

**National Industries Holding Group (K.S.C.P.)**

## **Annual Sustainability Report**

**For the year ended 31 December 2023**



مجموعة  
ش. م. ك.  
الصناعات الوطنية  
(القابضة)



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I am pleased to present to you the Group's first Governance, Social, and Environmental Responsibility Report for the year 2023. This year, we have chosen to publish a concise report highlighting these practices to provide an overview of the progress the Group has achieved in these areas. The report outlines our continuous growth and development processes across both our business strategy and corporate sustainability strategy.

Kuwait concluded 2023 on a positive note, with the final quarter benefiting from stable consumer spending and a recovery in the real estate sector. The global economy also outperformed expectations for 2023. The GCC countries demonstrated notably strong performance despite global uncertainties, supported by reform policies and higher oil prices. In line with this positive environment, and from an operational perspective, we achieved significant year-on-year growth in total revenues of 29%, reaching KWD 267 million in 2023 compared to KWD 206.6 million for the same period in 2022. This strengthened operational momentum was evident across most business segments.

We recognize the importance of our role in promoting environmental sustainability; therefore, we are committed to implementing best sustainable business practices and ensuring the optimal use of natural resources. We also acknowledge the significance of our social responsibility and firmly believe that our employees are our greatest assets. It is our responsibility to provide them with a safe and positive working environment where they can continue to grow and thrive.

Furthermore, we recognize the importance of local and regional communities to the success of our business. We take pride in contributing to sustainable initiatives and delivering value to our shareholders and investors. As we continue to build strong foundations for sustainability, we aspire to accelerate our progress in this field over the coming years.

Please accept our highest respect and appreciation.

**Ahmed Hassan**  
**Group CEO**

## Report Overview

This report has been prepared in accordance with the core standards for ESG and Corporate Governance reporting, as per the regulations of the Capital Markets Authority (CMA) of the State of Kuwait, the key guidelines issued by Bursa Kuwait (Kuwait Stock Exchange), and the Global Reporting Initiative (GRI) standards. The report also aligns with the United Nations Sustainable Development Goals (UN SDGs) and the guidelines of the International Integrated Reporting Council (IIRC). It covers activities conducted during the fiscal year from January to December 2023, including the Company's practices in the ESG domains.

National Industries Holding Group adopts ethical and sustainable business practices that reflect the Company's commitment to the continuous pursuit of transparency through regular communication and information sharing with stakeholders. Accordingly, this report has been prepared to disclose information on the Company's performance regarding corporate governance and social and environmental responsibility.



## Reference Frameworks

## About the Company

National Industries Group Holding – KPSC (“the Parent Company”) was incorporated in 1961 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law in the State of Kuwait and, in April 2003, its legal status was changed to a “Holding Company”. The Company’s shares are traded on the Kuwait Stock Exchange and Dubai Financial Market.

The Company’s main objectives are as follows:

- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.
- Lending money to companies in which it owns 20% or more of the capital of the borrowing company, along with acting as guarantor on behalf of these companies.
- Owning industrial equities such as patents, industrial trademarks, royalties, or any other related rights, and franchising them to other companies or using them within or outside the State of Kuwait.
- Owning real estate and moveable property to conduct its operations within the limits as stipulated by law. Employing excess funds available by investing them in investment and real estate portfolios managed by specialized companies.

The Parent Company’s registered office is located at: P.O. Box 417, Safat 13005, State of Kuwait.



## Vision, Mission, and Values



**Vision**  
NIG is contributing to the growth of Kuwait and the progress of its people.

**Mission**  
NIG's robust assets quality enables it to contribute in the local and region's biggest agreements, and B.O.T projects.

**Values**  
The Company invests for the long term, rather than focusing on short-term profitability.



### Employee Competency

Providing employees with the necessary training and development to enhance their performance and efficiency.



### Methodology

The Company's decision-making process combines local knowledge of customers and markets with world-class design approaches.



