported by “Topsector Energiesubsidie” of the Dutch Ministry of Economic Affairs and Climate.





KPC Group has 2 other research and technology centers / initiatives other than Q8Research, which are Kuwait Integrated Digital Field (KwIDF) and Burgan Collaboration Center. KwIDF is one of KOC's most complex, ambitious and strategic projects. It aims not only to optimize production and help the company meet the challenges of the 2040 Strategy but most importantly it aims to drive KOC into a sustainable future by incorporating innovation and operational intelligence within its business activities. KwIDF is a collaborative initiative that is implemented across all of KOC and is not just an R&T project.

It has state-of-the-art communications, sensor devices, collaboration centers, and automated engineering workflows – present at 4 different field pilot projects in Kuwait. The 4 field pilot

projects that have KwIDF are South and East Kuwait, NK KwIDF, Jurassic North Kuwait and West Kuwait.

The KwIDF vision is to achieve operational intelligence for the measurement, modelling, and control of oil field assets, where informed decisions are made effectively and consistently in a collaborative work environment for production and reservoir management. It forms a new generation of petroleum workflow automation, integrating real-time data with asset models. It enables KOC team members to better analyze data and fully understand asset performance, with the objective of having better field development plans, operational expenditure (OPEX) control and oil production enhancement.



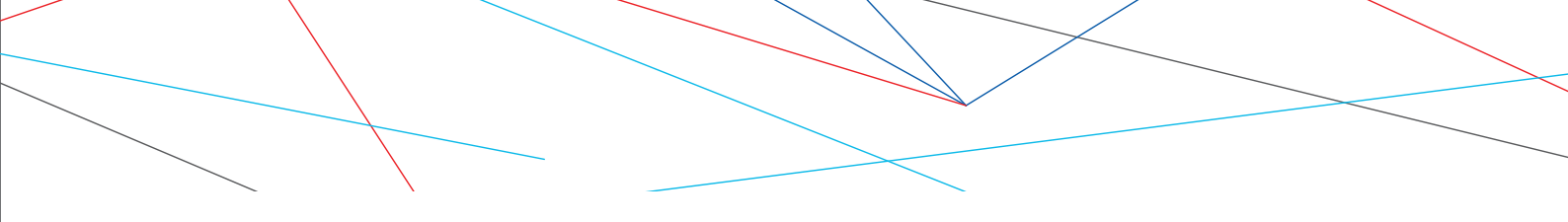
In the Burgan Collaboration Center, experts across KOC are able to work together to diagnose problems and opportunities, and recommend and agree actions more quickly and easily. The aim of the center is to reduce the whole collaboration cycle from weeks to minutes, by:

- Informed decision-making ability through effective collaboration of all subject matter experts in a technically savvy work environment, with all ergonomics designed for effective communication and data access
- Using the Collaboration Center to display information; extracting and presenting critical data in a way that busy operators and engineers can get to and understand quickly and easily

- Setting up and running meetings in the Collaboration Center quickly and as needed; enabling a wide range of experience and expertise to be brought to bear on a problem or opportunity
- Allowing easier collaboration between key teams in the South & East Kuwait Directorate; providing essential conferencing between the Field Development groups and their Operations colleagues to share knowledge and resolve problems together
- Speeding up the ability to take action, both at the Gathering Center or through remote control of the wells

It should be noted that each of KPC's subsidiaries has its own standalone Research and Development (R&D) Department. Each





R&D Department operates with the purpose of identifying innovative solutions that aid to exhibiting responsible operations - whether in terms of productivity efficiency, emissions and resources consumption reduction, management of environmental and social impacts or in terms of operational cost reduction and sustained revenue growth.

### **Innovating Responsibly**

Being one of the main influential organizations in terms of sustaining the resilience of our community's economy, it is essential that we consider broader stakeholder inclusion when proceeding with any innovative business development. Innovating responsibly involves the process of anticipating societal needs, the inclusion of stakeholders' needs within decision-making, and the role and impact of new innovative products or business models have on the society and on the environment.

At KPC, we understand that the quality of our manufactured products and our compliance with the Group's products and services information and labeling significantly influence customer satisfaction and subsequently our business performance and market competitiveness.

Numerous regulations are available to classify the quality of the oil and gas sector's materials and products. The Classification, Labelling and Packaging (CLP) Regulation is a European Union (EU) system of classification, labeling and packaging of chemical substances and mixtures. The CLP regulation has been developed to create a harmonized system to identify hazardous chemicals and inform users about their hazards through standard symbols and phrases. We at KPC Group consider such regulation as part of our responsible innovating practices. We uphold the highest standards of quality, health and safety practices and have the capabilities and expertise to mitigate any potential risks associated with the handling, storage and transport of our products.

At KPC, we have a Master Research Collaboration Agreement (MRCA) between KPC and the Kuwait Institute for Scientific Research (KISR) for cooperation in the oil, gas, petrochemical and energy Industry. The outcome of the collaboration is an annually-updated research agenda that addresses KPC's and its subsidiaries' challenges and in alignment with KPC R&T Roadmap.

As a Group we are governed by our Quality Management system – ISO 9001, set to achieve operational and product-related quality objectives. Additionally, the 2040 Strategic Directions emphasize establishing guidelines for the control of and handling of our products and the adoption of innovative solutions and new technologies – with the purpose of handling our products responsibly across their life cycle in terms of their quality, health and safety measures and their resulting impacts. An example that illustrates how we are innovating responsibly is KIPIC's performance in terms of having its operations subject to human rights reviews and/or impact assessments. During the reporting period of 2020/2021, 3 operations in KIPIC were subject to human right reviews and social impact assessments, namely the Refinery, LNGI and PRIZe projects.

In addition to the aforementioned, there were a number of programs adopted within the Group's respective subsidiaries that support start-ups with unproven early-stage ideas that have the potential to impact the future of the oil and gas sector. Within the reporting period, 26 start-ups were supported by KOC and 4 were supported by KNPC with the objective of promoting innovative ideas and empowering local entrepreneurs to prosper in the oil and gas sector domain. Also, there were 7 technologies used to drive efficiency at KOC and 4 at KOTC. Moreover, KNPC constantly identifies and evaluates any opportunities that are related to key and emerging technologies that may add value or support its refining operations.

The following shows some of KPC Group's selected programs that aim at driving responsible innovation practices.

#### Program 1



Subsidiary	KOC
Name	SAMA EOR Pilot - In-Depth Conformance Gel Treatment
Description	The Central pilot producer had been producing only water (100% water cut) since June 2019. After performing the conformance gel treatment, oil production was observed, and a result of improved flood sweep efficiency achieved. This demonstrates the importance of conformance control to maximize oil gains from un-swept zones via water-flooding



Subsidiary	KOTC
Name	Program systems for the fleet vessels
Description	1) Danaos FMS: Controls reporting plan maintenance and other HSE-related topics 2) Eco-insight: Reporting vessel operations, consumption and emissions to Head Office 3) S- Insight: Reporting vessel operations, consumption, emissions from ships 4) Ship Manager – Hull: Reporting and overview of ship's hull condition and maintenance



Subsidiary	KNPC
Name	Patent registration
Description	Company-wide program launched to enable the registration of KNPC employees' inventions as patents both regionally and internationally

#### Program 2



Subsidiary	KOC
Name	GFDG New Forecasting Tool for AAP Generation
Description	Reservoir Characterization, the app is one of the main forecasting tools in Gas FD group that will help gas groups to generate cycle for evaluation and user-friendly forecasting tool



Subsidiary	KNPC
Name	Implementation of KNPC Innovation Strategy
Description	KNPC Innovation Team cross-functional team initiatives to support the implementation of the KNPC Innovation strategy and support the growth of the innovation culture within the company.

#### Program 3



Subsidiary	KOC
Name	Hybrid Completion in NK Jurassic Well
Description	Deviated well, NWRA-0016, was completed with slotted liner in Middle Marrat and Multistage stimulation completion in Najmah/Sargelu to selectively stimulate these sections. This combination makes it a hybrid completion that paves the way for commingled production in Jurassic wells and will lead to well carbon footprint savings. This type of completion is first in KOC done in NK Jurassic reservoirs. The expected added value from the MS completion is 200 bopd.



Subsidiary	KNPC
Name	3D Printing Technology
Description	The program aimed to validate the 3D printing technology implementation and its benefits for KNPC







# KIPIC Innovation Initiative

## About the Program:

Build an organization tailored to accommodate future demands and challenges, by fostering an internal culture of innovation and enhancing people's knowledge and skills through partnerships. The Innovation Program emphasizes the engagement with educational, research, and technology partners on a local scale (Kuwait) and an international scale as well.

One of the key impacts of KIPIC's Innovation Initiative is the development of expertise that is capable of solving future business challenges through teamwork, innovation and partnerships.

## Details on the initiative:

- Has well established innovative labs / centres
- Engages with external experts and panels to share best technical and leadership practices from across industries
- Forms collaborations with leading academic and technology hubs in Kuwait and abroad to facilitate the exchange of innovative ideas
- Encourages employees to participate in external conferences, competitions, awards, publications and events to strengthen the company brand and reputation









# People Commitment

Creating a culture where people develop and, grow and are positively motivated to contribute to the success of others articulates one of our main values and norms. We believe in establishing a culture that promotes inclusion, trust, develops talent and advocates decent work and labor practices. Our people's commitment is reflected in how we act as an enabler in creating impactful career journeys that facilitate a sustained and mutually beneficial engagement, shaped by empowered teams and sound leadership, and that meets in return the Group's strategic objectives.

We take pride in being one of the leading employers in Kuwait and value each member across the Group's operational value chain. The 2040 Strategy emphasizes KPC's aspirations of becoming a partner to all 8 subsidiary businesses in terms of providing tailored HR services focused on strategic needs and people development. The 2040 Strategy highlights as well the integration of KPC's mission, vision and values within HR processes to encourage the development of an engaged and performance-driven culture.

In this chapter we reflect on the Group's commitment to our employees, whom we consider "Our People", and showcase how we manage employment needs, embrace a culture of diversity, equal opportunity and respect to employees.





This chapter outlines the following material topics, covering “People Commitment” topics:

**Occupational Health and Safety**  
**Learning and Education**  
**Employment**  
**Diversity and Equal Opportunity**



## GOAL 3

### Oil and Gas Good Health

#### Integrate into Core Business

- Reduce occupational risks
- Protect workers and community members against infectious diseases



Covered Sections:  
**Managing Employment**  
**Embracing Diversity and Equal Opportunity**  
**Promoting Learning and Development**  
**Ensuring Occupational Health and Safety**



## Managing Employment

We believe that embracing a culture that operates via a value system and adheres to the principles of reliability, fairness, equality, integrity and respect to all drives the ingenuity of our people. KPC's culture considers its people as the main promoter of organizational success and the baseline of sustaining resilience and overcoming strategic business challenges.

We believe that each member of KPC's Group may add a new dimensional value to us, whether through their expertise, knowledge and professional skills, or ethical conduct, thereby strengthening a stimulated work environment.

Being one of the largest oil and gas conglomerates comes with great responsibility in terms of managing employment. Our workforce is categorized into direct employment contracts, contractors and secondees. Each colleague is treated fairly, with their performance managed in an accountable manner, irrespective of their employment type.

Contractors at KPC are workers who sign an agreement with our Group to perform specific tasks. They are not entitled to any medical insurance or any other employee benefits which are offered directly through KPC Group – they are rather only paid as per the agreed fixed fees. Most of our subsidiaries hire contractors for specific projects and when additional workforce is needed temporarily, therefore we only have control over the end results of their performed work. Our secondees are those who work at our Group but are legally considered employees of another company, and we reimburse the respective employer for the cost of the secondee.


Regardless of our workforce category, our focus remains on promoting high-caliber competencies within the oil and gas sector. We are keen to monitor industry best practices in terms of managing employment needs and adopt those that provide KPC with more flexibility, innovation and competitive advantages across the workplace environment.

Despite the challenges of the COVID-19 pandemic, we managed to sustain a workforce portfolio consisting of 21,523 full-time employees (direct employment), reflecting Group-wide representation. Comparing our total workforce representation with 2018/2019 data, there was a slight +1% increase in overall employment. It is worth stating that the majority of our full-time employees work under our Upstream segment, constituting 57.4% of our total workforce. Whilst only 2.8% of full-time employees work in our Midstream segment and 35.8% in the Downstream segment – making it the 2nd highest stream that offers direct employment. The remainder 3.8% are employed at KPC headquarters.


A detailed representation of our workforce per stream and employment type is provided in the following tables, reflecting the Group's performance across 2018-2021.




### Direct Employment

	Entity	Total Full-Time Employees 2020/2021	Total Full-Time Employees 2018/2019	%Change
Standalone	KPC	816	704	+13.7%
Upstream	KOC KGOC KUFPEC	11,382 754 236	11,078 780 222	+2.67% -3.33% +6.30%
Downstream	KNPC KIPIC KPI PIC	5,977 1,206 167 363	6,319 1,001 165 379	-5.41% +20.5% +1.21% -4.22%
Midstream	KOTC	622	661	-5.90%
Total		21,523	21,309	+1%

### Contractors

	Entity	Total Contractors Employed 2020/2021	Total Contractors Employed 2018/2019	%Change
Standalone	KPC	10	473	-97.8%
Upstream	KOC KGOC KUFPEC	- 2,704 80	N/A 12 77	+4%
Downstream	KNPC KIPIC KPI PIC	6685 3,678 42 380	6187 6,449 43 N/A	+8.05% -43%
Midstream	KOTC	364	160	+127%
Total		13,943	13,401	+4.04%

### Secondees

	Entity	Total Secondees Employed 2020/2021	Total Secondees Employed 2018/2019	%Change
Standalone	KPC	3	3	0%
Upstream	KOC KGOC KUFPEC	9 Not applicable 70	15 9 N/A	-40%
Downstream	KNPC KIPIC KPI PIC	1,238 589 0 1	1,329 567 1 11	-6.58% +3.8%
Midstream	KOTC	7	0	
Total		1,917	1,935	-0.93%

Total Employment	2021	2020	%Change
	37,383	36,645	+2.01%

Managing employee retention requires having strategic actions and directions that sustain a satisfied, motivated and productive workforce. Attracting and retaining a high caliber of professionals and expertise contributes significantly to KPC's and our subsidiaries' productivity and overall business performance.

It is more cost and time efficient to retain our workforce, who are familiar with our directions and our values, than to acquire, recruit, train and orient a substitute or replacement employee who matches our qualifications.

Fairness, trust, job security, a defined career path, compensation, satisfaction and transparency are some of the fundamental and crucial factors that influence employee retention. Employee benefits also play a role in retention. Offering competitive benefit and salary packages may likely reduce employee turnover. Such benefits are offered to our full-time employees who are directly managed by either KPC itself or any of our subsidiaries.

The following illustrates some of the Group-wide offered benefits. Details of our pay scale are given in the appendix.

### KPC Group Employee Benefits



Health and life insurance



Medical insurance



End-of-service benefits



Cost of living allowance



Housing and accommodation allowance



Shift allowance



Flight tickets



Transport allowance



Educational assistance




Car allocation benefit



Annual leave (including sick leave and maternity leave, amongst others)

#### Financial Amount Contributed to Employee Benefits (Total KWD During 2020/2021)

					
	Entity	Regular contributions such as to pensions, insurance, company vehicles and private health (KWD)	Other employee support, such as housing, interest free-loans, public transport assistance, educational grants and redundancy payments (KWD)	Total benefits (excluding training, costs of protective equipment or other cost items directly related to the employee's job function) (KWD)	Employee wages and benefits (KWD)
Standalone	KPC	3,924,210.98	872,743.080	5,954.744	33,484,162.5
Upstream	KOC	116,333,176	39,445,160	155,778,336	646,374,969
	KGOC	19,908,735.814	2,638,883.498	22,547,619	76,942,804
	KUFPEC	2,938,228.38	438,565.1	3,376,793	13,482,094
Downstream	KNPC	161,768,000	51,155,000	212,923,000	485,498,000
	KIPIC	22,564,870.417	17,174,278.568	39,739,148.985	89,881,570
	KPI	1,683,582	177,467	1,861,049	8,273,677
	PIC	14,186,369	700,257	15,596,496	36,610,390
Midstream	KOTC	8,854,130	129,183	8,983,313	48,302,100
Total		352,161,303	112,731,537	457,434,917	1,438,849,767

More details on the Group's performance regarding retention, turnover and new employment aspects are provided in the following section – where performance data is broken down by age and gender.

### Embracing Diversity and Equal Opportunity

As stated in our Code of Conduct, each employee and KPC Group member should respect one another – in spite of their nationality, faith, gender or demographical background – and is expected to establish a workplace environment that is based on loyalty, inclusion and team spirit.

We believe that leveraging and embracing diversity and equal opportunity drives a sustained performance and long-term employment. Listening to other perspectives and having an open and inclusive workplace, where mutual learning and equitable treatment is reflected, are among the many principles that we exert within our culture. We thrive on creating an accessible workplace, where each individual is able to excel, and to foster their personal growth, delivering a performance that is anchored by our values and objectives.

At KPC, we have zero tolerance to discrimination in all its forms, and we ensure that we provide equal job opportunities in line with all applicable laws and regulations, based on the candidate's qualifications rather than their demographic details. We abide by all laws and regulations in the countries where we operate and we ensure that all subsidiaries implement and adhere to issued staff regulations and standards and follow the Group's Code of Conduct.

From this standpoint, the Group's Code of Conduct scope outlines various aspects that are related to individuals' rights and employee appreciation. The following illustrates some of the key covered reference points that tackle how KPC as a Group ensures inclusivity, equal opportunity and respect within the Code of Conduct.

**Respecting Others:**

- No employee is allowed to undermine the faith and religious rites of other employees
- No employee is allowed to engage in any form of racial and sectarian discrimination by any means within the KPC
- No employee is allowed to accuse others or make malicious statements that damage or offend their reputation either orally, in writing, or through modern technology or media and social network platforms
- No employee is allowed to undermine the rights of individuals with recognized disabilities, and every employee should respect those rights

**Harassment:**

- It is strictly forbidden to falsely accuse others of harassment or to make derogatory comments to damage or offend another employee's reputation, whether verbally or in writing, using modern information technology, media and social network platforms
- All forms of sexual harassment are strictly forbidden including verbal, physical, ogling or any form of harassment using modern technology, media and social network platforms
- All complaints and investigations shall be immediately carried out and shall be handled in strict confidentiality

KPC Group has invested in various initiatives, policies and programs that support diversity and equal opportunities. We have a Diversity and Inclusion Program (D&I), that aims to nurture and develop our female employees' skills and talent. This is headed by Ms. Nadia Al-Hajji, DCEO Projects and Business Development at PIC, and a group of leading women who represent KPC and its subsidiaries. Moreover, a key achievement that KPC Group is proud of is that we managed to bridge any pay gender gaps that exist within our entry level employment, where both genders are equally offered the same salary and pay scale.


KPC has established a Manpower Contractors Kuwaitization initiative, which obliges the oil sectors' contractors to hire Kuwaiti nationals at minimum-set wages, benefits and rewards. As per KPC's policies and procedures, we have added in a clause into our employment contracts that obligates our contractors to have 30% Kuwaiti staff.

Aside from the Manpower Contractors Kuwaitization initiative, KPC and its subsidiaries have various Kuwaitization strategies in place aimed at impacting Kuwait's economic status, bridging locals' unemployment gaps and hiring and filling all available vacancies with Kuwaiti nationals. Specifically concerning the Group's senior management, it should be noted that 100% of our full-time senior management employees are hired from the local community.

In the following we show KPC Group's employee diversity related performance and disclosures, categorized by gender, age and employee retention and new hires related metrics across 2020/2021 performance.