### Innovation

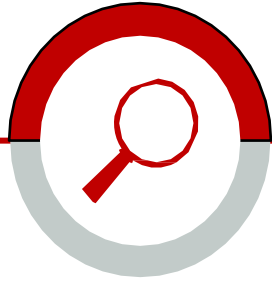
The Company is committed to innovation and agility in business execution, while continuously evolving to deliver high-quality projects that offer superior value.



### Focus on Customers & Community

At every step, the Company prioritizes the needs of its partners, shareholders, and customers. Where the needs of the community and the environment are given top priority.

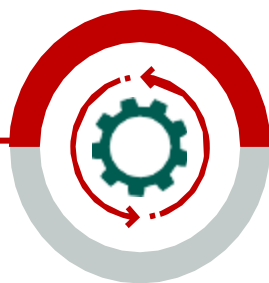
## Behavioral Competency



Precision



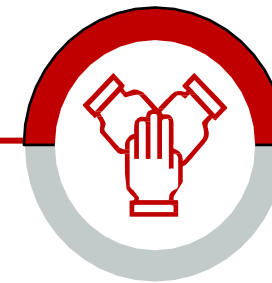
Critical Thinking



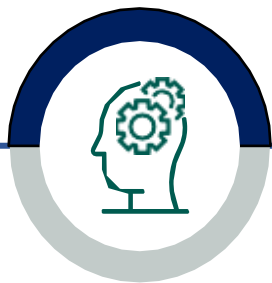
Initiating Change



Sustainable Investment



Collaboration



Entrepreneurial Mindset



Driving Impact



Leadership



Management for Results



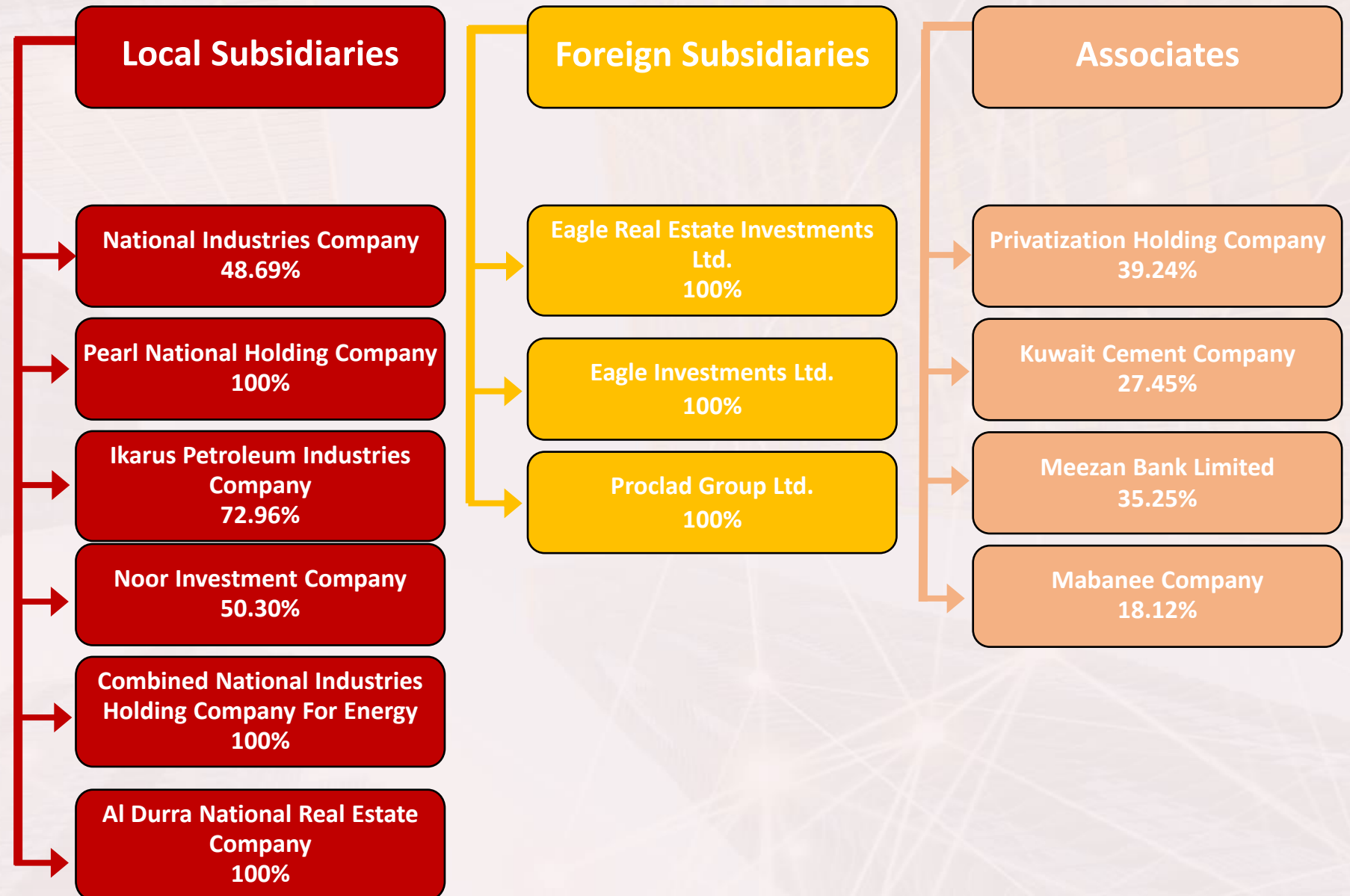
Strategic Planning

## Company Operations Overview

The Company currently holds majority stakes in various thriving companies across the financial and industrial investment sectors, both regionally and internationally.

The Company holds several large-scale investments across Saudi Arabia and the UAE, as well as in Singapore, the United Kingdom, and Latin America.

The chart illustrates the Company's investments through its subsidiaries, associates, and other entities:



## Overview of Financial Performance

Description	As at 31 December 2023	As at 31 December 2022
Net Profit or Loss	24,876,600	21,426,000
Basic and Diluted Earnings (Loss) per Share	11 fils	9.9 fils
Current Assets	466,950,000	397,646,000
Total Assets	1,501,274,000	1,384,757,000
Current Liabilities	393,836,000	370,919,000
Total Liabilities	835,989,000	754,589,000
Total Shareholders' Equity	498,902,000	486,969,000
Total Operating Revenues	267,229,000	206,594,000
Net Operating Profit	89,368,000	60,797,000



Basic and diluted earnings per share increased by 11%.



For the year ended 31 December 2023



The company's profits increased by 16%.

# Introduction

## Organization Structure and Model



### Manpower

Human capital consists of the Company's employees and their competencies and expertise, in addition to their motivation to innovate, develop, and improve processes, products, and services in an ethical and responsible manner, through capabilities in management, leadership, and cooperation.

The Company's training programs and philosophy of continuous development have also contributed to the development of human capital.



### Knowledge

It consists of the reputation achieved by the Company, technical knowledge, and the ability to develop technologies and strategies to preserve and create the value of the Company's business.



### Financial Resources

Financial capital consists of the financial resources available and allocated for business activities and operations.



### Tangible Assets

Tangible assets form the fundamentals of tangible capital and consist of equipment and facilities, such as the brand, applications, and systems provided by the Company to conduct its business activities.



### Social Environment

It mainly consists of ethical and transparent relationships with shareholders, investors, suppliers, regulatory authorities, and the community, as well as the ability to share value with stakeholders to improve operations and create value.

National Industries Holding Group (NIG) recognizes the fundamental role that sustainability plays in achieving long-term success and is committed to delivering value to its stakeholders. The company's Sustainability and Governance Strategy Framework serves as a fundamental cornerstone for its business model and practices. This reflects the company's belief in delivering responsible and ethical practices within sustainability strategies that enable commitment to environmental, social, and economic considerations. The company seeks to integrate sustainable practices into its operations through continuous assessment and by addressing the impact of its activities. The Sustainability and Governance Strategy comprises the following core pillars:

## Environmental Stewardship:

- Implement energy-efficient practices
- Encourage waste reduction and optimize energy consumption
- Support initiatives that contribute to environmental protection

## Economic Resilience

- Investing in innovation and technology to enhance operational efficiency.
- Collaborating with sustainability-minded suppliers and partners.
- Providing innovative investment solutions that support economic stability.