#### Breakdown of KPC Group workforce per Gender Category


	Entity	Total Male Employees (Full-time Employees) 2020/2021	Total Female Employees (Full-time Employees) 2020/2021	Ratio Male to Female Workforce Representation (Non-managerial level)
Standalone	KPC	399	417	49% Males vs. 51% Females
Upstream	KOC KGOC KUFPEC	9,117 691 141	2,265 63 95	80.1% Males vs. 19.9% Females 91.6% Males vs. 8.5% Females 59.7% Males vs. 40.3% Females
Downstream	KNPC KIPIC KPI PIC	5,350 1,053 130 304	627 153 37 59	89.5% Males vs. 10.5% Females 87.3% Males vs. 12.7% Females 77% Male employees vs 23% Female employees 83.7% males vs. 16.3% females
Midstream	KOTC	497	125	80% Males vs. 20% Females

- It should be stated that at KPC itself and KUFPEC subsidiary there is almost an equal gender representation, whereas the other subsidiaries have a higher male representation within the workforce profile, generally due to the stream's nature of operation.
- A detailed breakdown of KPC's gender representation per managerial level is presented in the Appendix (c) under Sustainability Performance Data.

#### Breakdown of KPC Group Full-Time Employees per Age Category


	Entity	Total Number of Employees (Below 30) 2020/2021	Total Number of Employees (Between 30-50) 2020/2021	Total Number of Employees (Above 50) 2020/2021
Standalone	KPC	100	559	157
Upstream	KOC KGOC KUFPEC	2,558 29 41	7,560 656 162	1,264 69 33
Downstream	KNPC KIPIC KPI PIC	1,535 416 4 52	3,953 678 144 214	489 112 19 97
Midstream	KOTC	112	444	66

#### Breakdown of KPC Group Contractors per Gender

	Entity	Total Number of Male Contractors 2020/2021	Total Number of Female Contractors 2020/2021	Ratio of Male to Female Contractors Representation 2020/2021
Standalone	KPC	Data is not available	Data is not available	
Upstream	KOC KGOC KUFPEC	- 2,606 32	- 98 48	- 96.4% Males vs. 3.6% Females 40% Males vs. 60% Females
Downstream	KNPC KIPIC KPI PIC	6602 3,591 15 N/A	83 87 27 N/A	98.7% Males vs. 1.24% Females 97.6% Males vs. 2.4% Females 36% Male Contractors vs. 64% Female N/A
Midstream	KOTC	203	161	55.8% Males vs. 44.2% Females


\*KUFPEC and KOTC reflect a healthy balance between male and female contractors.


#### Breakdown of KPC Group Contractors per Age Categories

				
	Entity	Total Number of Contractors (Below 30) 2020/2021	Total Number of Contractors (Between 30-50) 2020/2021	Total Number of Contractors (Above 50) 2020/2021
Standalone	KPC	data not available	data not available	data not available
Upstream	KOC KGOC KUFPEC	- 192 7	- 2,061 66	- 451 7
Downstream	KNPC KIPIC KPI PIC	1109 488 1 N/A	4630 2,809 29 N/A	946 381 12 N/A
Midstream	KOTC	68	266	30


- The majority of KPC Group's contractors are within the age group of 30-50.

#### Breakdown of KPC Group Secondees per Age and Gender Categories

			
	Entity	Total Number of Male Secondees 2020/2021	Total Number of Female Secondees 2020/2021
Standalone	KPC	1	2
Upstream	KOC KGOC KUFPEC	9 Not applicable 26	0 Not applicable 44
Downstream	KNPC KIPIC KPI PIC	1,114 492 0 1	124 97 0 0
Midstream	KOTC	6	1


				
	Entity	Total Number of Secondees (Below 30) 2020/2021	Total Number of Secondees (Between 30-50) 2020/2021	Total Number of Secondees (Above 50) 2020/2021
Standalone	KPC	0	2	1
Upstream	KOC KGOC KUFPEC	1 Not applicable 6	8 Not applicable 51	0 Not applicable 13
Downstream	KNPC KIPIC KPI PIC	53 21 0 0	900 442 0 1	285 126 0 0
Midstream	KOTC	0	7	0

#### KPC Group Workforce New Hires Data

				
	Entity	2020/2021	2018/2019	%Change
Standalone	KPC	33	19	+73.7%
Upstream	KOC	102	353	-71.1%
	KGOC	7	4	+75%
	KUFPEC	18	13	+38.5%
Downstream	KNPC	105	387	-72.9%
	KIPIC	52	199	-73.9%
	KPI	1	18	-94%
	PIC	14	16	-12.5%
Midstream	KOTC	15	26	-42.3%

• Despite the COVID-19 imposed challenges and restrictions, the KPC Group managed to hire a significant number of employees, which accounted for a total of 313 new hires. Please note that KPC, KGOC and KUFPEC managed to increase their number of new hires in comparison with 2018/2019 performance. The latter is an indication to the Group's resilience and the effectiveness of its employee management and HR-related strategic plans.

#### KPC Group Workforce Turnover Data

				
	Entity	Turnover 2020/2021	Turnover 2018/2019	
Standalone	KPC	14	30	
Upstream	KOC	261	275	
	KGOC	22	24	
	KUFPEC	8	15	
Downstream	KNPC	411	237	
	KIPIC	30	19	
	KPI	-	11	
	PIC	22	147	
Midstream	KOTC	19	25	

• Our Upstream, Midstream and headquarters operations managed to maintain very positive turnover data in comparison with 2019/2018 performance. Our Downstream operations, mainly KNPC and KIPIC subsidiaries, had higher turnover as a result of the pandemic, despite recognizing that the pandemic had various effects across KPC Group. It should be noted that no major lay-offs have occurred during the reporting period, defined as affecting 10% or over 1,000 of KPC Group employees. We did not conduct any salary cuts during the pandemic and all employee-related benefits and rights were preserved.

## Promoting Learning and Development

To meet the vast changing needs of the oil and gas industry and to cope with new arising trends and technologies, it is essential to build our people's skills and promote learning and development opportunities. We are focused on developing our people, and allocating training programs that are tailored to each employee group's needs, career path and responsibilities. Learning and development are crucial for sustaining a dynamic and responsive workplace environment, one that is capable of rapidly adapting to any challenges and is competent to meet any arising business opportunities with resilience and a level of proficiency.

Based on each employee's competency and proficiency level (as defined by our Unified General Competency Framework), the Group's training programs are selected accordingly. Upon completion of at least 3 months of employment and regardless of age,

gender or any demographic aspect, all KPC Group's direct employees must undergo an annual performance evaluation. Employee performance evaluation is conducted across all employment levels as per the Unified General Competency Framework. Such evaluation is crucial to identify employee strengths and weaknesses, provide constructive feedback, and strategically identify training needs.

Upon completion of the annual performance cycle, an Annual Training Plan and Budget is developed, covering both technical and non-technical (i.e. interpersonal related) training programs. The plan and budget are approved by top management and line managers are requested to monitor their team's training progress status. Thus, the evaluation and determination of the Group's training needs is identified based on various factors, which are summarized as follows:



Personal Development Plans (PDPs)



Competency and proficiency level and gap



2040 HR strategy



Organizational and individuals' goals and objectives

The establishment of KPC's Petroleum Training Centre further emphasizes the Group's efforts towards the offering of regular training and career development programs. The Centre serves all subsidiaries, and has training rooms, including laboratories and computer rooms, offices for employees, a library and an amphitheater. To ensure training effectiveness,

a Post Training Participant Trainee Feedback and evaluation is conducted.

For KPC itself, the training effectiveness evaluation is carried out primarily by KPC-PTC, where the training course is evaluated against the following indices:



**Level 1:** Understanding how participants felt about the program



**Level 2:** Measuring the level in which individuals' knowledge, skills, attitude, and confidence has increased



**Level 3:** Measuring the extent to which participants have applied knowledge



**Level 4:** Measuring the effect of the training course on business




The Post Training Participant Trainee Feedback survey at KGOC is conducted at levels 1 and 2. This is implemented for every PTC training session and also for all training inside or outside KGOC. Impact of all training in past 2 years is assessed against competency development and a Mid Cycle Review of Employee PDP is done according to Unified KPC ULMS Guidelines after 1 year of PDP completion. On Job Training, E-Learning, coaching and assignments are evaluated via action formats to be filled and submitted by employees along with filling in the KPC ULMS system questionnaire.

KUFPEC utilizes KrickPatrick Level 1-2-3 to gauge the effectiveness of its training programs, in which Level 1 is conducted for all courses (PTC or Inhouse courses - done on LMS). Level 2 is carried

out Pre / Post the training course, especially for 10% of courses that are conducted in-house to ascertain the knowledge and skills level gained. Level 3 assessment is performed for selected courses / Learning roadmap, where feedback from Supervisor / Manager is obtained to measure participant's performance after the course.


As a result of KPC Group efforts and despite the COVID-19 implications, we managed to invest a total of KD 7,135,413 in employee training and development. The following shows the Group's performance and efforts in promoting learning and development opportunities and further training-related performance disclosures are given in the Appendix (c) under Sustainability Performance Data.

#### Total Number of Training Hours

	2020/2021				2018/2019		%Change
	Entity						
Standalone	KPC	4,001			90,825		-95.6%
Upstream	KOC	234,912			213,598		+9.98%
	KGOC	6,194			28,800		-78.5%
	KUFPEC	2,428			12,312		-80.3%
Downstream	KNPC	19,556			370,973		-94.7%
	KIPIC	4,841			45,575		-89.4%
	KPI	-			4,548		-
	PIC	16,480			53,032		-69%
Midstream	KOTC	641			72,900		-99%

\*Comparing 2020/2021 training data with 2018/2019 performance there is a significant drop in the total number of provided training hours. This drop is a result of the pandemic challenges, curfew restrictions and imposed lockdowns. Various training programs were halted as they were normally conducted in person. However, we managed to conduct various training programs virtually in a manner that ensures our employees' safety and yet meets their training agenda requirements. During COVID-19, E-Learning online courses were available to all employees including Generic and HSE related topics. A number of Virtual and Local courses were also provided with external organizers

#### Average Training Hours per Employee

				
	Entity	2020/2021	2018/2019	%Change
Standalone	KPC	36.04	124	-71%
Upstream	KOC	22	19	+15.8%
	KGOC	8.21	37	-77.8%
	KUFPEC	10.29	56	-81.6%
Downstream	KNPC	39.034	95	-59%
	KIPIC	4.01	56	-95.8%
	KPI	-	27.5	-
	PIC	-	140	-
Midstream	KOTC	39.26	110	-64.3%

## Ensuring Occupational Health and Safety

KPC Group places safety as our top priority, and we continuously seek to pursue Health, Safety, Security and Environment (HSSE) excellence – ensuring no harm is caused to our people, assets and the environment wherever we operate.

KPC Group is committed to standardizing and enforcing HSSE policies and procedures, ensuring the continuous improvement, oversight and compliance of HSSE performance across all subsidiaries.

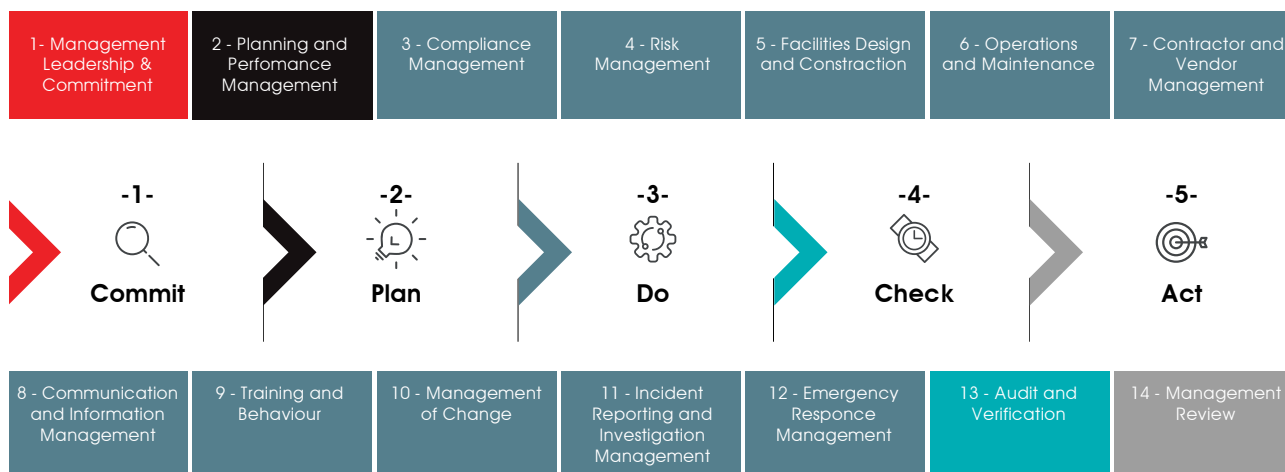
The 2040 Strategy further emphasizes how KPC Group is an HSSE-driven culture, where the strategic direction includes the achievement of world-class HSSE performance through the application of the most stringent HSSE standards and regulations, wherever KPC operates.

KPC and its subsidiaries are dedicated to maintaining the highest HSSE performance, with all our activities set and carried out in accordance with the oil and gas industry's best practices and international standards.

Our HSSE Management System is unified across our stream operations and within KPC itself as well, being considered as Strategic Management Model Approach rather than an ad hoc response. Having a common HSSE Management System cascaded to all subsidiaries enhances the allocation of resources and the identification of risks and opportunities in a unified manner.

KPC Group's HSSE Management System is established to tackle all aspects the Group's HSSE across our entire value chain and stream operations. It consists of the following elements:

### KPC Group's HSSE Management System



The Group's code of conduct emphasizes our commitment to HSSE and tackles related disclosures in order to achieve a minimum number of incidents, injuries and chronic diseases - and to preserve the environment when conducting its business. The Code of Conduct ensures that the safety of employees at all work sites is in compliance with HSSE standards. It governs employee compliance and their implementation of HSSE work-related standards, measures and practices and ensures the alignment with KPC Group HSSE Management System. It should be noted that any violation of HSSE standards within the KPC may lead to a disciplinary action.

In order to reduce the risk of occupational injuries and ensure that appropriate measures are taken to promote wellbeing and health improvement, the KPC Group frequently assesses any potentially arising risks that are associated with health and safety hazards and concerns. Moreover, the Group's HSSE Management System has been developed and implemented based on well-known recognized risk management processes, where the system has undergone both internal and external audits, and various standards, which include OHSMS, EMS and Security Management (cyber and physical security), as part of its plan.

Aside from adopting and being in compliance with the Group's HSEE Management System, our subsidiaries operate in line with various other known safety frameworks, as illustrated in the following.



**KGOC**

SHEERS system  
OSHA  
NEBOSH  
JOSOP



**KUFPEC**

ISO 45001



**KOTC**

ISM  
ISO 45001



**KNPC**

ISO 45001:2018  
ISO 14001:2015



**KIPIC**

ISO 45001:2018  
ANSI / AIHA Z10-2005



**KPI**

RC14001:2015  
ISO18001:2015  
ISO9001:2015

It should be noted that the scope of activities covered by the Occupational Health and Safety (OHS) management system varies from one subsidiary to another. At KPC itself the scope covers Periodic Medical Examination (PME), Auditing, Awareness Campaigns like Health, Blood Donation and Health and Safety campaigns in general, whereas in KGOC all activities are covered under the OHS system.

For KNPC it covers refinery operations and maintenance activities, depots, and filling stations, operations and maintenance activities. The scope further includes other support activities, such as inspection, HSE, security, laboratory, engineering, warehouse and new project-related activities. This OHS scope applies to all KPI operations and facilities, including Head Office functions, terminals and depots, blending plants, distribution operations, retail stations (including IDS sites), laboratories and refineries.

Having a sound and robust HSSE Management System requires the proper identification and assessment of any potential work-related hazards, both on a routine and non-routine basis. KPC Group applies and follows recognized standards and procedures (i.e. Permit to Work and Task Risk assessment) when it comes to having its HSSE risk identification and assessment as per legal requirements and/or recognized standards or guidelines. The same is applied to all 8 subsidiaries, in terms of occupational hazards identification and assessment processes.

The adopted HSSE processes cover the identification of hazards, analysis and evaluation of risks, risk reduction and monitoring and review. On an annual basis or whenever a change takes place, HSSE audits and inspections are conducted. Also, if an HSSE incident requires investigation, both the department owning the risk and the KPC HSSE department will be involved in the process, including the Investigation and Reporting Management. Such approach is to be conducted in accordance with the HSE Incident Report and Investigation Procedure. Likewise, an existing Incident Reporting and Investigation System (IRIS) is well documented and clearly communicated to all stakeholders.

The main purpose of implementing an investigation process is to ensure the prevention of incident recurrence. All incidents are to be reported, and their associated risk potential is determined. Based on the potential risk, the level of investigation is determined accordingly, having the appropriate RCA techniques allocated. Each reported incident is investigated down to the root cause analysis within a specified timeframe and the corrective actions appropriate to root causes are determined and tracked to completion. Field Safety Inspections and Audits are also carried out by various personnel (i.e. Safety Engineers, Line / Middle Management personnel, IMS audits) to identify unsafe conditions or any potential health-related hazards. These reports are analyzed, looking at causes identified and corrective actions taken.

During the reporting period 2020/2021, various hazards were identified as a result of our operations and activities. These included:



Physical stressors (i.e. noise, vibration)



Radiation (both ionizing and non-ionizing)



Heat stress



Chemical stressors (i.e. organic, in-organic, acid, particulates and fibers)



Biological stressors (i.e. Legionellae, fungi-air and surface)



Falls



Burns

Various actions are taken to eliminate work-related hazards and minimize risks, and such actions depend on using the hierarchy of controls. The respective safety teams conduct on a regular basis Compliance Verification Audits, revisions / revalidations of safe work practices and procedures, site inspections, HSE Campaigns, and compliance with Personal Protection Equipment (PPE), amongst others.

Furthermore, to ensure employee wellbeing and the governance of HSSE-related concerns, formal joint management-worker health and safety committees exist within our organization. At KNPC, there is a Worker Welfare Committee with over 50 members from different areas of expertise and departments (i.e. HSE, legal, HR, projects and medical). The same applies for all subsidiaries, in terms of having safety-related committees.

At KIPIC there is an HSSE Executive Committee to review and monitor the subsidiary's HSSE performance and to ensure that policies, processes, procedure and resources are in place. The HSSE Management Committee is responsible for ensuring the HSE, Security and Fire policies, processes, procedures and resources are in place to implement the company's HSE and Security & Fire Management System. To review the Contractors HSSE Performance and follow up the HSSE pending action items, a Contract Managers' review is conducted on a quarterly basis at KIPIC.

The number and frequency of the subsidiaries' HSSE-related committee meetings are conducted as per the frequency defined under the subsidiary's procedure on Communication, Consultation and Participation document. Meetings may vary from being bi-weekly, monthly or quarterly.



The HSSE training needs are assessed considering, but not limited to, the following:



Organizational analysis, considering past HSSE performances



Future skills development, considering upcoming advancements, expansion new projects developments



HSSE Executive Management Committee decisions and other top management directives



Employee roles and responsibilities



Laws and regulations



Operations / Task Analysis



Accident investigation recommendations and product / service non-conformities actions



HSSE Audit and Inspection Recommendations



Mock drill recommendations




Our HSSE-related training programs are conducted in 3 languages, namely English, Arabic and Hindi to ensure each employee is aware and comprehends KPC Group's HSSE requirements. A training evaluation is conducted

after each program to ensure the effectiveness of the delivered training course. The training effectiveness on the trainee is evaluated through quizzes and assessment tests.




A summarized list of all HSSE conducted training courses is presented in Appendix (e).

The following provides a summary of KPC Group's related occupational health and safety performance metrics, broken down per subsidiary. It is worth noting that the percentage of employees covered by the Group's Occupational Health and Safety Management System accounts for 100% within all subsidiaries.