## Social Responsibility:

- Promote a diverse and inclusive work environment that values employee well-being
- Participate in community development projects and charitable initiatives
- Ensure fair and ethical business practices to deliver sustainable value

## Sustainability Governance Structure:

The company's sustainability governance framework is designed to ensure effective oversight, transparency, and accountability in the implementation of the corporate strategy.

### Board of Directors:

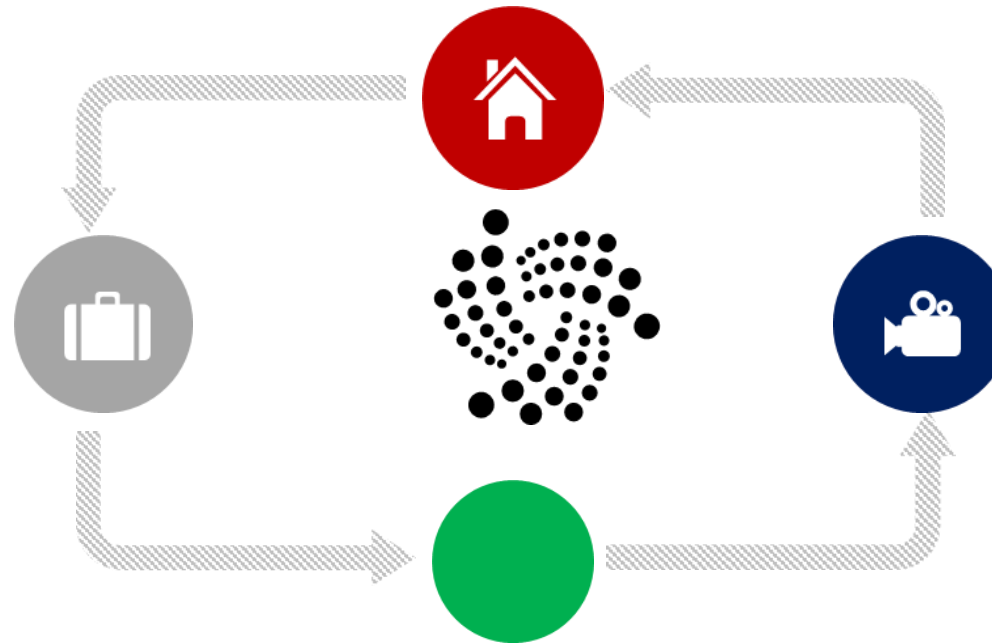
The Board of Directors actively oversees and provides strategic guidance on the Company's sustainability initiatives, ensuring full alignment with the Company's long-term vision and strategic objectives.

### Executive Management:

The Executive Leadership Team is responsible for integrating sustainability into the Company's operations and embedding sustainable practices across its activities.

### Stakeholder Engagement:

Regular communication and collaboration with stakeholders, including employees, shareholders, and investors, to integrate diverse perspectives into the decision-making process.



### Disclosure and Transparency:

The company is committed to transparently preparing the required reports in accordance with international reporting standards, ensuring that stakeholders are provided with a comprehensive view of performance levels and the challenges facing the company.

## Sustainability Framework:

The company adopts an integrated sustainability framework that ensures transparency and alignment with its objectives. The company relies on a number of specific frameworks, detailed below, which outline the standards that must be taken into consideration. The following is an overview of these frameworks:

**Boursa Kuwait** is responsible for managing the operations of the stock exchange in Kuwait. Boursa Kuwait contributes to driving forward communication, growth, and innovation within the capital market, as well as providing support to the Capital Markets Authority (CMA) by establishing the Sustainability Reporting Guidelines.



**The Global Reporting Initiative (GRI)** is a widely recognized framework for sustainability reporting that helps organizations transparently disclose their economic, environmental, and social impacts to stakeholders.