#### Number of Fatalities as a Result of Work-Related Injury

	Entity	2020/2021
Standalone	KPC	0
 Upstream	KOC KGOC KUFPEC	2 0 0
 Downstream	KNPC KIPIC KPI PIC	0 2 0 0
 Midstream	KOTC	0

#### Number of High-Consequence Work-Related Injuries

	Entity	2020/2021
Standalone	KPC	0
 Upstream	KOC KGOC KUFPEC	2 1 -
 Downstream	KNPC KIPIC KPI PIC	0 0 0 2
 Midstream	KOTC	0

#### Number of Recordable Work-Related Injuries

	Entity	2020/2021
Standalone	KPC	0
 Upstream	KOC KGOC KUFPEC	1 0 -
 Downstream	KNPC KIPIC KPI PIC	29 (including KNPC employees and contractors) 11 - -
 Midstream	KOTC	0

KPC Group facilitates access to non-occupational medical and healthcare services for all its employees through KOC Ahmadi Hospital or through having private health insurance.







# Community Engagement

Being considered one of the most influential and deeply rooted entities in Kuwait, we are committed to promoting socioeconomic development and towards ensuring an elevated quality of life to the communities that we serve. We hold great responsibility towards establishing a harmonious society, where its individuals are empowered, positively impacted and are engaged.

KPC Group actively engages with the Kuwaiti local community, where we have hosted and conducted various initiatives, programs and donations that focus on strengthening the bond between the Group and community members.

KPC's 2040 Strategic Directions aims to establish and deliver a Group-wide Corporate Social Responsibility (CSR) Program. The 2040 Strategy emphasizes the deployment of the highest level of standards, processes and procedures that effectively and efficiently deliver internal and external communications. Each subsidiary has its own CSR strategy with well-defined targets in place that is aligned to the Group's 2040 Strategic Directions, and each has an assigned Communications Department, which is responsible for developing proactive community engagements and executing its CSR programs. The latter has been established in line with the 2040 Strategy Direction of developing and delivering a Group-wide, Kuwait Corporate Social Responsibility program that proactively promotes KPC's brand and image – whilst having a proactive stakeholder management and mechanism in place.

The Group's community engagement and impact is reflected in various forms, ranging from awareness campaigns, educational scholarships, donations, volunteering and the formation of mutually beneficial partnerships with non-governmental organizations.

KPC's Group community engagement is underpinned by 4 main pillars: Health and Wellbeing, Education, Environment and Innovation. In this chapter we provide more details on the Group's community engagement for the reporting year – affirming that due to the unfortunate circumstances of the global pandemic various social and corporate events have been either cancelled or halted.





This chapter outlines the following material topics, covering "Society" topics:

**Local Communities**



## GOAL 3

### Oil and Gas Good Health

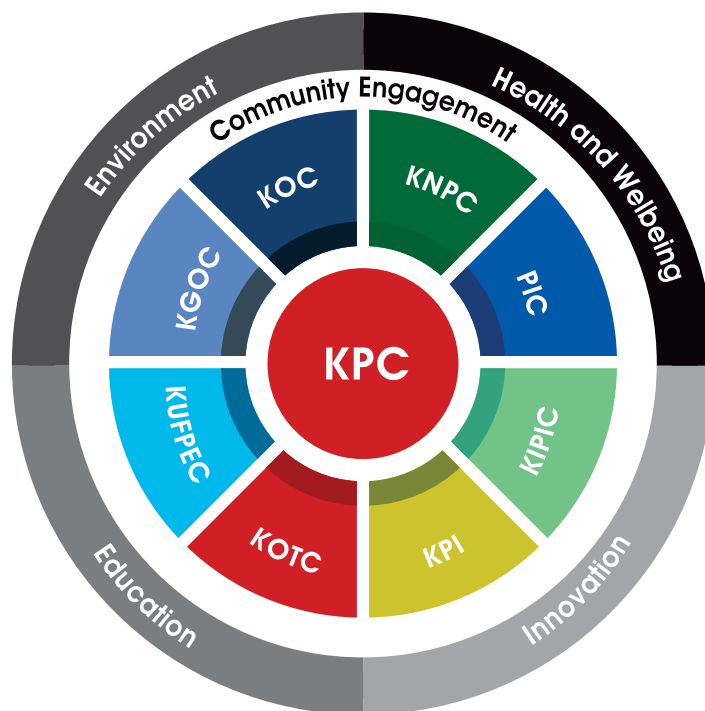
#### Collaborate and Leverage

- Strengthen public health system's response to potential health risks and epidemics



Covered Sections:  
Promoting Health and Wellbeing  
Fostering Education  
Cultivating Environmental Awareness

## Community Engagement Pillars



## Promoting Health and Wellbeing

Health and wellbeing have been an area of concern to KPC Group as a consequence of the global pandemic. Consequently, we realize the significant responsibility the oil and gas sector has towards mitigating any health and safety related concerns - and any potential risks associated with the handling, storage and transport of our products.

Guided by the Group's Quality Management system, ISO IMS (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018), and our HSSE policies and guidelines, we were capable of ensuring our customers' and community's health and safety during such a rough and uncertain period.

During the pandemic, KPC Group significantly contributed to and supported the State of Kuwait and the Ministry of Health in combating

the outbreak of the COVID-19 virus. KPC Group established quarantine centers, an integrated field hospital and vaccination centers, among various other initiatives that were carried out to ensure the health and wellbeing of the local community. We promptly monitored and assessed any arising potential risks that were related or associated with health and safety concerns, and continued to devise programs and policies that prevent such risks from materializing. During the pandemic, our subsidiaries took the initiative to establish quarantine and vaccinations centers, develop awareness campaigns that encourage vaccination and safe practices and social distancing among various other significant efforts to prevent the spread of the COVID-19 virus.

## KPC Group SDG3 Integration Within Core Business

### SDG Goal 3: Ensure healthy lives and promote wellbeing for all at all ages

Meeting the community's primary health needs is one of the factors that influence an entity's sustainable development. The oil and gas sector may contribute to improving the health and wellbeing of a society in a variety of ways, such as through adopting safe occupational practices, ensuring the health and safety of workers and internal stakeholders and, most importantly, investing in community health systems and the development of health and wellbeing initiatives.

KPC Group's 2020/2021 social responsibility contribution was impactful during the COVID-19 pandemic. Backed by the Ministry of Health (MOH), a field hospital to treat patients infected by the virus was established through the support of our subsidiaries. The Kuwait Field Hospital, located at Mishrif was also operating as one of the main vaccination centers in the State of Kuwait. The vaccination center covered an area of approximately 30,337 m<sup>2</sup>, having a capacity of 1,243 beds along with and around 170 doctors, 388 nurses and 250 workers. The center was built in accordance with MOH and WHO standards and was operating at the highest health and safety conditions and in compliance with the imposed COVID-19 regulations and restrictions. Such initiatives were achieved as a result of the collaborative efforts of both KOC and KIPIC.

KPC Group Company's top management were actively involved, and an Emergency Task Force Team was formed, being readily available 24-hours a day to provide support in a timely and responsive manner.

Furthermore, an existing unoccupied Housing Camp Facility at Mina Al-Zour was transformed in a record breaking 10-day period into a world-class Center of Medical Excellence in the interest of the nation's fight against COVID-19.

The full-fledged self-contained Medical Health Center, in line with MOH requirements, comprised a medical center, laboratory, pharmacy, quarantine facility, nursing and doctors' accommodation, helipad, central kitchen and 24/7 catering, transportation, housing and maintenance services with a fully equipped CCTV & telecom system. The center included a quarantine facility with capacity for 976, as well as a Control Facility with 10 ICUs and 40 observation units. It is worth noting that, KOC hospital provided vaccinations to KPC Group employees, and KPC and subsidiaries also collaborated with MOH to provide vaccinations in the main office buildings during office hours to make it more accessible/convenient for employees to receive the vaccine.

Due to such efforts the total number of vaccine doses that were administered by KPC Group for COVID-19 vaccine accounted for 35,296 (including the booster COVID-19 dose and covering oxford, astrazeneca vaccine).

KPC Group is committed to providing all needed assistance or support to help mitigate any community health and safety-related risks – with the aim of lessening the burden on local healthcare systems and facilitating access to inclusive and quality healthcare.





Although the pandemic significantly impacted our CSR initiatives and programs, we still managed to conduct a few health-related initiatives, as illustrated in the following.

#### Health Related Initiatives



During COVID-19 crisis, KUFPEC managed to provide its support and contribution to Kuwait Red Crescent Society through donating a total of KD 10,000 as a financial aid support.



KPC conducted a health and safety campaign “#yes\_for\_vaccination” in order to speed up the process of combating the pandemic and was responsible of establishing Jaber’s Causeway drive-through Vaccination Center.



KPC launched a “#Because\_im\_aware” campaign with the purpose of raising the community’s awareness on COVID-19 in terms of updating the community with MOH’s related safety procedures, restrictions and social distancing practices.

With the majority of the population being vaccinated and gradual transitioning to normal life practices and by having governmental mandates (i.e. lockdowns, curfews, and social distancing protocols) lifted, we intend as a Group to resume our CSR activities in

the upcoming years. Our support for various health-based initiatives such as blood drives, joint activities with local hospitals and welfare groups will resume, as well as our participation in exhibitions, conferences, among various others.

#### Fostering Education

In order to effectuate its mission to support and develop the local community’s educational system, KPC Group has several dedicated programs in place that are dedicated for the purpose of fostering qualitative long-term education.

KPC Group’s contribution to education ranges from offering scholarship / study leave to our employees who are or wish to pursue their

bachelor’s, master’s or doctorate degrees for subjects that are related to the nature of their work. Fostering education extends to providing students from the local community with the opportunity to participate in a practical training course, aimed at raising their technical and professional skills.





As a result of the COVID-19 crisis, various educational programs were halted; however, we managed to conduct some education-related initiatives / events – illustrated in the following.

#### Education-related Initiatives



A joint cooperation agreement was held between KPC and the Kuwait Institute for Scientific Research (KISR) as part of supporting the achievement of Kuwait 2035 Vision. According to the agreement, both parties will cooperate constructively in the fields of research, development and technology related to the oil industry to enhance the role and development of the oil sector, in line with the main pillars upon which the KPC 2040 Strategy is based, which emphasizes its presence in supporting society and contributing to its development.



KPC organized field visits of school students to the Group's operational locations and subsidiaries to educate them on the role of the oil sector. A number of educational lectures were held on KPC's history and production, in addition to the current and future projects it undertakes to support the community and the local economy.



KPC organized a seminar on Blue hydrogen in Japan, in celebration of 60 years of diplomatic relations between Kuwait and Japan.



## Cultivating Environmental Awareness

KPC Group aims to raise the community's level of awareness on being responsible and committed to the surrounding environment. Whether through avoiding the usage of plastic bottles, encouraging recycling practices or encouraging reuse practices, we constantly strive to promote community environmental awareness – and shape its members to make better choices.

Our awareness and support initiatives focus on the 3Rs concept, namely Reduce, Reuse and Recycle of waste. We seek to improve

the surrounding environment equilibrium and promote a behavior of environmental ethics and sound conduct, as we believe pollution is often a result of each and every community's member and entity's collective impact. Thereby, through our CSR pillar "Environment" and our campaigns we seek to create such sustained and impactful communities.

In the reporting period 2020/2021, we managed to conduct some of our planned environmental community-related initiatives in spite of the pandemic, as illustrated in the following.

### Environment-Related Initiatives



Launched clean-up campaigns across 4 regions in Kuwait under the title "Ashanha".



In cooperation with the Kuwait Environmental Lens team, KNPC published "Mawasem" biodiversity booklet that highlights key biodiversity facts in the Gulf region. Through this booklet, KPC documents the components of the Kuwaiti environment and provides a scientific content which forms a reference for researchers and others who are interested in biodiversity.



Q8 continued the BeWell – More Green campaign, challenging our colleagues to walk, swim, cycle, and run. For each 200 km covered, Q8 committed itself to plant a tree



Distributed posters in the nearest habitation (Chalets of Khairan) to the benefits of clean energy requirements of Kuwait and environmental protection





## KPC 2020/2021 CSR Initiatives



In line with the strategic directions of 2040 to make KPC and its subsidiaries a model for sustainable institutions, KPC signed a Memorandum of Understanding with the United Nations Human Settlements Program "Habitat" for cooperation in the field of sustainable development. The memorandum aims to provide a framework for cooperation in which the 2 parties work together to achieve sustainable development, focusing on environmental recovery, urban governance and capacity support, as well as social integration and management of basic services.



KPC and its subsidiaries have launched the electronic platform "Badir" to support and encourage small and youth projects in cooperation with the National Fund for Small and Medium Enterprises Development.



With the youth representing over 40% of the company, PIC launched the Youth Empowerment Leaders (YEL) initiative to leverage innovation in the company's future by investing and empowering PIC's next generation



KPC held the first charitable virtual challenge of its kind for the Kuwaiti oil sector to help and support families affected by COVID-19 in cooperation with the Kuwait Red Crescent Society



KPC and its subsidiaries distributed simultaneous interpreters for sign language for the deaf and special needs individuals. The devices have been distributed to several local hospitals such as Mubarak Al-Kabeer Hospital and Farwaniya, KOC Hospital and the Sheikh Ahmed Al-Jaber exhibition.





# Corporate Governance

One of the main contributors to sustainable development excellence is an entity's governance practices. KPC Group's corporate governance framework is guided by integrity, ethics, transparency and accountability – and this is reflected in our commitments to our valued stakeholders and guides our operations and norms of behavior.

Our higher management (i.e. CEO, BoD and Executive Management) recognize the responsibility they have to demonstrate a degree of excellence and sound governance behavior. Each believes that a sound corporate governance underpins fair and transparent performance disclosure, the realization of the Group's adopted strategies, the achievement of business objectives and, most importantly the oversight of the Group's financial and non-financial performance.

Our commitment to regulation compliance, shareholders' rights, internal controls monitoring and the availability of contingency plans and risk management approach enable us to be provide



effective stewardship and resilience across KPC standalone and all 8 subsidiaries.

KPC's 2040 Strategic Directions aim to promote a risk-aware culture, and fully embed and enforce risk-based processes and procedures. Integrity is also one of our corporate strategy values, with all KPC Group's respective internal stakeholders required to act in a trustworthy manner with the highest standards of ethics, respect and honesty.

In this chapter we delve into more detail on KPC's corporate culture related disclosures, including internal controls, remuneration, BoD, and Executive Management, among others. Stating that, for KPC Group's governance aspects, the disclosures scope considers the fiscal year of 2022 performance.

This chapter outlines the following material topics, covering "Governance Topics":

### Compliance



## GOAL 16

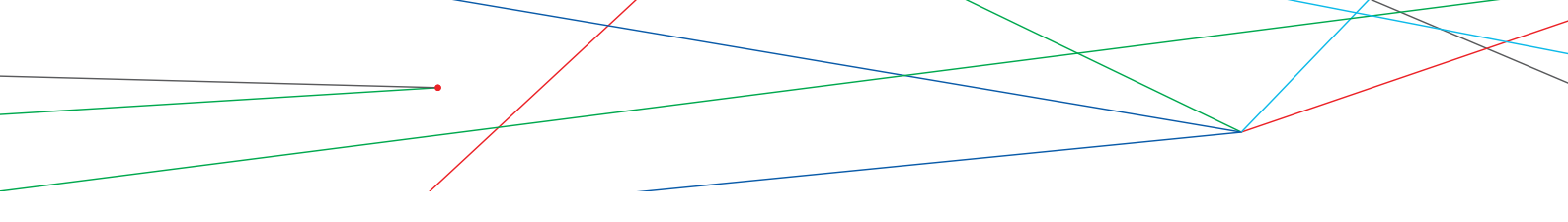
### Oil and Gas Peace, Justice and Strong Institutions

#### Collaborate and Leverage

- Strengthen public health system's response to potential health risks and epidemics
- Increase effective, accountable and transparent institutions



Covered Sections:  
Board of Directors  
Executive Management  
Compliance  
Risk Management



KPC's Group governance and organizational structure clearly sets out each overarching governing body and its respective management functions or committee. Each member of the Group's governing authority is aware of their given responsibilities, whether from oversight, control, setting strategic objectives, disclosures or the issuance of policies. Our corporate governance framework considers international best practices and guidelines, and these include Organization for Economic Co-operation and Development's (OECD), the Corporate Governance Guidelines

for State Owned Enterprises, the International Corporate Governance Network's (ICGN) and the Global Governance Principles (GGP).

The Ministry of Oil through the Supreme Petroleum Council (SPC) is the ultimate authority responsible for oversight of and for setting Kuwait's oil sector related policies and standards. The SPC members are subject to change based on new Kuwait Government appointment, stating that the SPC members for 2022-2023 have not yet been appointed.

The Chairman leads the Board of Directors (BoD) and is responsible for maintaining a culture that promotes constructive dialogue, openness and expression of views. His responsibilities further include setting the Board's agenda for each quarterly meeting and discuss any arising concerns, in a timely and responsive manner with unbiased informed decisions.

### **Board of Directors**










Ensuring that disclosures are properly communicated in a manner that is accurate and reliable lies under the responsibility of KPC's Group Board of Directors (BoD). Each member of the BoD must reflect and adhere to the highest ethical standards set forth and is responsible for overseeing the implementation of KPC's Code of Conduct across the Group's corporate culture.

KPC Group's Board comprises the Chairman, the Deputy Chairman and 9 other Board members. We have developed a diversity-related policy, and its scope covers gender and age diversity in relation to BoD members and senior management. The policy affirms KPC Group's aspirations to include female BoD members as part of its governance structure and decision-making process and the Group's directions towards empowering women in leadership positions.





## KPC Board of Directors (2022 - 2023)

	Name	Position	Date of Appointment	Background
	Dr. Bader Al-Mulla	Chairman	16 Oct. 2022	Deputy Prime Minister and Minister of Oil, PhD in Civil Law
	Sheikh Nawaf Al-Sabah	Deputy Chairman	16 Mar. 2022	Juris Doctor Degree, BA in International Relations
	Asaad Al-Saad	Member	16 Mar. 2022	BSc in Mechanical Engineering
	Yousef Al-Qabandi	Member	16 Mar. 2022	BA in Industrial Management
	Advisor Ali Al Thuwaimer	Member	3 Aug. 2022	Acting Secretary General for Cabinet Affairs, Bachelor of Law
	Ghanem Al-Ghenaiman	Member	16 Mar. 2022	Managing Director of the Public Authority for Industry, BSc in Accounting
	Dr. Fadhel A. Safar	Member	16 Mar. 2022	Ex-Minister of Public Works, Planning and Development Affairs, PhD in Chemical Engineering
	Manaf Al Hajri	Member	16 Mar. 2022	MSc in Civil Engineering, BSc in Civil Engineering
	Aseel Al-Munifi	Member	16 Mar. 2022	Undersecretary of the Ministry of Finance, BSc in Accounting



KPC Group's BoD is tasked with governance responsibility for the organization and it reports to the Supreme Petroleum Council. Our BoD oversees the overall corporate governance framework. The majority of our Board members are independent non-executive directors, and this further ensures the avoidance of any conflict of interest and facilitates a transparent decision-making process.


The Group's Executive Management communicates and reports directly to our BoD. The Chair of the Board holds regular annual independent meetings on an annual basis with non-executive directors only, in order to manage and oversee the Group's business-related matters and the addressed stakeholders' concerns. During the reporting period of 2020/2021, a total of 21 Board meetings were held in each 2021 and 2020, respectively. While comparing Board meetings of 2018/2019 with those held during 2020/2021, it is worth mentioning that there was a 31% increase in the number of held Board meetings. Given that

2020/2021 was a transitional year and a year of crisis, our BoD members were readily available to discuss all arising critical risk topics associated with the pandemic and address stakeholders' safety as part of their deliberative decision-making process.


The BoD oversees and guides KPC's and its 8 subsidiaries' business operations and affairs. Our BoD oversees risk management, applied policies practices and standards and ensures that they are applied group wide. The KPC Group has various Board Committees, and BoD members are responsible for reviewing each committee's items and respective mandates. Each committee prepares its underpinning items that are needed for the BoD's decision-making and approval, and accordingly reports and communicates such items during Board meetings.

Further details on the BoD's main responsibilities and Board committees' related disclosures are given in the following.


## Board of Directors Responsibilities

-  Guiding, approving and reviewing KPC's Mission, Vision, Values, Strategic Direction and Financial planning.


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-  Monitoring effectiveness of governance, environmental and social policies.


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-  Adopting high ethics standards and overseeing implementation of the KPC Code of Conduct as part of its corporate culture.


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-  Managing potential conflicts of interest.


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-  Overseeing integrity of KPC's accounting and reporting systems, compliance with international standards, effectiveness of internal controls and independence of external audits.


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-  Effectively implementing risk management framework and reviewing related approach and policies annually.


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-  Maintaining a formal, transparent and fair nomination, election and evaluation process of its own Directors.


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-  Appointing the CEO of KPC Group and developing his/her succession plan.


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-  Aligning KPC Group CEO and Senior Management remuneration against KPIs that support successful implementation of KPC Group's long-term Strategic Direction.

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-  Objectively conducting a Board evaluation regularly to enhance effectiveness.

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-  Providing Senior Management with necessary support to conduct KPC Group's business and resolve any critical issues.

#### KPC Group Board Committees' Disclosures

Committee	Details	Number of Held Committee Meetings	Committee Representatives
The Higher Executive Committee	The committee is delegated with some of the board's terms of reference, such as approving some projects within specific amounts, and reviewing the estimated budgets of the corporation and its subsidiaries and global marketing contracts.	-	-
Compensation and Development Committee for Employees and Leaders in KPC and its Subsidiaries	The committee is concerned with all matters relating to compensation of employees and leaders, nominations for membership of KPC Board of Directors, leadership positions in the KPC and its subsidiaries, and memberships of the boards of directors of the oil subsidiaries.	12	5 Directors
Audit and Risk Committee	The committee is concerned with everything related to the reports of the internal and external auditors, the periodic financial statements, the financial situation, the annual plan of the internal auditing staff, the report of the Audit Bureau on the final account and the corporation's responses to it, in addition to the policies and plans for risk management in the corporation and its subsidiaries.	7	4 Directors

## Executive Management

KPC's BoD responsibilities extend to overseeing the Group's entrusted Executive Management that is headed by the Deputy Chairman and Chief Executive Officer. Each executive manager is responsible for managing their day-to-day operations and core business activities. They are also responsible for planning processes, developing principles and practices as per their business' and stakeholders' needs, and setting targets and goals.

Most importantly, each executive manager should align their operational vision with the Group's overall corporate strategy and should reflect the Group's values and ethical conduct, as well as ensuring that their teams are in compliance with any issued standards, policies or regulations.

Regarding the remuneration and compensation of KPC Group's BoD and Executive Management, this is governed by the Remuneration Policy, Executive Compensation Committee and the Board Nomination and Remuneration Committee.

The Executive Compensation Committee is responsible for determining the top management's (both KPC's and the 8 subsidiaries') merit and payout adjustments and for setting the incentives









annual targets. Whereas the Board Nomination and Remuneration Committee is accountable for promoting the effective governance and sound practices of our remuneration system, and is governed by the BoD.

The following illustrates the Group's top management list, categorized by KPC standalone and by each subsidiary.

### KPC Top Management

Name	Position	Background
 <div> <div>Sheikh Nawaf Al-Sabah</div> </div>	CEO	Juris Doctor Degree, BSc in International Relations
 <div> <div>Bader Al-Attar</div> </div>	MD Planning & Finance	BSc in Petroleum Engineering
 <div> <div>Sheikh Khaled Al-Sabah</div> </div>	MD International Marketing	BSc in Petroleum Engineering
 <div> <div>Hesham Al-Refae</div> </div>	MD Human Resources	BSc in Statistics

## Oil Sector Top Management

	Name	Position	Background
	Ahmad Al-Eidan	CEO KOC	BSc in Geology
	Wadha Al-Khateeb	CEO KNPC	BSc in Chemical Engineering
	Waleed Al-Bader	CEO KIPIC	BSc in Chemical Engineering
	Nadia Al-Haji	CEO PIC	BSc in Chemical Engineering
	Mohammad Al-Haimer	CEO KUFPEC	BSc in Petroleum Engineering
	Shafi Al-Ajmi	CEO KPI	BSc in Chemical Engineering
	Khaled Al-Otaibi	CEO KGOC (Acting)	BSc in Architectural
	Sheikh Khaled Al-Sabah	CEO KOTC (Acting)	BSc in Petroleum Engineering



## Compliance

Upholding the highest standards of integrity and personal conduct within our compliant business and professional activities and when dealing with our stakeholders remained a priority for us in spite of the pandemic disruptions.

Treating others with respect, reflecting ethical commitment, good conduct and discipline are among KPC's most important assets. Therefore, each and every employee should be committed to conducting business and performing their duties in an ethical and orderly manner, and with honesty and integrity. This requires adherence to all relevant business laws, regulations and ethical practices, including being compliant with the Group's Code of Conduct.

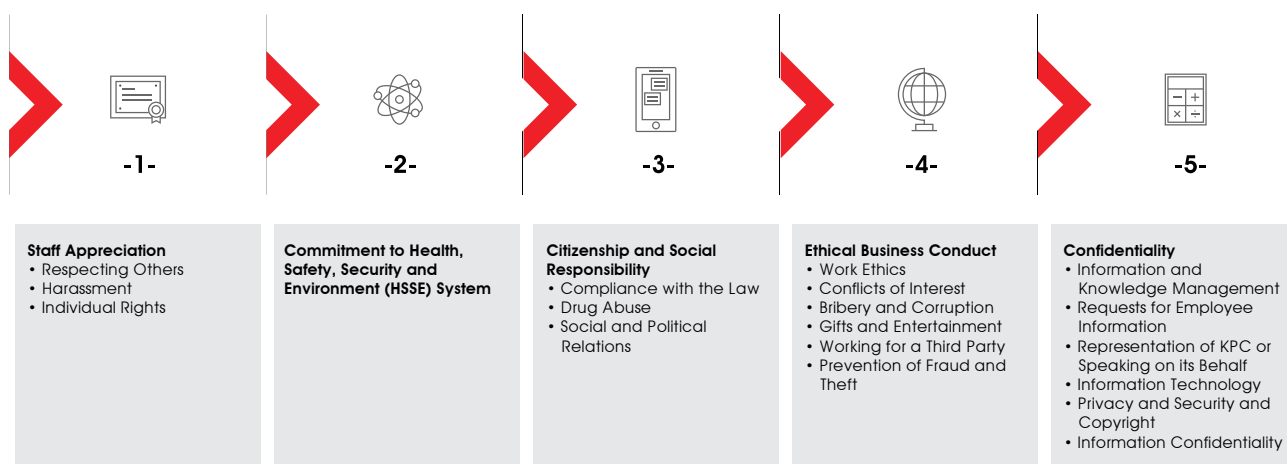
This Code of Conduct applies to all those employed by KPC and all of its direct and indirect subsidiaries, to the extent permitted by corporation applicable law. We require compliance with our Code of Conduct from all who perform work for us and form engagements with mutual benefits and interest. This includes,

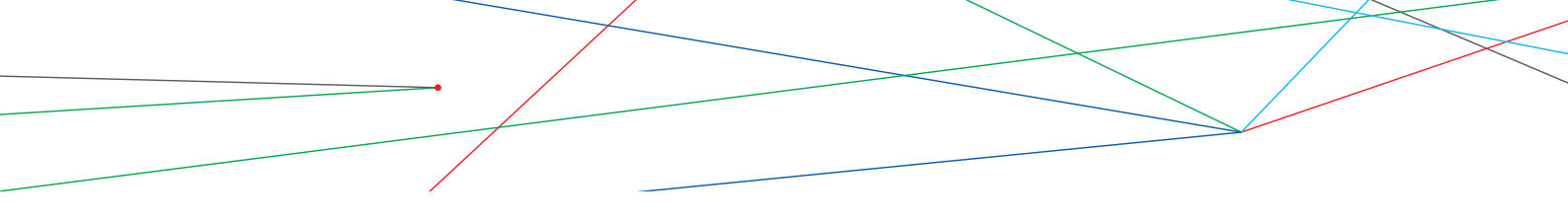
but is not limited to, consultants, contractors, suppliers, internal contractors, vendors, government agencies and customers. All Board members and employees are required to undergo annual training and acknowledge the Code of Conduct. All contractors and third parties working with KPC Group are also required to sign an acknowledgement of the Code of Conduct before beginning any work or service for KPC Group.

At KPC, we are keen to raise awareness promptly and proactively among our employees about any new legal mandate or policies updates, with the purpose of protecting the Group's and our stakeholders' interest. All employees are responsible for notifying KPC about any incidents or circumstances that might involve legal implications or are related to misconduct or any non-ethical behavior.

Our Code of Conduct outlines a set of guidelines and disciplinary actions, covering aspects that include:

## Code of Conduct





Similarly, the Board ensures that the Group's whistleblowing policy is implemented and reviewed on a regular basis - allowing any employee, supplier or stakeholder to raise issues related to a suspected or potential breach of KPC's Code of Conduct through a confidential and independent process. Depending on the nature of the complaint, the BoD may assign the Internal Audit function, legal advisory, an external investigator or an ad-hoc Investigation Committee to investigate the matter further.

### **Conflict of Interest**

To avoid any conflict of interest, each Board and Executive Management member is required to disclose any cases that may result in a conflict between their interests and the interests of KPC Group. All employees should work diligently in the interest of the KPC. As such, every employee member of the Higher Tenders Committee should avoid actions and behaviors that constitute or appear to constitute a conflict with the interests of KPC Group or that are deemed subject to the pre-disclosure of personal interest.

Any potential conflict of interest should be disclosed by employees to the Compliance

Officer via a disclosure of potential conflict of interest form. Failure to do so may subject the employee to disciplinary action.

Officer via a disclosure of potential conflict of interest form. Failure to do so may subject the employee to disciplinary action.

The Board is responsible for monitoring and ensuring that such cases have been dealt with in an appropriate, accountable and timely manner. The Board shall also review all proposed transactions with related parties to ensure that no conflict of interest may arise as a result of any transaction. Board members must also not attend or participate in any discussion or decision-making or voting that involves a topic, transaction or proposed transaction where there is a potential conflict of interest.

### **Bribery and Corruption**

It is crucial that all our employees, contractors, suppliers and other stakeholders engaged in our business are unwavering in explicitly prohibiting any form of bribery or corruption.

At KPC Group any act that is an abuse of power for private interests is forbidden. The Group's Code of Conduct clearly states that the acceptance of any gift, cash amount, a bribe or anything of value, whether directly or indirectly, from any person for the purpose of influencing a decision, official assignment or to obtain, retain, assign or influence business for the benefit of any third party or any other person is considered an act of bribery and corruption. We promptly assess all operations that may be suspected of risks related to corruption or bribery, as part of any necessary due diligence. When deemed necessary, we willingly choose not to work with a counterparty and reject tender opportunities if it has any exposure to corruption or bribery related risks.

Training on anti-bribery and corruption is conducted on an annual basis, where the course covers an introduction on bribery, failing to prevent bribery and types of bribes, gifts and hospitality. In 2020/2021 our employees received training on bribery and corruption – covering KPC and all 8 subsidiaries.

It is worth noting that KPI Legal Department gives high importance to all subjects related to anti-competitive behavior, anti-trust and monopoly practices. Therefore, KPI has published its "KPI Antitrust Law Policy and Compliance Guideline", which is in accordance with the European Union competition law.

During the reporting period of 2020/2021, no corruption or bribery incidents were found nor reported. Similarly, no issues arose concerning any anti-competitive behavior, anti-trust or monopoly practices.

## Prevention of Fraud and Theft

Corruption has many forms, and includes (to name a few) bribery, conflicts of interest and fraud.

KPC Group has zero tolerance to any act that is categorized under Fraud and Theft and violates the Group's Code of Conduct. At KPC the recognized forms of fraud and theft include, but are not limited to, the following:

- Forging or falsifying contract documents, such as invoices
- Misappropriation of funds
- Falsification of qualifications and experience certificates
- Deliberate misuse of information to the detriment of the interests of the KPC Group
- Unauthorized exploitation of the workforce of any of the contractors or their vehicles or equipment
- Misuse of approved funding, including petty cash and vouchers

An employee should request instruction from their line manager or Compliance Officer before

taking any action that might be perceived as fraud or theft. In addition, every employee is obliged to document and report on any fraud or theft-related incidents and to notify the responsible Compliance Officer accordingly.

We absolutely do not tolerate any act of non-compliance with laws or regulations, and we strictly and constantly emphasize the importance of abiding by all issued Group-wide regulations and policies as part of our compliance management framework. Our compliance framework enables us to identify any relevant compliance requirements, establish controls and policies, and periodically monitor the Group's overall compliance performance.

In 2020/2021, we did not incur nor face any significant fines nor any monetary sanctions that are related to exhibiting a non-compliance act nor did we face any dispute, ethical allegations or legal accusations.

Agreements and Regulations	Aim of the Agreement
Kuwait Labor Law	The Kuwait Labor Law ensures that employees and employers are treated fairly
Financial Regulations of the Ministry of Finance	Regulations governing the Financial Management of businesses that operate in Kuwait
Constitution and Conventions of the International Labor Organization (ILO)	The ILO Conventions cover a wide area of social and labour issues including basic human rights, minimum wages, industrial relations, employment policy, etc.
United Nation's on Elimination of All Forms of Racial Discrimination	The Convention commits its members to the elimination of racial discrimination and the promotion of understanding among all races
United Nation's Convention of All forms of Discrimination Against Women (CEDAW)	The Convention commits its members to the elimination of discrimination against women
United Nations Convention on the Rights of Persons with Disabilities (CRPD)	The Convention is intended to protect the rights and dignity of people with disabilities
Kyoto Protocol	Kyoto Protocol commits countries to limit their greenhouse gas emissions and reduce the amount of GHG in the atmosphere
European Union monitoring, reporting and verification of emission scheme(s) (EU MRV)	The regulation requires ships to monitor and report their CO2 emissions, fuel consumption, transport work and average energy efficiency
Basel Convention	Basel Convention aims to reduce the amount of hazardous waste transferred from developed countries to less developed countries and also aims to minimize the toxicity of the hazardous waste
Classification, Labelling and Packaging (CLP) and Globally Harmonized System of Classification and Labelling of Chemicals (GHS)	CLP creates a harmonized system to identify hazardous chemicals and inform users about their hazards through standard symbols and phrases
Paris Agreement of the United Nation's Framework Convention on Climate Change (UNFCCC)	Develop a legal instrument applicable to all Parties to cut greenhouse gases (GHG) emissions
UN Convention on Law of the Sea (UNCLOS)	UN Convention on Law of the Sea establishes rules governing all uses of the oceans and their resources
MARPOL Annex VI by International Maritime Organization (IMO)	MARPOL is concerned with preventing pollution from shipping
United Nation's Sustainable Development Goals (UN SDG)	UN SDGs call for action by all countries - developed and developing - in a global partnership to support sustainable development in relation to numerous topics and global issues
Kuwait Environmental Public Authority (KEPA) regulations	KEPA sets environmental regulations in Kuwait



## Risk Management

Having an effective and integrated risk management framework and approach is critical for achieving performance resilience. It is fundamental to continuously monitoring KPC's Group business processes, frameworks, operational performance, and due diligence processes, specifically those that are categorized as being of high-risk.

KPC Group's risk management approach considers all potential and possible risks that may impact or affect the Group's stakeholders, disturb strategic plans, influence shareholders' value, impose threats to revenue or have negative social and environmental impacts or disrupt the safety, security and sustainability of our operations, among various other risk-related aspects.

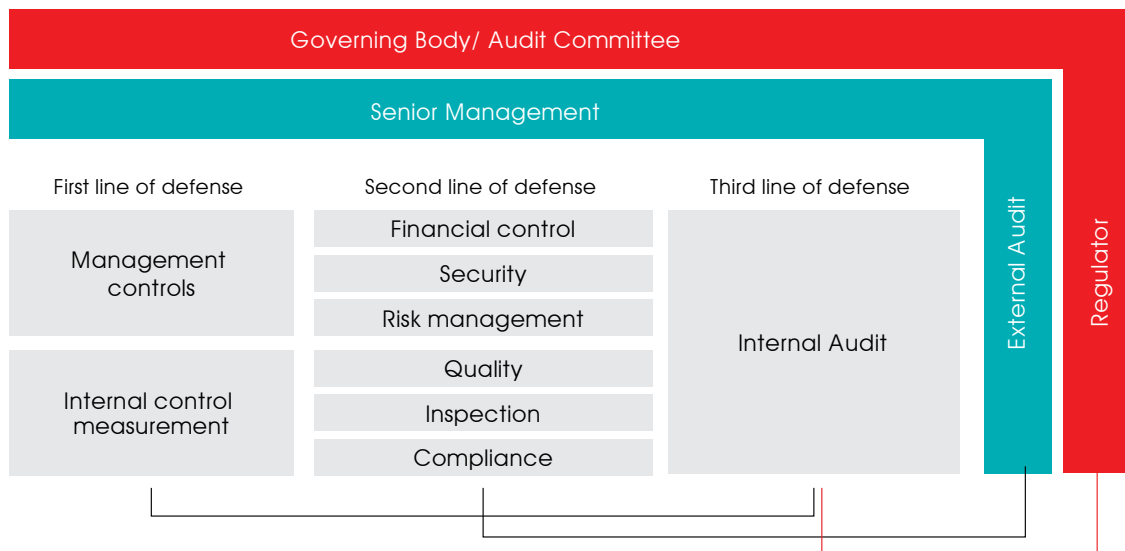
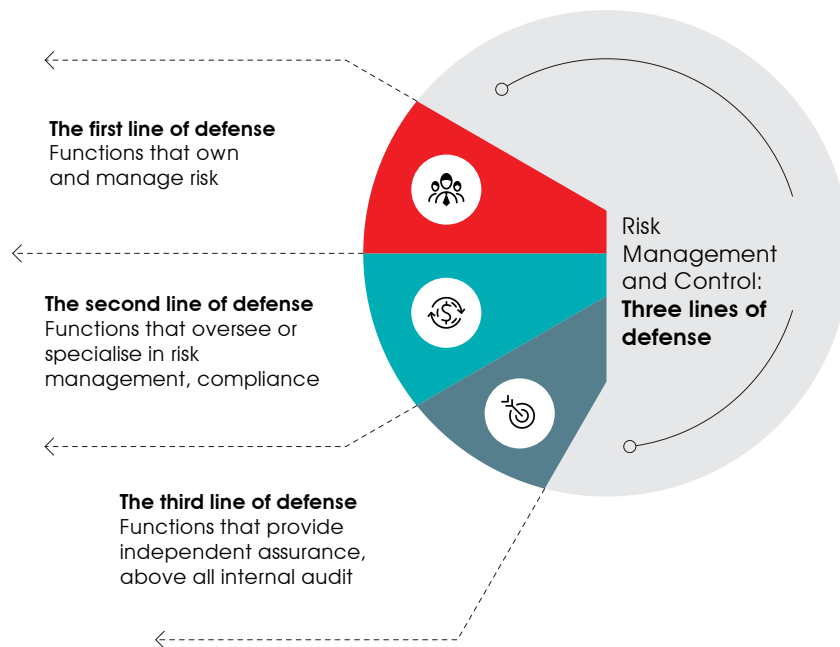
We ensure that our risk management approach is standardized and unified across KPC and among all our 8 subsidiaries. Most importantly, the Group's risk management is systemic and proactive in terms of analyzing and managing any arising and identified opportunities and threats. On a periodic basis, we regularly identify and evaluate potential risks through the adoption of an Impact-Likelihood matrix. As such, the impacts are then assessed across multiple parameters that include financial, environmental, social, reputational, technology, safety and ethical related concerns. Consequently, mitigation plans are developed, resulting in incidents avoidance and the continuity of our business operations accordingly.

Our CEO and Senior Management are delegated the responsibility of operating the Group's risk management framework and control, and the Risk Management Committee reports its activities to the BoD on a regular basis. Each senior manager is required to inform their employees and provide directions in relation to their approved level of risk appetite. Furthermore, they are responsible for ensuring that risk-related controls are in place and that any identified risk is managed within their day-to-day operations.