**The United Nations Sustainable Development Goals (SDGs)**, which include disclosures regarding efforts to achieve the UN Sustainable Development Goals by addressing global challenges such as poverty, inequality, and climate change. These disclosures enable stakeholders to evaluate the organization's sustainability practices and its contribution to social and environmental well-being.

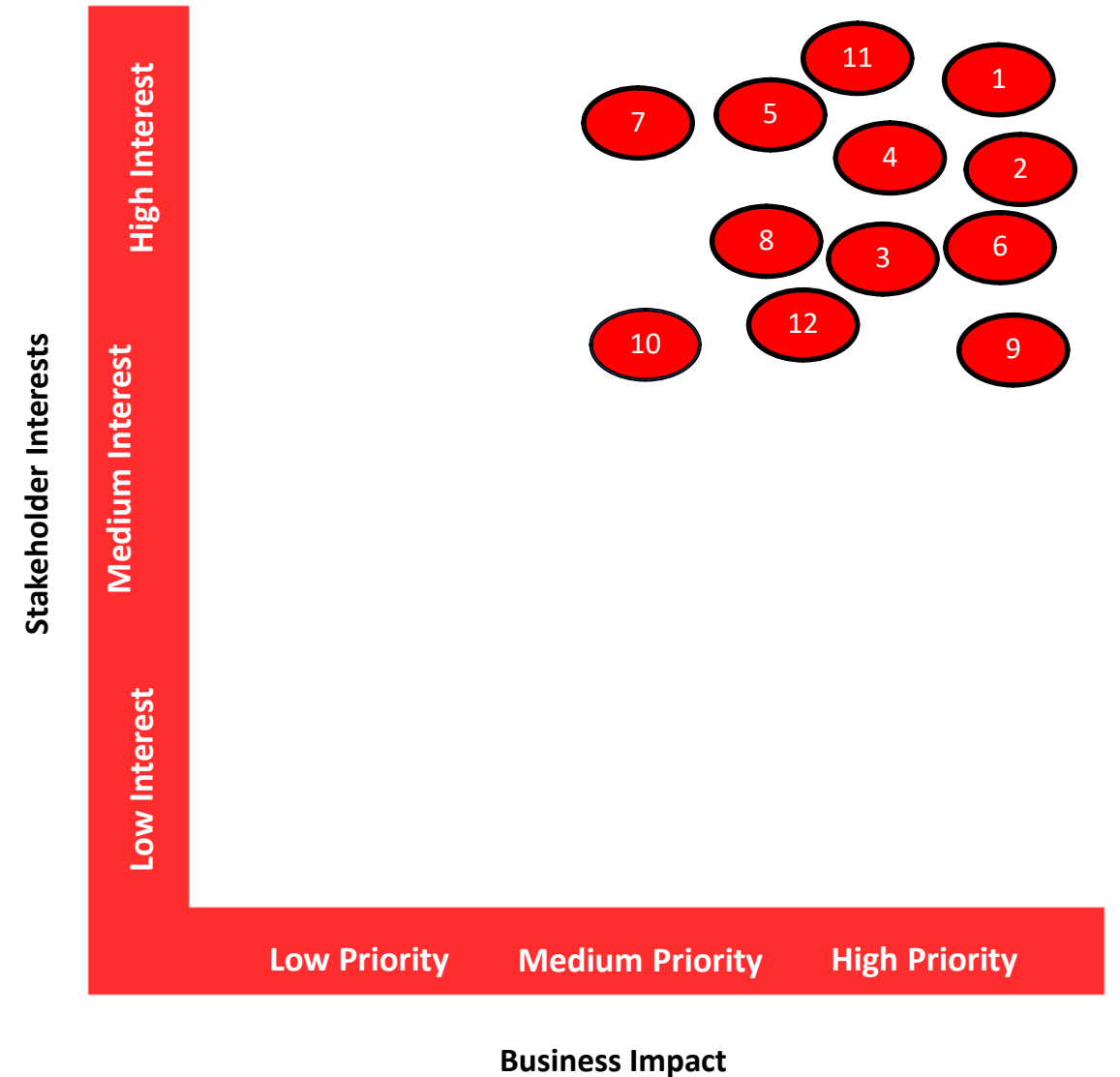


## Materiality Assessment:

It is essential to monitor current and emerging issues, which include analyzing the social, economic, and environmental concerns of stakeholders. The company maintains effective communication with stakeholders, whether they are directly or indirectly linked to its operations.

The company also defines its objectives by continuously assessing material issues using data from internal and external sources, while engaging with a diverse range of stakeholders. The figure illustrates the company's materiality assessment as follows:

1. Financial Stability
2. Governance and Risk Management
3. Sustainable Investments
4. Occupational Health and Safety
5. Diversity and Inclusion
6. Anti-Corruption
7. Environmental Conservation
8. Effective Recruitment
9. Employee Retention
10. Training and Development
11. Social Responsibility
12. Increasing National Employment



## Stakeholder Engagement:

National Industries Holding Group (NIG) recognizes the importance of stakeholder engagement and ensures the continuous improvement of its stakeholder relations, acknowledging them as vital to its success. Through close coordination and participation, the Group aims to operate sustainably and meet stakeholder expectations. The company's stakeholders and the methods of engagement with them can be summarized as follows:



- Shareholders**
- General Assemblies
  - Company News & Announcements
  - Investor Relations Management

- Suppliers**
- Events
  - Internal Communications

- Community**
- Regular Initiatives
  - Donations and Awareness Activities

- Local Community**
- Corporate Social Responsibility (CSR) Initiatives
  - Collaboration with Public Interest Associations

- Employees**
- Internal Network

- Regulatory Authorities**
- Disclosures
  - Regular Announcements

## Board Engagement:



The Company's Board of Directors strongly believes that the societal role plays a vital part in achieving social responsibility and in providing safety and reassurance to both individuals and businesses alike.



The Board members are also committed to prioritizing environmental awareness, promoting social well-being, and adhering to the highest standards of governance. They assume responsibility for disclosure and transparency of relevant information to enhance the Company's sustainability practices, whether for internal decision-making purposes or for the benefit of its external stakeholders.

## Governance Rules:

The importance of establishing, implementing, and practicing corporate governance rules in a rational manner is highlighted by the following:

### **1. Enhancing the Company's Administrative Efficiency**

Governance rules encourage the adoption of a sound approach to corporate management by implementing best practices in modern administrative methods. This contributes to the company's growth, enhances profitability, and mitigates potential risks. Furthermore, sound governance practices ensure that the company is managed by a Board of Directors and an executive team possessed of extensive experience and high technical competencies, supported by specialized Board committees that ensure operations align with company policy and shareholder objectives.

### **2. Strengthening Oversight and Auditing Procedures**

The effective practice of governance rules requires regulating the conduct and behaviors of those in charge of the Company. It also necessitates full compliance with all laws and directives issued by regulatory authorities, as well as adherence to the Company's internal policies and operating systems. This facilitates the implementation of internal self-regulation over Company activities, thereby contributing to the mitigation of risks to which the Company may be exposed.

### **3. Supporting the Company's Social Role**

Governance rules encourage the Company to play a more effective social role by expanding the scope of its activities beyond its core business operations. This includes implementing initiatives that benefit the Company, society, the environment, and the economy, while taking into account the three pillars of sustainable development: economic growth, social progress, and environmental protection.