KPC's Internal Audit function assists in achieving the Group's risk-related objectives by applying a systematic and disciplined approach for evaluating our risk management framework, internal controls and governance processes. The Internal Audit function operates in line with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The scope of the Internal Audit function covers all 8 subsidiaries, functions, units and KPC Group's processes. Stating that, all conducted internal audits are performed as per the reviewed and approved Board Audit Committee plans.

KPC Group's Risk Management Framework is in line with the ISO 31000 - Risk Management guidelines.





The background of the page is a photograph of an offshore oil drilling rig against a clear blue sky. The rig is a tall, complex structure with various levels, ladders, and pipes. At the top, there is a red structure. The rig is mounted on a platform. In the foreground, there are some blurred structures, possibly part of the rig's base or other equipment. Overlaid on the image are several thin, straight lines in red, blue, and white, forming a network of triangles and polygons. A solid red rectangle is positioned to the left of the word 'Appendices'.

# Appendices



Materiality Disclosures Service Mark

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



## (a) GRI Content Index

Standard used: GRI 101:Foundation 2016

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other details
GRI 102: General Disclosures 2016			
102-1	Name of the organization	4	
102-2	Activities, brands, products, and services	14 - 45	
102-3	Location of headquarters	4	
102-4	Location of operation	4	
102-5	Ownership and legal form	16	
102-6	Markets served	14-45	
102-7	Scale of the organization	14-45	
102-8 *	Information on employees and other workers	114-128	
102-9	Supply chain	76-77	
102-10	Significant changes to the organization and its supply chain	-	*There are no significant changes to the organization and its supply chain during the reporting period
102-11	Precautionary principles or approach	150-151	Integrated within risk management approach 150,151
102-12	External initiatives	130-137	
102-13	Membership of associations	149	
Strategy			
102-14	Statement from senior decision-maker	10,11	
102-15	Key impacts, risks and opportunities	72,76,80,96,107,124,125,126,132,133,148,150	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	16,17	
102-17	Mechanisms for advice and concerns about ethics	147,148	
Governance			
102-18	Governance structure	140, 142	
102-19	Delegating authority	140 - 146	
102-20	Executive-level responsibility for economic, environmental, and social topics	53-57	
102-21	Consulting stakeholders on economic, environmental, and social topics	60-64	
102-22	Composition of the highest governance body and its committees	140-144	
102-23	Chair of the highest governance body	140 and 142	
102-24	Nominating and selecting the highest governance body	140 and 142	
102-25	Conflicts of interest	148	
102-26	Role of highest governance body in setting purpose, values, and strategy	143	
102-27	Collective knowledge of highest governance body	142	
102-28	Evaluating the highest governance body's performance	143	
102-29	Identifying and managing economic, environmental, and social impacts	79-97, 130-137, 150, 151	
102-30	Effectiveness of risk management processes	150,151	
102-31	Review of economic, environmental, and social topics	54	
102-32	Highest governance body's role in sustainability reporting	53,143	
102-33	Communicating critical concerns	61,62	
102-34	Nature and total number of critical concerns		*Total number of critical concerns was not recorded by KPC*
102-35	Remuneration policies	145	
102-36	Process for determining remuneration	145	
102-37	Stakeholders involvement in remuneration	145	
102-38	Annual total compensation ratio		This is considered as confidential information by KPC
102-39	Percentage increase in annual total compensation ratio		This is considered as confidential information by KPC
Stakeholder Engagement			
102-40	List of stakeholder groups	61,62	
102-41	Collective bargaining agreements	62	
102-42	Identifying and selecting stakeholders	60	
102-43	Approach to stakeholder engagement	60	
102-44	Key topics and concerns raised	61-64	



GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other details
Reporting Practice			
102-45	Entities included in the consolidated financial statements	6	
102-46	Defining report content and topic boundaries	4	
102-47	List of material topics	65	
102-48	Restatements of information	4	
102-49	Changes in reporting		"There were no significant changes from previous reporting periods in the list of material topics and topic boundaries."
102-50	Reporting period	4	
102-51	Date of most recent report	4	
102-52	Reporting cycle		Biannual
102-53	Contact point for questions regarding the report	8	
102-54	Claims of reporting in accordance with the GRI Standards	7	
102-55	GRI content index	154	
102-56	External assurance		No formal independent external assurance of the sustainability report was conducted
GRI 103: Management Approach 2016			
103-1	Explaining of the material topic and its Boundary	65	"Impact boundaries are provided for all material topics, and are linked to GRI standards. Impact boundaries cover: employees, suppliers, local communities, KEPA, contractors, customers, JV partners, educational institutions, labor unions, and government."
103-2	The management approach and its components		"For each material topic details are provided on how KPC manages the topic as per the pages provided below. This includes: Relevant policies; Commitments; Goals and targets; Responsibilities; Resources; Grievance mechanisms; Specific actions, such as processes, projects, programs and initiatives. The purpose of the management approach is to avoid, mitigate, or remediate negative impacts, and to enhance positive impacts."
103-3	Evaluation of the management approach	8,59,122,123,148	"For each material topic details are provided on how KPC evaluates the management approach. KPC assesses and responds to stakeholder feedback and expectations in relation to the areas that relate to economic, social and environmental performance. Results of the management approach are evaluated for each material topic and adjustments are made accordingly."
	Learning and Education		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	122-123	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Economic Performance		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	68-76	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Water		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	90-91	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Energy		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	80-88	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Emissions		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	80-88	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Innovation		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	98-110	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Occupational Health and Safety		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	124-129	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Effluents and Waste		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	92-95	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Employment		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	112-128	
103-3	Evaluation of the management approach	8, 59, 122, 123, 148	
	Customer Health and Safety		
103-1	Explaining of the material topic and its Boundary	65	
103-2	The management approach and its components	132,133	

GRI Standard Disclosure Number		Individual Disclosure Items	Page number(s) and/or URL(s)	Other details
103-3	Evaluation of the management approach		8, 59, 122, 123, 148	
	Compliance			
103-1	Explaining of the material topic and its Boundary		65	
103-2	The management approach and its components		147-149	
103-3	Evaluation of the management approach		8, 59, 122, 123, 148	
	Market Presence Including Local Content			
103-1	Explaining of the material topic and its Boundary		65	
103-2	The management approach and its components		72-76	
103-3	Evaluation of the management approach		8, 59, 122, 123, 148	
	Biodiveristy			
103-1	Explaining of the material topic and its Boundary		65	
103-2	The management approach and its components		96,97	
103-3	Evaluation of the management approach		8, 59, 122, 123, 148	
	Local Communities			
103-1	Explaining of the material topic and its Boundary		65	
103-2	The management approach and its components		130-137	
103-3	Evaluation of the management approach		8, 59, 122, 123, 148	
	Diversity and Equal Opportunity			
103-1	Explaining of the material topic and its Boundary		65	
103-2	The management approach and its components		117-121	
103-3	Evaluation of the management approach		8, 59, 122, 123, 148	




GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other details	Material Topics
Topic Specific Standards   GRI 200: Economic   GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	71		Economic Performance
201-2	Financial implications and other risks and opportunities due to climate change	72	"It is worth mentioning that there were no financial implications present nor other risks and opportunities posed by climate change during the reporting period of 2020/2021 that are considered to have the potential to generate substantive changes in the Group's operations, revenue or expenditure."	Economic Performance
201-3	Defined benefit plan obligations and other retirement plans	116		Employment
201-4	Financial assistance received from Government		KPC does not receive financial assistance from the government	Economic Performance
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	168		Employment
202-2	Proportion of senior management hired from the local community	75	"It should be noted that the percentage of full-time senior management employees that are hired from the local community is 100% across KPC itself and amongst all 8 subsidiaries."	Employment
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	103-105		Economic Performance
203-2	Significant indirect economic impacts		Throughout sustainability report and in pages 130 - 137	Economic Performance
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	76,77,169		Local communities
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	148		Compliance
205-2	Communication and training about anti- corruption policies and procedures	148		Compliance
205-3	Confirmed incidents of corruption and actions taken	148		Compliance
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	148		Compliance
GRI 207: Tax 2019				
207-2	Tax governance, control, and risk management	165		Compliance
GRI 300-Environmental                      GRI 301: Materials 2016				
301-1	Materials used by weight or volume		The are no records of materials used by KPC	Effluents and Waste
301-2	Recycled input materials used	94		Effluents and Waste
301-3	Reclaimed products and their packaging materials		KPC does not produce reclaimed products	Effluents and Waste
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	80-82		Energy
302-2	Energy consumption outside of the organization		There are no records of energy consumption outside of KPC	Energy
302-3	Energy intensity	86		Energy
302-4	Reduction of energy consumption	83		Energy
302-5	Reduction in energy requirements of products and services		"There are no records of energy consumed by KPC's products and services"	Energy

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other details	Material Topics
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	90-91		Water
303-2	Management of water discharge-related impacts	91		Water
303-3	Water withdrawal	91		Water
303-4	Water discharge	91		Water
303-5	Water consumption	90		Water
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	96,97		Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	96,97		Biodiversity
304-3	Habitats protected or restored	96,97		Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		KPC does not have records of IUCN red list species and national conservation list species with habitats in areas affected by its operations	Biodiversity
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	83-85		Emissions
305-2	Energy indirect (Scope 2) GHG emissions	83-85		Emissions
305-3	Other indirect (Scope 3) GHG emissions	185		Emissions
305-4	GHG emissions intensity	86,185		Emissions
305-5	Reduction of GHG emissions	185		Emissions
305-6	Emissions of ozone-depleting substances (ODS)	185		Emissions
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	90		Emissions
GRI 306: Waste 2020				
306-1	Waste discharge by quality and destination	92-95		Effluents and Waste
306-2	Waste by type and disposal method	94		Effluents and Waste
306-3	Significant spills	186		Effluents and Waste
306-4	Transport of hazardous waste	186		Effluents and Waste
306-5	Water bodies affected by water discharges and/or runoff	90 -91		Effluents and Waste
GRI 307: Environmental Compliance 2016				
307-1	Non-compliance with environmental laws and regulations		"As part of its Sustainability Reporting Policy, KPC complies with all all socio-economic and environmental regulations and strives to meet international sustainability standards across its operating geographical locations"	Compliance
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	77		Compliance
308-2	Negative environmental impacts in the supply chain and actions taken		"There were no negative environmental impacts in the supply chain during the reporting period"	Compliance
GRI 400: Social      GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	121		Employment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	114-116		Employment, Diversity and Equal Opportunity
401-3	Parental leave	116		Employment
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes		"KPC notifies employees on operational changes; however, there are no specific minimum notice periods reported."	Employment
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	124		Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	124		Occupational Health and Safety
403-3	Occupational health services	124		Occupational Health and Safety
403-4	Worker participation, consultation, and communication on Occupational health and safety	125		Occupational Health and Safety
403-5	Worker training on occupational health and safety	127		Occupational Health and Safety
403-6	Promotion of worker health	124-126		Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	126		Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	125		Occupational Health and Safety
403-9	Work-related injuries	128		Occupational Health and Safety
403-10	Work-related ill health	184		Occupational Health and Safety
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	123		Learning and Education
404-2	Programs for upgrading employee skills and transition assistance programs	122,123		Learning and Education
404-3	Percentage of employees receiving regular performance and career development reviews	177		Learning and Education

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other details	Material Topics
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	123		Learning and Education
404-2	Programs for upgrading employee skills and transition assistance programs	122,123		Learning and Education
404-3	Percentage of employees receiving regular performance and career development reviews	177		Learning and Education
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	119, 141,179		Diversity and Equal Opportunity
405-2	Ratio of basic salary and remuneration of women to men	182		Diversity and Equal Opportunity
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	183		Diversity and Equal Opportunity
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	183	*KPC does not have operations nor suppliers in which the right to freedom of association and bargaining may be at risk	Compliance
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	183		Compliance
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	183		Compliance
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures		KPC does not train its security personnel on human rights procedures	Learning and Education
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples		KPC does not have recorded incidents of violations involving rights of indigenous peoples	Compliance
GRI 412: Human Rights Assessment 2016				
412-1	Operations that have been subject to human rights reviews or impact assessments	107		Compliance
412-2	Employee training on human rights policies or procedures		KPC does not train employees on human rights policies or procedures	Learning and Education
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	149		Compliance
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	130-137		Market Presence Including Local
413-2	Operations with significant actual and potential negative impacts on local communities	96,150		Market Presence Including Local
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	170		Local Communities, Market Presence Including Local
414-2	Negative social impacts in the supply chain and actions taken		KPC does not have recorded negative social impacts in its supply chain	Compliance
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	161		Customer Health and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		*There are no records of incidents of non-compliance concerning health and safety impacts of products and services	Customer Health and Safety
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	107		Customer Health and Safety
417-2	Incidents of non-compliance concerning product and service information and labeling		There are no incidents of non-compliance product and service information and labeling	Customer Health and Safety
417-3	Incidents of non-compliance concerning marketing communications		There are no incidents of non-compliance concerning marketing communications	Customer Health and Safety
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	107		Customer Health and Safety
GRI 419: Socioeconomic Compliance 2016				
419-1	Non-compliance with laws and regulations in the social and economic area	147		Compliance



## (b) Material Topics Alignment

Material Topic	SDG
Economic Performance	 SDG 2  SDG 5  SDG 7  SDG 8  SDG 9
Energy	 SDG 7  SDG 8  SDG 12  SDG 13
Emissions	 SDG 12  SDG 13  SDG 14  SDG 15
Compliance	 SDG 16
Learning and Education	 SDG 4  SDG 5  SDG 8
Occupational Health and Safety	 SDG 3  SDG 8
Stable Supply of Hydrocarbons	 SDG 8  SDG 11
Employment	 SDG 5  SDG 8
Customer Health and Safety	 SDG 3  SDG 12  SDG 16
Local Communities	 SDG 1  SDG 2  SDG 3
Market Presence including Local Content	 SDG 1  SDG 5  SDG 8
Innovation	 SDG 9
Water	 SDG 6  SDG 8  SDG 12
Effluents and Waste	 SDG 3  SDG 6  SDG 12  SDG 13
Biodiversity	 SDG 6  SDG 14  SDG 15
Diversity and Equal Opportunity	 SDG 5  SDG 8

## New Kuwait Vision 2035



Material Topic	New Kuwait Vision 2035
Economic Performance	Global Position Creative Human Capital
Energy	Living Environment
Emissions	Living Environment
Compliance	Global Position
Learning and Education	Creative Human Capital
Occupational Health and Safety	Living Environment Public Administration Global Position
Stable Supply of Hydrocarbons	Global Position
Employment	Creative Human Capital
Customer Health and Safety	Living Environment Public Administration Global Position
Local Communities	Living Environment
Market Presence including Local Content	Global Position Creative Human Capital
Innovation	Global Position Creative Human Capital
Water	Living Environment
Effluents and Waste	Living Environment
Biodiversity	Living Environment
Diversity and Equal Opportunity	Creative Human Capital

## Global Reporting Initiative

Material Topic	GRI
Economic Performance	GRI 201
Energy	GRI 302
Emissions	GRI 305
Compliance	GRI 307 GRI 419
Learning and Education	GRI 404
Occupational Health and Safety	GRI 403
Stable Supply of Hydrocarbons	GRI 102-7
Employment	GRI 102-8 GRI 401
Customer Health and Safety	GRI 416
Local Communities	GRI 413
Market Presence including Local Content	GRI 202
Innovation	N/A
Water	GRI 303
Effluents and Waste	GRI 306
Biodiversity	GRI 304
Diversity and Equal Opportunity	GRI 405

## IFC Performance Standards on Environmental and Social Sustainability

Material Topic	IFC Performance Standards on Environmental and Social Sustainability	IFC Objective
Economic Performance	N/A	N/A
Energy	Performance Standard 3: Resource Efficiency and Pollution Prevention	<ul style="list-style-type: none"> <li>To promote more sustainable use of resources, including energy and water</li> </ul>
Emissions	Performance Standard 3: Resource Efficiency and Pollution Prevention	<ul style="list-style-type: none"> <li>To reduce project related GHG emissions</li> </ul>
Compliance	Performance Standard 2: Labor and Working Conditions	<ul style="list-style-type: none"> <li>To promote compliance with national employment and labor laws.</li> </ul>
Learning and Education	Performance Standard 2: Labor and Working Conditions	<ul style="list-style-type: none"> <li>To promote the fair treatment, non-discrimination and equal opportunity of workers</li> <li>To establish, maintain, and improve the worker-management relationship</li> <li>To avoid the use of forced labor</li> </ul>
Occupational Health and Safety	Performance Standard 2: Labor and Working Conditions Performance Standard 4: Community Health, Safety, and Security	<ul style="list-style-type: none"> <li>To promote safe and healthy working conditions, and the health of workers.</li> <li>To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances</li> <li>To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.</li> </ul>
Stable Supply of Hydrocarbons	Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	<ul style="list-style-type: none"> <li>To identify and evaluate environmental and social risks and impacts of the project</li> </ul>
Employment	Performance Standard 2: Labor and Working Conditions	<ul style="list-style-type: none"> <li>To promote the fair treatment, non-discrimination and equal opportunity of workers</li> <li>To establish, maintain, and improve the worker-management relationship</li> <li>To promote compliance with national employment and labor laws</li> <li>To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain</li> </ul>
Customer Health and Safety	Performance Standard 4: Community Health, Safety, and Security	<ul style="list-style-type: none"> <li>To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances</li> <li>To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.</li> </ul>
Local Communities	Performance Standard 7: Indigenous Peoples	<ul style="list-style-type: none"> <li>To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples</li> <li>To anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.</li> <li>To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner</li> </ul>

## (c) Sustainability Performance Data

### Economic Performance

Entity			Property rental (KWD)
Standalone	KPC	0	
Upstream	KOC	16,905,789	
	KGOC	Confidential information	
	KUFPEC	-	
Midstream	KOTC	145,655	
Downstream	KNPC	155,000	
	KIPIC	-	
	KPI	25,010	
	PIC	-	
Entity			License fees (KWD)
Standalone	KPC	456,293	
Upstream	KOC	49,489,671	
	KGOC	1,254,128.684	
	KUFPEC	-	
Midstream	KOTC	336,000	
Downstream	KNPC	2,627,000	
	KIPIC	4,965,005	
	KPI	56,089	
	PIC	-	
Entity			Facilitation payments (KWD)
Standalone	KPC	0	
Upstream	KOC	87843266	
	KGOC	-	
	KUFPEC	-	
Midstream	KOTC	0	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	0	
	PIC	-	
Entity			Royalties (including those payable to parent company KPC) (KWD)
Standalone	KPC	0	
Upstream	KOC	Not applicable	
	KGOC	-	
	KUFPEC	-	
Midstream	KOTC	0	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	0	
	PIC	-	
Entity			Payments for contract workers (KWD)
Standalone	KPC	25055	
Upstream	KOC	49008157	
	KGOC	4939528	
	KUFPEC	1921175	
Midstream	KOTC	0	
Downstream	KNPC	25734000	
	KIPIC	31,273,273	
	KPI	1034978	
	PIC	-	
Entity			Training costs (if outside trainers are used) (KWD)
Standalone	KPC	848	
Upstream	KOC	3809404	
	KGOC	11548	
	KUFPEC	-	
Midstream	KOTC	17897000	
Downstream	KNPC	31,273,273	
	KIPIC	521,212	
	KPI	1500	
	PIC	-	