### **4. Promoting Fairness, Transparency, and Equitable Treatment**

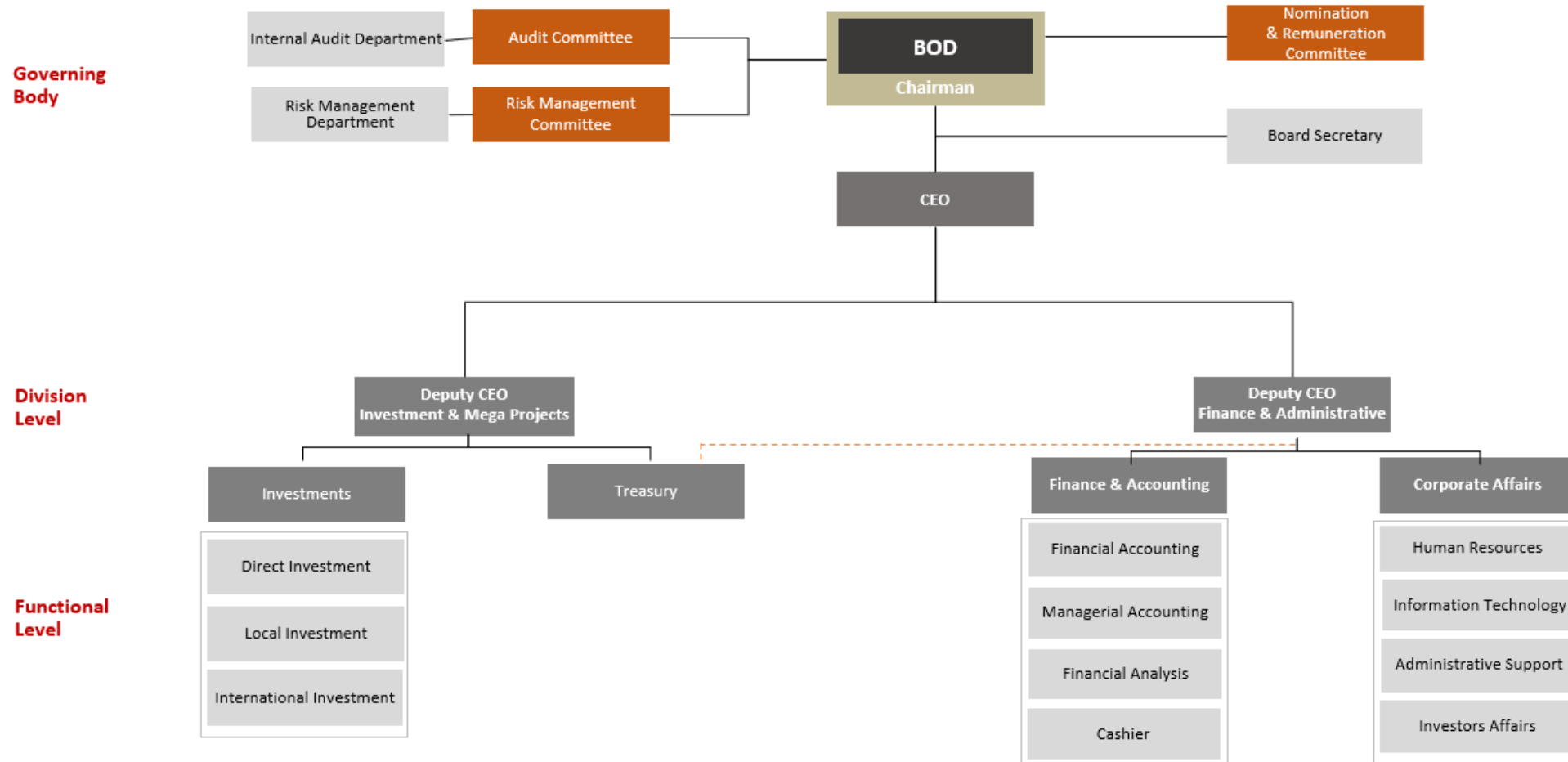
By implementing its underlying principles, governance rules aim to promote fairness, transparency, and the equitable treatment of all parties, including shareholders and other stakeholders.

### **5. Mitigating the Concept of Conflict of Interest**

Governance rules encourage a systematic approach in dealing with various categories of related parties, both within and outside the Company. Furthermore, they facilitate the avoidance of all improper practices that may lead to conflicts of interest and expose the Company to financial difficulties.