	Entity	Personal protective clothing (KWD)
Standalone	KPC	26236
Upstream	KOC	506681.131000001
	KGOC	6689
	KUFPEC	-
Midstream	KOTC	1094000
Downstream	KNPC	701000
	KIPIC	-
	KPI	0
	PIC	-
	Entity	Organizations providing services to KPC and subsidiaries (KWD)
Standalone	KPC	12569825.43
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	34000
Downstream	KNPC	131881000
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Service Purchased (KWD)
Standalone	KPC	12569825.43
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	2287000
Downstream	KNPC	131881000
	KIPIC	4054651
	KPI	0
	PIC	-
	Entity	Operating Costs (KWD)
Standalone	KPC	13078257
Upstream	KOC	207562968
	KGOC	-
	KUFPEC	1921175
Midstream	KOTC	21648000
Downstream	KNPC	521303000
	KIPIC	40975013
	KPI	1117577
	PIC	-
	Entity	Interest on all forms of debt and borrowings (KWD)
Standalone	KPC	10296137
Upstream	KOC	-
	KGOC	-
	KUFPEC	3306862
Midstream	KOTC	2626000
Downstream	KNPC	75759046
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Arrears of dividends due to preferred shareholders (KWD)
Standalone	KPC	0
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-



	Entity	Other interest payments (KWD)
Standalone	KPC	7857496
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	200431
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Interest payments made to providers of loans (KWD)
Standalone	KPC	18153633
Upstream	KOC	-
	KGOC	-
	KUFPEC	3306862
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	18017000
	KPI	-
	PIC	-
	Entity	Payments to providers of Capital (KWD)
Standalone	KPC	418153633
Upstream	KOC	Not applicable
	KGOC	-
	KUFPEC	3306862
Midstream	KOTC	13356000
Downstream	KNPC	75759046
	KIPIC	18017000
	KPI	0
	PIC	-
	Entity	Employee salaries (KWD)
Standalone	KPC	33288467.5
Upstream	KOC	490596633
	KGOC	32859026.4
	KUFPEC	10036741.93
Midstream	KOTC	30222871
Downstream	KNPC	226006000
	KIPIC	46681052.556
	KPI	6412628
	PIC	-
	Entity	Amounts paid to government institutions on behalf of employees (such as employee taxes, levies and unemployment funds) (KWD)
Standalone	KPC	285515.02
Upstream	KOC	-
	KGOC	4368576.332
	KUFPEC	68558.18
Midstream	KOTC	7513916
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Others (KWD)
Standalone	KPC	-
Upstream	KOC	-
	KGOC	17167581.874
	KUFPEC	-
Midstream	KOTC	1582000
Downstream	KNPC	358828000
	KIPIC	3461368.937
	KPI	-
	PIC	-



Entity Total payroll (KWD)		
Standalone	KPC	33573983
Upstream	KOC	490596633
	KGOC	54395185
	KUFPEC	10105300
Midstream	KOTC	39318787
Downstream	KNPC	272575000
	KIPIC	50142421
	KPI	6412628
	PIC	-

Entity Payments to government and taxes (by each Country of significant operations) (KWD)		
Standalone	KPC	Not applicable
Upstream	KOC	Not applicable
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	0
Downstream	KNPC	-
	KIPIC	Not applicable
	KPI	0
	PIC	-

Entity Funds to support community infrastructure, such as recreational facilities (KWD)		
Standalone	KPC	12741
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-

Entity Voluntary donations and investments of funds in the broader community where the target beneficiaries are external to the organization (KWD)		
Standalone	KPC	12741
Upstream	KOC	-
	KGOC	-
	KUFPEC	10364
Midstream	KOTC	0
Downstream	KNPC	8235
	KIPIC	Not applicable
	KPI	-
	PIC	-

Entity Percentage of salary contributed by Employee		
Standalone	KPC	12.5
Upstream	KOC	-
	KGOC	breakdown down
	KUFPEC	-
Midstream	KOTC	% of salary contributed by Employee before 2014: 8
Downstream	KNPC	% of salary contributed by Employee after 2014: 10.5
	KIPIC	11.5%
	KPI	-
	PIC	-

Entity Percentage of salary contributed by Employer		
Standalone	KPC	21
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	11.5
Downstream	KNPC	-
	KIPIC	8%
	KPI	-
	PIC	-



Percentage of salary contributed by: PIFSS Employee Contribution (%)		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	9.36
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Percentage of salary contributed by: PIFSS Employee Contribution (%)		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	11.5
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Percentage of salary contributed by: KPC Employee Contribution (%)		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	6.78
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Percentage of salary contributed by: KPC Employer Contribution (%)		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	8.5
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Level of participation in retirement plans: Mandatory or voluntary schemes		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	Applicable only for Kuwaiti employees
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-





Entity		
Level of participation in retirement plans: Regional or country based schemes		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	GCC level schemes for regional employees
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Entity		
Financial assistance received from government		
Standalone	KPC	Not applicable
Upstream	KOC	-
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	Not applicable
Downstream	KNPC	Not applicable
	KIPIC	-
	KPI	-
	PIC	-
Entity		
Are a significant proportion of employees compensated based on wages subject to minimum wage rules?		
Standalone	KPC	No
Upstream	KOC	1 to 1
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Entity		
Ratio of the entry level wage by gender to the minimum wage at KPC HO		
Standalone	KPC	-
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	1 to 1
Entity		
Entry level wage of males at the organization		
Standalone	KPC	1480
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	504
Downstream	KNPC	1,234
	KIPIC	1,184
	KPI	-
	PIC	-
Entity		
Local Minimum wage paid to males		
Standalone	KPC	300
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	60
Downstream	KNPC	-
	KIPIC	75
	KPI	-
	PIC	-



Ratio of entry level wage of males to minimum wage		
Entity		
Standalone	KPC	4,933
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	8.4
Downstream	KNPC	-
	KIPIC	15.79
	KPI	-
	PIC	-
Entry level wage of females at the organization		
Entity		
Standalone	KPC	1480
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	504
Downstream	KNPC	1,234
	KIPIC	1,184
	KPI	-
	PIC	-
Local Minimum wage paid to females		
Entity		
Standalone	KPC	300
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	60
Downstream	KNPC	-
	KIPIC	75
	KPI	-
	PIC	-
Ratio of entry level wage of females to minimum wage		
Entity		
Standalone	KPC	4,933
Upstream	KOC	1 to 1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	8.4
Downstream	KNPC	-
	KIPIC	15.79
	KPI	-
	PIC	-
Number of full-time senior management employees		
Entity		
Standalone	KPC	12
Upstream	KOC	Zero
	KGOC	3
	KUFPEC	1
Midstream	KOTC	3
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Significant indirect economic impacts		
Entity		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	-
	KUFPEC	NA
Midstream	KOTC	-
Downstream	KNPC	- Committed to supply MEW with products even with negative cracking margins i.e. Fuel Oil - Russia-Ukraine war that leads to increase the Oil and refined products prices
	KIPIC	-
	KPI	N/A - Kuwait Petroleum Corporation's Kuwait Office does not conduct revenue generating business operations. Nonetheless, as global economies recovery from Covid, the recent escalation in Russian-Ukraine conflict have resulted in a hike in oil prices and a hike in inflation figures that have greatly increased the transportation costs. Final effect has not yet been determined.

## Property rental (KWD)

PIC

The chemical and petrochemical industry plays a pivotal role in economic development. The industry has changed drastically in the last few decades with GCC emerging as a major hub for the global chemical industry. Thirty years ago, GCC was a net importer of chemicals, whereas currently many chemicals produced are exported to global markets. The chemical industry has a large impact on the economy, particularly in terms of value addition and job creation. It is most likely that the chemical industry will play a pivotal role in national development as the GCC economies go through structural challenges related to industrialization, economic diversification, and the creation of new employment opportunities.

Kuwait's economy was built, and still relies heavily on, the oil sector, as such oil exports account for approximately 85 percent of Kuwait's national income. One of the ways we contribute to the Kuwaiti economy is by helping it transition away from oil to producing value-added products, such as petrochemicals.

PIC has long worked to advance all three dimensions of sustainability: strong economics, sound environmental performance and good corporate citizenship. We strive to ensure that our operations and investments yield positive value in all three areas. Kuwait's GDP stood at USD 107.94 billion in 2020. According to the World Bank in 2019, rents from oil constituted approximately 42 percent of its GDP. The current scenario of sustained low oil prices highlights the need for economic diversification to ensure continued economic growth.

As of 2019, industry was the third-largest sector in Kuwait. The petrochemical industry constitutes a significant share of the manufacturing sector, which has grown during the past decade. Continuing to pursue non-oil growth is a cornerstone in Kuwait's Vision 2035, which calls for an increase in spending on infrastructure, economic diversification, and regulatory reforms. Through our investments in enhancing our operations in Kuwait, we support the growth of Kuwait's non-oil economy.

Total number of contractors hired		
Entity		
Standalone	KPC	1
Upstream	KOC	14289
	KGOC	2
	KUFPEC	80
Midstream	KOTC	347
Downstream	KNPC	3772
	KIPIC	3678
	KPI	-
	PIC	-
Total monetary value of products and/or services purchased for a significant location		
Entity		
Standalone	KPC	1
Upstream	KOC	956229710.624
	KGOC	3880770
	KUFPEC	18901797
Midstream	KOTC	Confidential information
Downstream	KNPC	214513626
	KIPIC	359,792 KWD
	KPI	-
	PIC	During the reporting year in consideration, our overall procurement spending decreased by approximately 70 percent from KWD 20 million in 2019-20 to KWD 6 million in 2020-21. This was mainly due to COVID-19-related challenges, wherein most procurement activities were cancelled or delayed leading to a significant reduction in procurement spending, especially on non-local suppliers, vendors, and contractors. However, these global logistical challenges resulted in the unexpected benefit of reorienting most of our procurement spending for 2020-21 towards local service providers, allowing us to extend our support to the local economy. By continuing our engagement with local suppliers, we remain insulated from risks in the global supply chain. 2019-2020 Local Spendind 57% 2020-2021 Local Spendind 93%
Percentage of the procurement budget that is spent on suppliers local to that operation		
Entity		
Standalone	KPC	100
Upstream	KOC	44
	KGOC	78
	KUFPEC	82
Midstream	KOTC	9.32
Downstream	KNPC	55
	KIPIC	45
	KPI	-

PIC

During the reporting year in consideration, our overall procurement spending decreased by approximately 70 percent from KWD 20 million in 2019-20 to KWD 6 million in 2020-21. This was mainly due to COVID-19-related challenges, wherein most procurement activities were cancelled or delayed leading to a significant reduction in procurement spending, especially on non-local suppliers, vendors, and contractors. However, these global logistical challenges resulted in the unexpected benefit of reorienting most of our procurement spending for 2020-21 towards local service providers, allowing us to extend our support to the local economy. By continuing our engagement with local suppliers, we remain insulated from risks in the global supply chain.

2019-2020 Local Spendind 57%  
2020-2021 Local Spendind 93%

## Workplace Performance

Entity			Percentage of new suppliers that were screened using social criteria
Standalone	KPC	-	
Upstream	KOC	-	
	KGOC	-	
	KUFPEC	NA	
Midstream	KOTC	-	
Downstream	KNPC	KNPC does not have any specific Social criteria as defined in KPC Clarification. During KNPC registration for general suppliers KNPC are requesting only the general registration requirements and the Certificate of National Labor Percentage (Kuwaitization%) issued by Public Authority of Manpower.	
	KIPIC	GRI 403 (Occupational Health and Safety) is 100% being checked at the stage of Pre Qualification, other GRI like Training & Development, Diversity & Equality, Non Discrimination etc are functions of other KIPIC groups therefore might only be covered partially on our end, since they are subject to coverage under their respective custodians.	
	KPI	NA	
	PIC	Not applicable	
Entity			Total number of incidents of non-compliance with regulations concerning the health and safety impacts of products within the reporting period
Standalone	KPC	-	
Upstream	KOC	0	
	KGOC	-	
	KUFPEC	-	
Midstream	KOTC	Not applicable	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	-	
	PIC	-	
Entity			Total number of incidents of non-compliance with regulations concerning the health and safety impacts of services within the reporting period
Standalone	KPC	-	
Upstream	KOC	0	
	KGOC	-	
	KUFPEC	-	
Midstream	KOTC	Not applicable	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	-	
	PIC	-	
Entity			Total number of incidents of non-compliance with voluntary codes concerning the health and safety impacts of services within the reporting period
Standalone	KPC	-	
Upstream	KOC	0	
	KGOC	-	
	KUFPEC	-	
Midstream	KOTC	-	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	-	
	PIC	-	



Entity			Rate of new employees hired under 30 during the reporting period
Standalone	KPC		0.7878
Upstream	KOC		0.42
	KGOC		0.714
	KUFPEC		0.39
Midstream	KOTC		0.933
Downstream	KNPC		0.99
	KIPIC		0.17
	KPI		-
	PIC		4 Females and 10 Males
Entity			Total number of new employees hired under 30 during the reporting period
Standalone	KPC		26
Upstream	KOC		43
	KGOC		5
	KUFPEC		7
Midstream	KOTC		14
Downstream	KNPC		104
	KIPIC		9
	KPI		-
	PIC		10
Entity			Rate of new employees hired between 30 - 50 during the reporting period
Standalone	KPC		0.2121
Upstream	KOC		0.58
	KGOC		-
	KUFPEC		0.61
Midstream	KOTC		0
Downstream	KNPC		0.0095
	KIPIC		0.77
	KPI		-
	PIC		4
Entity			Total number of new employees hired between 30 - 50 during the reporting period
Standalone	KPC		7
Upstream	KOC		59
	KGOC		1
	KUFPEC		11
Midstream	KOTC		0
Downstream	KNPC		1
	KIPIC		40
	KPI		-
	PIC		4
Entity			Rate of new employees hired above 50 during the reporting period
Standalone	KPC		0
Upstream	KOC		0
	KGOC		0.1429
	KUFPEC		0
Midstream	KOTC		0.067
Downstream	KNPC		0
	KIPIC		0.058
	KPI		-
	PIC		0
Entity			Total number of new employees hired above 50 during the reporting period
Standalone	KPC		Not applicable
Upstream	KOC		0
	KGOC		1
	KUFPEC		0
Midstream	KOTC		1
Downstream	KNPC		0
	KIPIC		3
	KPI		-
	PIC		0
Entity			Rate of employees turnover under 30 during the reporting period
Standalone	KPC		0.071
Upstream	KOC		0.03
	KGOC		0
	KUFPEC		0
Midstream	KOTC		0.053
Downstream	KNPC		0.022
	KIPIC		0.1
	KPI		-
	PIC		2

Entity			Total number of employee turnover under 30 during the reporting period
Standalone	KPC		1
Upstream	KOC		9
	KGOC		0
	KUFPEC		0
Midstream	KOTC		1
Downstream	KNPC		9
	KIPIC		3
	KPI		-
	PIC		2
Entity			Rate of employees turnover between 30 -50 during the reporting period
Standalone	KPC		0.57
Upstream	KOC		0.3
	KGOC		0.55
	KUFPEC		0.25
Midstream	KOTC		0.53
Downstream	KNPC		0.44
	KIPIC		0.2
	KPI		-
	PIC		10
Entity			Total number of employee turnover between 30 - 50 during the reporting period
Standalone	KPC		8
Upstream	KOC		79
	KGOC		12
	KUFPEC		2
Midstream	KOTC		10
Downstream	KNPC		179
	KIPIC		6
	KPI		-
	PIC		10
Entity			Rate of employees turnover above 50 during the reporting period
Standalone	KPC		0.357
Upstream	KOC		0.66
	KGOC		0.45
	KUFPEC		0.75
Midstream	KOTC		0.42
Downstream	KNPC		0.54
	KIPIC		0.7
	KPI		-
	PIC		11
Entity			Total number of employee turnover above 50 during the reporting period
Standalone	KPC		5
Upstream	KOC		173
	KGOC		10
	KUFPEC		6
Midstream	KOTC		8
Downstream	KNPC		223
	KIPIC		21
	KPI		-
	PIC		11
Entity			Rate of new Kuwaiti employees hired during the reporting period
Standalone	KPC		0.8788
Upstream	KOC		1
	KGOC		1
	KUFPEC		1
Midstream	KOTC		1
Downstream	KNPC		1
	KIPIC		1
	KPI		-
	PIC		-
Entity			Total number of Kuwaiti employees hired in the organization
Standalone	KPC		29
Upstream	KOC		102
	KGOC		-
	KUFPEC		18
Midstream	KOTC		15
Downstream	KNPC		105
	KIPIC		52
	KPI		-
	PIC		-

	Entity	Rate of non-Kuwaiti employees hired during the reporting period
Standalone	KPC	0.1212
Upstream	KOC	0
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	11%
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Total number of new non-Kuwaiti employees hired during the reporting period
Standalone	KPC	4
Upstream	KOC	0
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	638
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Rate of Kuwaiti employee turnover during the reporting period
Standalone	KPC	Not applicable
Upstream	KOC	1.03%
	KGOC	-
	KUFPEC	-
Midstream	KOTC	1.6%
Downstream	KNPC	-
	KIPIC	0.708
	KPI	16
	PIC	-
	Entity	Total number of Kuwaiti employee turnover during the reporting period
Standalone	KPC	Not applicable
Upstream	KOC	117
	KGOC	18
	KUFPEC	3
Midstream	KOTC	19
Downstream	KNPC	291
	KIPIC	14
	KPI	-
	PIC	-
	Entity	Rate of non-Kuwaiti employee turnover during the reporting period
Standalone	KPC	Not applicable
Upstream	KOC	1.27%
	KGOC	-
	KUFPEC	4.8%
Midstream	KOTC	-
Downstream	KNPC	0.292
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Total number of non-Kuwaiti employee turnover during the reporting period
Standalone	KPC	Not applicable
Upstream	KOC	144
	KGOC	4
	KUFPEC	5
Midstream	KOTC	-
Downstream	KNPC	120
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Total number of female employees that were entitled to parental leave
Standalone	KPC	241
Upstream	KOC	1392
	KGOC	48
	KUFPEC	48
Midstream	KOTC	4
Downstream	KNPC	51
	KIPIC	17
	KPI	-
	PIC	8

Entity			Total number of male employees that were entitled to parental leave
Standalone	KPC		Not applicable
Upstream	KOC		Not applicable
	KGOC		0
	KUFPEC		Not applicable
Midstream	KOTC		Not applicable
Downstream	KNPC		Not applicable
	KIPIC		Not applicable
	KPI		-
	PIC		Not applicable
Entity			Total number of female employees that took parental leave
Standalone	KPC		10
Upstream	KOC		175
	KGOC		7
	KUFPEC		4
Midstream	KOTC		4
Downstream	KNPC		48
	KIPIC		17
	KPI		-
	PIC		-
Entity			Total number of male employees that took parental leave
Standalone	KPC		Not applicable
Upstream	KOC		Not applicable
	KGOC		0
	KUFPEC		Not applicable
Midstream	KOTC		Not applicable
Downstream	KNPC		Not applicable
	KIPIC		Not applicable
	KPI		-
	PIC		Not applicable
Entity			Total number of female employees that returned to work in the reporting period after parental leave ended
Standalone	KPC		10
Upstream	KOC		143
	KGOC		7
	KUFPEC		2
Midstream	KOTC		2
Downstream	KNPC		48
	KIPIC		12
	KPI		-
	PIC		8
Entity			Total number of male employees that returned to work in the reporting period after parental leave ended
Standalone	KPC		Not applicable
Upstream	KOC		Not applicable
	KGOC		0
	KUFPEC		Not applicable
Midstream	KOTC		Not applicable
Downstream	KNPC		Not applicable
	KIPIC		Not applicable
	KPI		-
	PIC		Not applicable
Entity			Total number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work
Standalone	KPC		10
Upstream	KOC		143
	KGOC		7
	KUFPEC		0
Midstream	KOTC		4
Downstream	KNPC		48
	KIPIC		7
	KPI		-
	PIC		Total number of employees 8
Entity			Total number of male employees that returned to work after parental leave ended that were still employed 12 months after their return to work
Standalone	KPC		Not applicable
Upstream	KOC		Not applicable
	KGOC		0
	KUFPEC		Not applicable
Midstream	KOTC		Not applicable
Downstream	KNPC		-
	KIPIC		Not applicable
	KPI		-
	PIC		Not applicable



Entity			Total number of female employees that did return to work after parental leave
Standalone	KPC		10
Upstream	KOC		143
	KGOC		7
	KUFPEC		2
Midstream	KOTC		2
Downstream	KNPC		48
	KIPIC		12
	KPI		-
	PIC		8
Entity			Total number of female employees due to return to work after taking parental leave
Standalone	KPC		Not applicable
Upstream	KOC		32
	KGOC		0
	KUFPEC		2
Midstream	KOTC		2
Downstream	KNPC		0
	KIPIC		5
	KPI		-
	PIC		8
Entity			Return to work rate of female employees that took parental leave
Standalone	KPC		Not applicable
Upstream	KOC		4.47
	KGOC		-
	KUFPEC		1
Midstream	KOTC		1
Downstream	KNPC		1
	KIPIC		24
	KPI		-
	PIC		-
Entity			Total number of female employees retained 12 month after returning to work following a period of parental leave
Standalone	KPC		10
Upstream	KOC		175
	KGOC		7
	KUFPEC		0
Midstream	KOTC		4
Downstream	KNPC		48
	KIPIC		7
	KPI		-
	PIC		8
Entity			Total number of female employees returning from parental leave in the prior reporting period(s)
Standalone	KPC		Not applicable
Upstream	KOC		42
	KGOC		0
	KUFPEC		0
Midstream	KOTC		12
Downstream	KNPC		0
	KIPIC		7
	KPI		-
	PIC		-
Entity			Retention rate of female employees that took parental leave
Standalone	KPC		Not applicable
Upstream	KOC		4.17
	KGOC		-
	KUFPEC		10
Midstream	KOTC		0.33
Downstream	KNPC		1
	KIPIC		-
	KPI		-
	PIC		-
Entity			Return to work rate of male employees that took parental leave
Standalone	KPC		Not applicable
Upstream	KOC		Not applicable
	KGOC		Not applicable
	KUFPEC		Not applicable
Midstream	KOTC		Not applicable
Downstream	KNPC		Not applicable
	KIPIC		Not applicable
	KPI		-
	PIC		Not applicable

	Entity	Retention rate of male employees that took parental leave
Standalone	KPC	Not applicable
Upstream	KOC	Not applicable
	KGOC	Not applicable
	KUFPEC	Not applicable
Midstream	KOTC	Not applicable
Downstream	KNPC	Not applicable
	KIPIC	Not applicable
	KPI	-
	PIC	Not applicable
	Entity	Total number of training hours provided to female employees
Standalone	KPC	2162
Upstream	KOC	34539
	KGOC	829
	KUFPEC	1001
Midstream	KOTC	123
Downstream	KNPC	2399
	KIPIC	788
	KPI	-
	PIC	-
	Entity	Average training hours per female employee
Standalone	KPC	40.037
Upstream	KOC	16
	KGOC	13.16
	KUFPEC	10.54
Midstream	KOTC	16534
Downstream	KNPC	12.76
	KIPIC	5.15
	KPI	-
	PIC	-
	Entity	Total number of training hours provided to male employees
Standalone	KPC	1839
Upstream	KOC	200373
	KGOC	5366
	KUFPEC	1428
Midstream	KOTC	518
Downstream	KNPC	17157
	KIPIC	4053
	KPI	-
	PIC	-
	Entity	Average training hours per male employee
Standalone	KPC	32.26
Upstream	KOC	23
	KGOC	7.77
	KUFPEC	10.13
Midstream	KOTC	0
Downstream	KNPC	54.81
	KIPIC	3.85
	KPI	-
	PIC	-
	Entity	Total number of training hours provided top management
Standalone	KPC	0
Upstream	KOC	24
	KGOC	135
	KUFPEC	2
Midstream	KOTC	0
Downstream	KNPC	0
	KIPIC	0
	KPI	-
	PIC	8
	Entity	Average hour of training per employee, in top management
Standalone	KPC	0
Upstream	KOC	3
	KGOC	45
	KUFPEC	2
Midstream	KOTC	-
Downstream	KNPC	0
	KIPIC	0
	KPI	-
	PIC	-

Total number of training hours provided to managers		
Entity		
Standalone	KPC	32
Upstream	KOC	317
	KGOC	56
	KUFPEC	35
Midstream	KOTC	89
Downstream	KNPC	0
	KIPIC	132
	KPI	-
	PIC	97
Average hour of training per manager		
Entity		
Standalone	KPC	16
Upstream	KOC	6
	KGOC	4
	KUFPEC	3.18
Midstream	KOTC	6.85
Downstream	KNPC	0
	KIPIC	6.95
	KPI	-
	PIC	-
Total number of training hours provided to team leaders		
Entity		
Standalone	KPC	957
Upstream	KOC	1525
	KGOC	1269
	KUFPEC	407
Midstream	KOTC	1048
Downstream	KNPC	248
	KIPIC	210
	KPI	-
	PIC	243
Average hour of training per team leader		
Entity		
Standalone	KPC	26.58
Upstream	KOC	6
	KGOC	28.841
	KUFPEC	11.97
Midstream	KOTC	20.55
Downstream	KNPC	7.29
	KIPIC	2.625
	KPI	-
	PIC	-
Total number of training hours provided to all other employees		
Entity		
Standalone	KPC	3012
Upstream	KOC	233070
	KGOC	4735
	KUFPEC	1983
Midstream	KOTC	2162
Downstream	KNPC	19287
	KIPIC	4499
	KPI	-
	PIC	1,893
Total number of male employees who received regular performance and career development reviews during the reporting period		
Entity		
Standalone	KPC	310
Upstream	KOC	8684
	KGOC	692
	KUFPEC	141
Midstream	KOTC	-
Downstream	KNPC	5350
	KIPIC	1053
	KPI	-
	PIC	-
Percentage of male employees who received regular performance and career development reviews during the reporting period		
Entity		
Standalone	KPC	-
Upstream	KOC	100
	KGOC	99.71
	KUFPEC	100
Midstream	KOTC	-
Downstream	KNPC	100
	KIPIC	1
	KPI	-
	PIC	-

Entity		Total number of female employees who received regular performance and career development reviews during the reporting period
Standalone	KPC	337
Upstream	KOC	2139
	KGOC	61
	KUFPEC	95
Midstream	KOTC	-
Downstream	KNPC	627
	KIPIC	153
	KPI	-
	PIC	-
Entity		Percentage of female employees who received regular performance and career development reviews during the reporting period
Standalone	KPC	-
Upstream	KOC	100
	KGOC	96.83
	KUFPEC	100
Midstream	KOTC	-
Downstream	KNPC	100
	KIPIC	1
	KPI	-
	PIC	-
Entity		Total number of employees from the top management who received regular performance and career development reviews during the reporting period
Standalone	KPC	Not applicable
Upstream	KOC	0
	KGOC	0
	KUFPEC	Not applicable
Midstream	KOTC	-
Downstream	KNPC	7
	KIPIC	2
	KPI	-
	PIC	-
Entity		Percentage of employees from the top management who received regular performance and career development reviews during the reporting period
Standalone	KPC	-
Upstream	KOC	0
	KGOC	0
	KUFPEC	Not applicable
Midstream	KOTC	-
Downstream	KNPC	100
	KIPIC	1
	KPI	-
	PIC	75
Entity		Total number of managers who received a regular performance and career development review during the reporting period
Standalone	KPC	31
Upstream	KOC	55
	KGOC	14
	KUFPEC	11
Midstream	KOTC	-
Downstream	KNPC	31
	KIPIC	19
	KPI	-
	PIC	-
Entity		Percentage of managers who received a regular performance and career development review during the reporting period
Standalone	KPC	-
Upstream	KOC	100
	KGOC	100
	KUFPEC	1
Midstream	KOTC	-
Downstream	KNPC	100
	KIPIC	1
	KPI	-
	PIC	100



Entity		Total number of team leaders who received regular performance and career development reviews during the reporting period			
Standalone	KPC	109			
Upstream	KOC	242			
	KGOC	45			
	KUFPEC	34			
Midstream	KOTC	-			
Downstream	KNPC	141			
	KIPIC	80			
	KPI	-			
	PIC	-			
Entity		Percentage of team leaders who received regular performance and career development reviews during the reporting period			
Standalone	KPC	-			
Upstream	KOC	100			
	KGOC	100			
	KUFPEC	1			
Midstream	KOTC	-			
Downstream	KNPC	100			
	KIPIC	1			
	KPI	--			
	PIC	97			
Entity		Total number of females within the board of directors			
Standalone	KPC	-			
Upstream	KOC	-			
	KGOC	-			
	KUFPEC	1			
Midstream	KOTC	0			
Downstream	KNPC	1			
	KIPIC	0			
	KPI	-			
	PIC	-			
Entity		Total number of males within the board of directors			
Standalone	KPC	-			
Upstream	KOC	-			
	KGOC	-			
	KUFPEC	6			
Midstream	KOTC	7			
Downstream	KNPC	6			
	KIPIC	7			
	KPI	-			
	PIC	-			
Entity		Percentage of individuals within the organization's governance bodies in each of the following diversity categories			
Standalone	KPC	-			
Upstream	KOC	Not applicable			
	KGOC	-			
	KUFPEC	-			
Midstream	KOTC	-			
Downstream	KNPC	-			
	KIPIC	-			
	KPI	-			
	PIC	Percentage of employees within PIC based on gender per employee category (2021) Top Management: 25% Females and 75% Males Manager: 13% Females and 87% Males Team Leaders: 20% Females and 80% Males Other Employees: 16% Females and 84% Malse  Employees within PIC Based on Age Group Diversity per Employee Category Percentage of employees within PIC based on age group diversity per employee category (2019-2020) Top Management: Under 30: 0%			

Entity			Total number of female employees in top management
Standalone	KPC	-	
Upstream	KOC	0	
	KGOC	0	
	KUFPEC	-	
Midstream	KOTC	0	
Downstream	KNPC	1	
	KIPIC	0	
	KPI	-	
	PIC	-	
Entity			Total number of male employees in top management
Standalone	KPC	-	
Upstream	KOC	8	
	KGOC	3	
	KUFPEC	-	
Midstream	KOTC	1	
Downstream	KNPC	6	
	KIPIC	2	
	KPI	-	
	PIC	-	
Entity			Total number of employees in top management under 30 Years old
Standalone	KPC	-	
Upstream	KOC	0	
	KGOC	0	
	KUFPEC	0	
Midstream	KOTC	0	
Downstream	KNPC	0	
	KIPIC	0	
	KPI	-	
	PIC	-	
Entity			Total number of employees in top management between 30 - 50 Years old
Standalone	KPC	-	
Upstream	KOC	0	
	KGOC	0	
	KUFPEC	0	
Midstream	KOTC	0	
Downstream	KNPC	1	
	KIPIC	0	
	KPI	-	
	PIC	-	
Entity			Total number of employees in top management above 50 Years old
Standalone	KPC	-	
Upstream	KOC	8	
	KGOC	3	
	KUFPEC	-	
Midstream	KOTC	1	
Downstream	KNPC	6	
	KIPIC	2	
	KPI	-	
	PIC	-	
Entity			Total number of individuals within the Board of Directors that belong to a minority
Standalone	KPC	-	
Upstream	KOC	-	
	KGOC	-	
	KUFPEC	-	
Midstream	KOTC	-	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	-	
	PIC	-	
Entity			Total number of individuals within the Board of Directors that belong to other indicators of diversity
Standalone	KPC	-	
Upstream	KOC	-	
	KGOC	-	
	KUFPEC	Oil sector experience: 5 members; Non Oil sector: 1	
Midstream	KOTC	-	
Downstream	KNPC	-	
	KIPIC	-	
	KPI	-	
	PIC	-	

Entity			Total number of female employees who are team leaders
Standalone	KPC		31
Upstream	KOC		39
	KGOC		3
	KUFPEC		13
Midstream	KOTC		11
Downstream	KNPC		26
	KIPIC		11
	KPI		-
	PIC		-
Entity			Total number of male employees who are team leaders
Standalone	KPC		78
Upstream	KOC		223
	KGOC		41
	KUFPEC		21
Midstream	KOTC		39
Downstream	KNPC		129
	KIPIC		69
	KPI		-
	PIC		-
Entity			Total number of employees who are team leaders under 30 Years old
Standalone	KPC		0
Upstream	KOC		0
	KGOC		0
	KUFPEC		0
Midstream	KOTC		0
Downstream	KNPC		0
	KIPIC		0
	KPI		-
	PIC		-
Entity			Total number of employees who are team leaders between 30 - 50 Years old
Standalone	KPC		72
Upstream	KOC		176
	KGOC		32
	KUFPEC		26
Midstream	KOTC		35
Downstream	KNPC		102
	KIPIC		50
	KPI		-
	PIC		-
Entity			Total number of employees who are team leaders above 50 Years old
Standalone	KPC		37
Upstream	KOC		86
	KGOC		12
	KUFPEC		8
Midstream	KOTC		15
Downstream	KNPC		53
	KIPIC		30
	KPI		--
	PIC		-
Entity			Total number of employees who are team leaders that belong to a minority/ vulnerable group or other indicators of diversity
Standalone	KPC		Not applicable
Upstream	KOC		None
	KGOC		Not applicable
	KUFPEC		0
Midstream	KOTC		Not applicable
Downstream	KNPC		-
	KIPIC		0
	KPI		-
	PIC		-
Entity			Total number of female employees who are managers
Standalone	KPC		9
Upstream	KOC		3
	KGOC		1
	KUFPEC		3
Midstream	KOTC		1
Downstream	KNPC		3
	KIPIC		1
	KPI		-
	PIC		-

Entity			Total number of male employees who are managers
Standalone	KPC		22
Upstream	KOC		54
	KGOC		13
	KUFPEC		8
Midstream	KOTC		13
Downstream	KNPC		29
	KIPIC		18
	KPI		-
	PIC		-
Entity			Total number of employees who are managers under 30 Years old
Standalone	KPC		0
Upstream	KOC		0
	KGOC		0
	KUFPEC		0
Midstream	KOTC		0
Downstream	KNPC		0
	KIPIC		0
	KPI		-
	PIC		-
Entity			Total number of employees who are managers between 30 - 50 Years old
Standalone	KPC		5
Upstream	KOC		9
	KGOC		4
	KUFPEC		6
Midstream	KOTC		7
Downstream	KNPC		9
	KIPIC		9
	KPI		-
	PIC		-
Entity			Total number of employees who are managers above 50 Years old
Standalone	KPC		26
Upstream	KOC		48
	KGOC		10
	KUFPEC		5
Midstream	KOTC		7
Downstream	KNPC		23
	KIPIC		10
	KPI		-
	PIC		-
Entity			Total number of employees who are managers that belong to a minority/ vulnerable group or other indicators of diversity
Standalone	KPC		Not applicable
Upstream	KOC		None
	KGOC		Not applicable
	KUFPEC		0
Midstream	KOTC		Not applicable
Downstream	KNPC		-
	KIPIC		0
	KPI		-
	PIC		-
Entity			Ratio of basic salary and remuneration of women to men
Standalone	KPC		Not applicable
Upstream	KOC		1 to 1
	KGOC		Ratio of the remuneration of women to men in other employees in Head Office 0.87
			Ratio of the remuneration of women to men in other employees in Wafra Joint Operations 0.64
Midstream	KUFPEC		-
Downstream	KOTC		Ratio of the basic salary of women to men in managers in KOTC (HO, LPGs, MAB) 1.017
			Ratio of the basic salary of women to men in team leaders in KOTC (HO, LPGs, MAB) 0.958
			Ratio of the basic salary of women to men in other employees in KOTC (HO, LPGs, MAB) 1.053
			Ratio of the remuneration of women to men in managers in KOTC (HO, LPGs, MAB) 0.976
			Ratio of the remuneration of women to men in team leaders in KOTC (HO, LPGs, MAB) 0.922
			Ratio of the remuneration of women to men in other employees in KOTC (HO, LPGs, MAB) 0.922
	KNPC		1
	KIPIC		1
	KPI		-
	PIC		PIC offers the same opportunities to both men and women, including equal basic salary and remuneration.



Incidents of discrimination and corrective actions taken		
Entity		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	-
	KUFPEC	Confidential
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	NA
	PIC	-
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		
Entity		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	-
	KUFPEC	No issues have arisen
Midstream	KOTC	-
Downstream	KNPC	Nil
	KIPIC	Data is not available
	KPI	NA
	PIC	Not applicable
Operations and suppliers at significant risk for incidents of child labor		
Entity		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	-
	KUFPEC	NA
Midstream	KOTC	-
Downstream	KNPC	NA
	KIPIC	-
	KPI	NA. In KPI, we get the approved list of suppliers from K-Companies who do their screening process (vendor qualification). This will take into consideration any immoral practices by the suppliers. However, in general, child labor is not one of the issues that we face with suppliers in Kuwait.
	PIC	-
Operations and suppliers at significant risk for incidents of forced or compulsory labor		
Entity		
Standalone	KPC	-
Upstream	KOC	-
	KGOC	-
	KUFPEC	NA
Midstream	KOTC	-
Downstream	KNPC	NA
	KIPIC	-
	KPI	-
	PIC	-
The number of all workers, who are not employees but whose work and/or workplace is controlled by the organization, who are covered by OHS management system		
Entity		
Standalone	KPC	1
Upstream	KOC	1
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	19902
	KIPIC	19569
	KPI	40
	PIC	-
The number of all employees who are covered by an internally audited OHS management system		
Entity		
Standalone	KPC	2
Upstream	KOC	2
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	6461
	KIPIC	1211
	KPI	232
	PIC	-
Rate of high-consequence work-related injuries (excluding fatalities)		
Entity		
Standalone	KPC	2,000,000
Upstream	KOC	2,000,001
	KGOC	1000000
	KUFPEC	0
Midstream	KOTC	0
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-

	Entity	Number of recordable work-related injuries
Standalone	KPC	1
Upstream	KOC	1
	KGOC	0
	KUFPEC	-
Midstream	KOTC	0
Downstream	KNPC	16
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Work related ill health (including work-related hazards that pose a risk to ill health)
Standalone	KPC	No ill health cases are reported
Upstream	KOC	-
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	0
	KPI	0
	PIC	-

## Environmental Performance

	Entity	Produced water
Upstream	KOC	106586777 ML
	KGOC	14,303 ML
	KUFPEC	-
Midstream	KOTC	SHUA: 41.1 ML      MAB: 2,919,940 mL      UMALA: 7,200,000 US gallon
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Total Water Withdrawal from all areas
Upstream	KOC	14,303 ML
	KGOC	-
	KUFPEC	1,800.31 ML
Midstream	KOTC	-
Downstream	KNPC	17884 ML
	KIPIC	169.68 ML
	KPI	-
	PIC	25,752.9 ML
	Entity	Amount of water discharge to sea water
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	Fleet: 39,198.488 MT (treated grey water)
Downstream	KNPC	1335964 ML
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Other water (>1,000 mg/L Total Dissolved Solids) withdrawal from all areas
Upstream	KOC	14,303 ML
	KGOC	-
	KUFPEC	-
Midstream	KOTC	Not applicable
Downstream	KNPC	0 ML
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Total Water Withdrawal from all areas with water stress
Upstream	KOC	7709 ML
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	Not applicable
Downstream	KNPC	0 ML
	KIPIC	-
	KPI	-
	PIC	-

Entity		Other water (> 1,000 mg/L Total Dissolved Solids) withdrawal from all areas with water stress
Upstream	KOC	0
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	Not applicable
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	Data not available
Entity		GHG Emissions intensity ratio for Scope 2
Upstream	KOC	Not applicable
	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	Data not available
Entity		GHG Emissions intensity ratio for Scope 3
Upstream	KOC	Not applicable
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	-
Entity		Reduction of GHG emissions
Standalone	KPC	-
Upstream	KOC	Initiative 1: Solar Panels for Mosque Description of initiative for the reduction of GHG emissions: Demo Solar System with Single Axis Tracker for Export Mosque: An on grid system that supply export mosque building with 4 numbers of solar panels and a maximum capacity of 0.8 KW. Initiative 2: Solar System for Sea Land Description of initiative for the reduction of GHG emissions: A system that supply the artificial sea land with 48 numbers of solar panels and a maximum capacity of 14.4 KW. Initiative 3: Export Maintenance Solar Tree Description of initiative for the reduction of GHG emissions: An on grid system that supply export maintenance building with 30 numbers of solar panels and a maximum capacity of 6 KW.
Upstream	KGOC	Not applicable
	KUFPEC	-
Midstream	KOTC	Not applicable
Downstream	KNPC	Initiative 1: Integration of Excess Hydrogen produced in Petrochemicals Facility (PRIZe) [Future Project] Description of initiative for the reduction of GHG emissions: PRIZe is expected to produce excess quantity of Hydrogen (about 194 TPD equivalent to approx. 80 MMSCFD) from both Olefins & Aromatics Blocks. Al-Zour Refinery has 4 Hydrogen Production (HP) Units (each 145 MMSCFD). Al-Zour Refinery can utilize this excess H2 and reduce Naptha consumption in HP Unit Feed. Naptha Feed Reduction case: OPEX Savings = \$ 181.7 million / yr (estimated) CAPEX: Estimated cost (TIC) for additional Boiler is about \$ 15 million (estimated) [Payback about 1 Month] Initiative 2: Installed solar panels at LNG Piggig Station [Implemented] Description of initiative for the reduction of GHG emissions: Electricity generation using solar panels in place of diesel
	KIPIC	Initiative 1: Integration of Excess Hydrogen produced in Petrochemicals Facility (PRIZe) [Future Project] Description of initiative for the reduction of GHG emissions: PRIZe is expected to produce excess quantity of Hydrogen (about 194 TPD equivalent to approx. 80 MMSCFD) from both Olefins & Aromatics Blocks. Al-Zour Refinery has 4 Hydrogen Production (HP) Units (each 145 MMSCFD). Al-Zour Refinery can utilize this excess H2 and reduce Naptha consumption in HP Unit Feed. Naptha Feed Reduction case: OPEX Savings = \$ 181.7 million / yr (estimated) CAPEX: Estimated cost (TIC) for additional Boiler is about \$ 15 million (estimated) [Payback about 1 Month] Initiative 2: Installed solar panels at LNG Piggig Station [Implemented] Description of initiative for the reduction of GHG emissions: Electricity generation using solar panels in place of diesel
	KPI	-
	PIC	Not applicable
Entity		Emissions of ozone depleting substances (ODS)
Upstream	KOC	KOC didn't have any significant spill during the fiscal year 2020/21
	KGOC	N/A
	KUFPEC	Not applicable
Midstream	KOTC	N/A
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	No spills

	Entity	Significant Spills
Upstream	KOC	137173 MT
	KGOC	-
	KUFPEC	0
Midstream	KOTC	-
Downstream	KNPC	71.21 BBL
	KIPIC	-
	KPI	-
	PIC	0.33 MT
	Entity	Weight of hazardous waste transported from the organization by destination to external sources/supplier not
Upstream	KOC	-
	KGOC	150 MT
	KUFPEC	-
Midstream	KOTC	SHUA: 5904 MT
Downstream	KNPC	12,829 MT
	KIPIC	-
	KPI	-
	PIC	-
	Entity	Amount of water withdrawal from third-party sea water
Upstream	KOC	-
	KGOC	-
	KUFPEC	1,800.31 ML
Midstream	KOTC	Fleet: 10,950 tonnes (approx. 30 Tonnes/day)
Downstream	KNPC	-
	KIPIC	-
	KPI	-
	PIC	25679.23 ML
	Entity	Third party water (includes water supplied by municipal water networks or other organizations) broken down
Upstream	KOC	-
	KGOC	-
	KUFPEC	1,800.31 ML
Midstream	KOTC	-
Downstream	KNPC	-
	KIPIC	169.68 ML
	KPI	-
	PIC	25,752.9 ML
	Entity	Total volume of planned water discharges by Destination - Treatment Facilities
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	1335964108 m3
	KIPIC	3028.241 m3
	KPI	-
	PIC	-
	Entity	Total volume of planned water discharges by Sewers that lead to rivers, oceans, lakes, wetlands
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
	KOTC	-
Midstream	KNPC	1329095188 m3
Downstream	KIPIC	-
	KPI	-
	PIC	-
	Entity	Total volume of planned water discharges by Treatment facilities
Upstream	KOC	-
	KGOC	-
	KUFPEC	-
Midstream	KOTC	-
Downstream	KNPC	6868919.66 m3
	KIPIC	-
	KPI	-
	PIC	237.86 m3



## (d) Abbreviations List

Abbreviation / Acronyms	Meaning
O&G	Oil and Gas
KPC	Kuwait Petroleum Corporation
ESG	Environment, Social and Governance
GRI	Global Reporting Initiative
E&P	Exploration and Production
KOC	Kuwait Oil Company
KGOC	Kuwait Gulf Oil Company
KUFPEC	Kuwait Foreign Petroleum Exploration Company
KOTC	Kuwait Oil Tanker Company
KNPC	Kuwait National Petroleum Company
KIPIC	Kuwait Integrated Petroleum Industries Company
PIC	Petrochemical Industries Company
KPI	Kuwait Petroleum International
IFC	International Finance Corporation
SDG	United Nations Sustainable Development Goals
IPIECA	International Petroleum Industry Environmental Conservation Association
SEC	Sustainability Executive Committee
CDP	Conceptual Development Plan
SEK	Southeast Kuwait
NK	North Kuwait
WK	West Kuwait
MBOE	Million Barrels of Oil Equivalent
MAA	Mina Al Ahmadi
MAB	Mina Abdullah
Mbpd	Thousand barrels per day
ktpa	kilo tonnes per annum
Bpd	Barrels per day
Mmscfd	Million standard cubic feet per day
Mmscfd	Million standard cubic feet per day
MT	Metric Tons
MTBE	Methyl tertiary-butyl ether
CFP	Clean Fuel Project
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
CDU	Crude Distillation Units
HSFO	High Sulphur Furnace Oil
LSFO	Low Sulphur Furnace Oil
mmbd	million barrels per day
GDP	Gross Domestic Product
OPEC	Organization of the Petroleum Exporting Countries
WJO	Wafra Joint Operations
KJO	Al Khafji Joint Operations
OQ8	Duqm Refinery
AGRP	Acid Gas Removal Plant
VLCC	Vandera Luthera Company
MR vessels	Medium Range vessels
OCIMF	Oil Companies International Marine Forum
AGIP	Abu-Ghazaleh Intellectual Property
ENI	Integrated Energy Company
JV	Joint Venture
OKF	Open Knowledge Foundation
API	Application Programming Interface
TAN	Tax Deduction Account Number
ATK	Accessibility Toolkit
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Kuwaiti (KEC)	Kuwait Energy Company
Omani (OEB)	Oman Energy Brand
DMD	Demercaptanization of Distillate
DCEO	Deputy Chief Executive Officer
KSLC	Kuwait Super Light Crude
R&T	Research and Technology
R&D	Research and Development
TM	Telekom
OHSMS	Occupational Health and Safety Management Systems
EMS	Environmental Management Systems

Abbreviation / Acronyms	Meaning
OHSMS	Occupational Health and Safety Management Systems
EMS	Environmental Management Systems
ASTM	American Society for Testing and Materials
DIN	German Institute for Standardization
LCA	Life Cycle Assessment
TCO	Total Cost of Ownership
ULMS	Upgrade and License Management Suite
PDP	Personal Development Plan
IDS	Institute of Development Studies
PAH	Polycyclic aromatic hydrocarbon
FCC	Fluid Catalysts Cracking
PP	Polypropylene
PE	Polyethylene
PX	Paraxylene
BZ	Benzene
SM	GASOLINE ENGINE OIL
EG II	Endoglucanase II
EG I	Endoglucanase I
TANGO	(Name of Initiative)
PMO	Project Management Office
GC – 31	Gulf Countries -31
MOTOR	(Name of Initiative)
KwIDF	The Kuwait Intelligent Digital Field
NK KwIDF	The North Kuwait Intelligent Digital Field
SAMA EOR	Sabiriyah Maaddud Enhanced Oil Recovery
FMS	Fleet Management Systems
LMS	Learning Management System
GHG	Greenhouse Gas
GJ	Gigajoule
GSAS	Global Sustainability Assessment System
GORD	Gulf Organization for Research and Development
LNGI	Liquefied Natural Gas Import Facility
EHS	Environment Health and Safety
Bpsd	Barrels Per Stream Day
Ppm	Parts per million
MEW	Kuwait's Ministry of Electricity and Water
KEPA	Kuwait Environment Public Authority
ML	Mega liters
KISR	Kuwait Institute Scientific Research
LOHC	Liquid Organic Hydrogen Carriers
PGM catalysts	Phosphoglycerate mutase catalysts
TAGs	triacylglycerols
OPEX	Operational Expenditure
MRCA	Master Research Collaboration Agreement
KFAS	Kuwait Foundation for the Advancement of Sciences
CLP	Classification, Labelling and Packaging
EU	European Union
FD	Fermont, CA -Dun & Bradstreet
MS	Multistage stimulation
Bopd	barrels of oil per day
BOG	boil-off gas
MMt	million metric tonnes
HP	High Pressure
Mtpa	million tonnes per annum
D&I	Diversity and Inclusion Program
PME	Periodic Medical Examination
IRIS	Incident Reporting and Investigation System
IMS	Integrated Management System
CSR	Corporate Social Responsibility
MOH	Ministry of Health
OECD	Organization for Economic Co-operation and Development
ICGN	International Corporate Governance Network
GGP	Global Governance Principles
BoD	Board of Directors

## (e) HSSE Training Courses

	Entity	Course
Standalone	KPC	HSSE Management System: Policies and Protocols HSSE Training & Awareness
Upstream	KOC	Asset Reliability and Maintainability Basic Fire Fighting CAE - HSE for CAEs CAE - Lessons Learned CAE - Managing Contractors CAE - Covid 19 CAE-HSEMS Procedures Overview Chemical Handling & Storage Confined Space Entry Contractor HSE Oversight COVID-19 Precaution (Arabic) COVID-19: Return to Work Strategies (English) Defensive Driving (Arabic) Defensive Driving (English) Demolition Works Safety Procedure Dropped Objects Electrical Safety, Multi Lock & Tag Out Excavation Safety Exclusive Online Awareness Workshops on "HSE Incident Reporting and Investigation Procedure, KOC.GE.007" Explosive Ordnance Disposal (EOD) Facility Integrity and Process Safety Fire Safety Management Gas Monitoring General OS&H / Work Environment & Hazards General Security Guidelines for Employees and Visitors Hand tool, Power Tools & Machine Guarding (Prevention of Caught-in-between injuries) Hazardous Energy Isolation Campaign & Awareness Online Session HAZOP Study Awareness (KOC.PS.021) Hearing Conservation & Noise Housekeeping HSE Audit Inspection & Self Assessment HSE Induction Hydrogen Sulphide (H2S) Job Safety Analysis KOC HSE Incident Reporting and Investigation Ladders and Scaffolds Management of Change Awareness (KOC.GE.006) Managing Contractor Manual Handling of Loads Material Handling & Storage Mechanical Handling of Loads Mechanical Isolation and Tag-Out Mobile Equipment Office and Home Safety Online Awareness Session on "How to Use MyHSSE" Overview of KOC HSE Management System Permit to Work (PTW) Personal Protective Equipment (PPE) Plant Safety Override Registration Pre-Startup Safety Review (PSSR) Safety Communication Safety Observation and Conversation (SOC) with Stop Work Virtual Safe Driving Campaign - Off-Road Safety (with 4x4) Online Session Walking & Work Surfaces (Slips, Trips and Falls) Welding & Cutting Working at Height Worksite Supervisor HS Awareness, Hazard Reporting, Stop Work Authority, Identifying and mitigating hazards Ergonomics, Office safety and emergency response
	KGOC KUFPEC	
Midstream	KOTC	Environmental Management Training Safe Driving Skills First Aid – Basic Electrical Safety Fire Extinguishers HSSE Stakeholder Planning HSSE Training & Awareness HSSE Management System: Policies and Protocols

## HSSE Training Courses

	Entity	Course
Downstream	KNPC	<p> HSE-101 , HSE INDUCTION  HSE-102 , EMERGENCY MANAGEMENT  HSE-102A , EMERGENCY RESPONSE PLAN FOR HO  HSE-102B , EMERGENCY RESPONSE PLAN FOR SITES  HSE-103 ,AREA CLASS. ELEC &amp; MOBILE EQUIP SAFETY  HSE-104 ,WORK PERMIT AND CONFINED SPACE AWARENESS  HSE-105 ,HAZARDS OF H2S AND PYROPHORIC MATERIAL  HSE-106 ,CONSOLIDATED PRE-REQUISITE COURSE FOR W/P  HSE-107 ,OCCUPATIONAL HEALTH &amp; INDUSTRIAL HYGIENE  HSE-108 ,PSM-Process Safety Management Awareness  HSE-109 ,INCIDENT REPORTING AND INVESTIGATION- Awareness  HSE-110 ,PPE &amp; HEARING CONSERVATION PROGRAM  HSE-111 ,CHEMICAL HAZARD MANAGEMENT  HSE-112 ,CONSTRUCTION HAZARDS &amp; CONTROL  HSE-113 ,LEADERSHIP AND COACHING FOR SAFETY CULTURE  HSE-114 ,KNPC Safe Work Practices, Standards and Guidelines  HSE-115 ,RADIATION SAFETY  HSE-116 ,LESSON LEARNED FROM INCIDENTS IN KNPC  HSE-117 ,Health Awareness Training / Campaign  HSE-118 ,HSE LESSONS LEARNED Seminar / Workshop  HSE-119 ,OIL SPILL RESPONSE PLAN  HSE-120 ,AWARENESS ON KNPC QHSE POLICY  HSE-121 ,HOW TO CONDUCT SAFETY AUDIT  HSE-122 ,EXCAVATION SAFETY  HSE-123 ,HYDRO TESTING SAFETY  HSE-124 ,PROCESS HAZARD ANALYSIS  HSE-125 ,MANAGEMENT OF CHANGE MOC  HSE-126 ,PRE STARTUP SAFETY REVIEW PSSR  HSE-127 ,HEAT STRESS PREVENTION  HSE-128 ,IMS Awareness  HSE-129 ,ENVIRONMENTAL BEST PRACTICES FOR OPERATORS  HSE-130 ,Electronic Work Permit System  HSE-131 ,MANAGEMENT OF CLIMATE CHANGE ISSUES  HSE-132 ,EMPLOYEE INSURANCE AWARENESS  HSE-133 ,ENVIRONMENTAL REGULATIONS  HSE-134 ,Energy Management System Awareness  HSE-201 ,SAFETY DURING MAINT. &amp; S/D WORKS  HSE-202 ,EMERGENCY MANAGEMENT FOR ROLE PLAYERS  HSE-203 ,AREA CLASSIFICATION &amp; ELECT. SAFETY  HSE-204 ,HOT WORK SAFETY &amp; MACHINERY HAZARDS  HSE-205 ,TRAFFIC SAFETY &amp; DEFENSIVE DRIVING  HSE-206 ,HAZARD IDENTIFICATION TECHNIQUES &amp; WPRA  HSE-207 ,OFFICE SAFETY &amp; ERGONOMICS  HSE-208 ,REFINERY OPERATIONS SAFETY  HSE-210 ,WAREHOUSE SAFETY  HSE-211 ,LABORATORY SAFETY  HSE-212 ,Energy Management System Implementation  HSE-213 ,WORKSHOP/TRAINING ON HSE TOPIC  HSE-217 ,ENVIRONMENT MANAGEMENT SYSTEM- EMS ISO 14001  HSE-218 ,Basic IMS  HSE-219 ,IMS TRAINING FOR MANAGEMENT: Sr. and above  HSE-220 ,WORKSHOP/TRAINING ON HSE CULTURE  HSE-221 ,Pre Requisite Course for Internal Auditors  HSE-222 ,LIFTING APPLIANCES SAFETY  HSE-223 ,General ERM Practices  HSE-224 ,WORK PERMIT SYSTEM LEVEL II  HSE-301 ,WORK PERMIT AUTHORIZATION  HSE-301A ,WORK PERMIT AUTHORIZATION-CONVERSION COURSE  HSE-302 ,GAS TESTING AUTHORIZATION  HSE-303 ,CONFINED SPACE ENTRANT  HSE-304 ,CONFINED SPACE ATTENDANT  HSE-305 ,SOLID WASTE MANIFEST AUTHORIZATION  HSE-307 ,SCAFFOLDING SAFETY &amp; INSPECTION  HSE-308 ,RESPIRATORY PROTECTION AUTHORIZATION  HSE-309 ,IRIS RISK ASSESSMENT &amp; INVESTIGATION SKILLS  HSE-311 ,IMS TRAINING FOR COORDINATORS  HSE-312 ,HSE SUPERVISION &amp; CULTURE IMPROVEMENT SKILLS  HSE-313 ,FUEL ROAD TANKERS SAFETY  HSE-314 ,HSE CULTURE IMPROVEMENT-TRAIN THE TRAINER  HSE-401 ,IMS INTERNAL AUDITOR'S TRAINING QHSE  HSE-402 ,QMS LEAD AUDITOR COURSE  HSE-403 ,EMS LEAD AUDITOR COURSE  HSE-404 ,OHSMS LEAD AUDITOR COURSE  HSE-405 ,ISO 14001:2015 Transition course for Lead auditor  HSE-406 ,ISO 45001:2015 Migration course for Lead auditor  HSE-407 ,ISO 9001:2015 Transition course for Lead auditor </p>



## HSSE Training Courses

Entity	Course
Downstream	HSE-408 ,ISO 19011:2018 Auditing Management System HSE-409 ,FSMS Lead Auditor HSE-410 ,Lead Auditor - Energy Management System HSE-411 ,Internal Auditor-Energy Management System
KIPIC	<ul style="list-style-type: none"> <li>• Needs of Orientation Session</li> <li>• HSSE Policy</li> <li>• HSSE Management system</li> <li>• Basic HSE definitions</li> <li>• HSSE hazards and risk at KIPIC F174</li> <li>• Types of hazards F147</li> <li>• Significance of HSSE</li> <li>• KIPIC HSE promotional programs &amp; penalty system</li> <li>• Risk Control Hierarchy</li> <li>• Personnel protective equipment</li> <li>• Incident reporting and investigations</li> <li>• Traffic Safety requirement</li> <li>• Occupational health system</li> <li>• Fire hazards and Control</li> <li>• Work Permit system and Authorization at KIPIC</li> <li>• Environment, waste handling and disposal</li> <li>• Emergency Management</li> <li>• HSSE training system</li> </ul>
KPI	<ul style="list-style-type: none"> <li>• Basic Principles of Occupational Hygiene</li> <li>• Business Writing Skills</li> <li>• CSR and Sustainability Principles</li> <li>• Environmental Management Training</li> <li>• Fire Extinguishers</li> <li>• First Aid – Certified</li> <li>• Fundamentals of Risk Management •HSE Audit, Inspection and Self-Assessment</li> <li>• HSSE Principles &amp; Practices – Advanced</li> <li>• HSSE Technical Reports</li> <li>• Introduction to Risk Management</li> <li>• Office and Home Safety</li> <li>• Risk Analysis and Assessment</li> <li>• Risk Management at the K Group</li> <li>• Safety &amp; Loss Prevention – Basic</li> <li>• Safety Observation and Conversation</li> </ul>
PIC	Advanced HSSE Analysis Applying HSSE Practices Be the best: How to become a world class health and safety professional Effective HSSE Risk Management Enhancing HSSE Safety Performance and Effectiveness Environmental Management Training HSSE manager roles in crisis management HSSE Principles & Practices – Advanced HSSE Risk Assessment and Effective Measures Emergency Response and Crisis Management Safety & Loss Prevention – Basic Safety Observation and Conversation (SOC) The Business Guide to Sustainability









مؤسسة البترول الكويتية  
وشركاتها  
**Kuwait Petroleum Corporation**  
and subsidiaries