## Sound Administrative Organization

The Company's Articles of Association are characterized by the quality of their preparation and content. These Articles are updated as necessary to reflect any relevant resolutions or amendments issued by the Company's Board of Directors or any regulatory authorities to which the Company is subject. The Company has implemented governance frameworks to ensure the effectiveness of the Board of Directors and to empower its members to fulfill their responsibilities toward achieving key objectives, while encouraging performance development and facilitating their positive contributions. The Board has established several specialized committees to undertake specific tasks and responsibilities under its supervision. Each committee submits periodic reports and recommendations to the Board, upholding the principles of accountability and transparency. The following chart illustrates the



## Company Board of Directors

The Board of Directors represents the most critical pillar of corporate governance. As fiduciaries for the shareholders, Board members are expected to ensure that the Company is managed in a fair and transparent manner, in accordance with approved rules and regulations. Furthermore, the Board of Directors establishes various committees to focus on matters specifically related to governance. In addition, the formation of various committees that provide the necessary guidance, direction, and oversight of the Company's affairs will help strengthen governance procedures and operational performance. This leads to maximizing the Company's value and shareholder equity, as well as establishing superior levels of control and supervision. The Company's Board of Directors plays an active role in the Company's oversight and control processes.

### Establishing a Balanced Board Structure and Board Composition Criteria

The Company's Board of Directors maintains a structure proportionate to the size and nature of the Company's activities, as well as the tasks and responsibilities assigned to it. The Board's composition is distinguished by a diversity of academic and professional experience, alongside specialized skills. Members possess a thorough knowledge of relevant laws and regulations, as well as the rights and duties of the Board, further complemented by a comprehensive understanding of the Company's operations and the various risks to which it may be exposed.

### Minimum Standards and Qualifications for Board Membership:

- The member must possess the legal capacity to hold this position.
- The member must not have been previously convicted of a felony involving a custodial penalty, or of a crime involving negligent or fraudulent bankruptcy, a crime affecting honor or integrity, or a custodial penalty for violating the provisions of this Law, unless they have been rehabilitated.
- With the exception of independent Board members, a director must personally own, or represent a person who owns, a specific number of the Company's shares.

The Company's Board of Directors consists of (9) members, including two independent members. The Board members are qualified and possess the necessary expertise to carry out their assigned duties and responsibilities. In forming the Board, consideration was given to diversity in professional and practical experience, as well as technical skills that enable members to effectively perform their roles.

# Responsible Governance

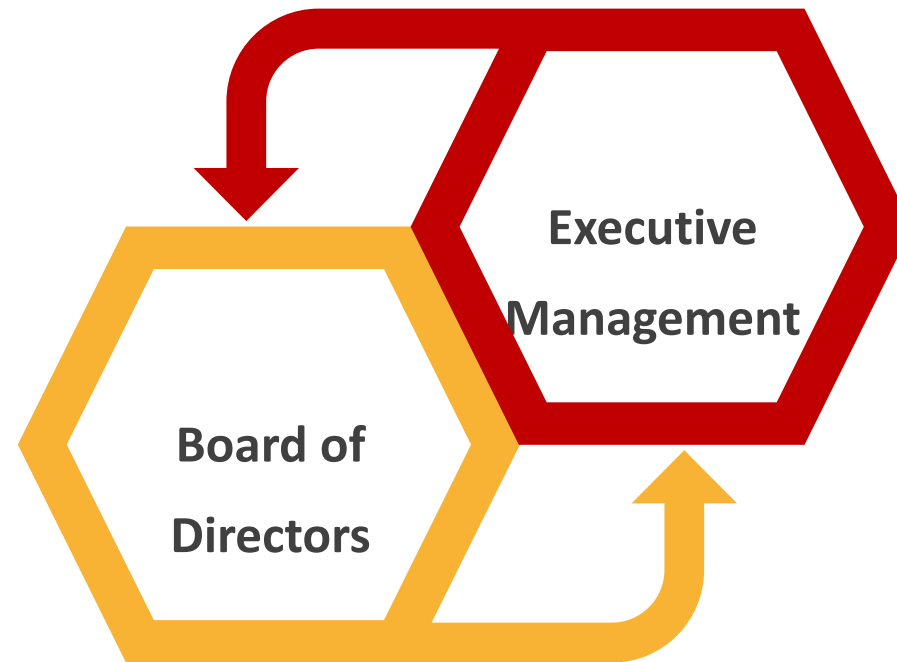
## Clear Definition of Roles and Responsibilities of the BOD and EM

The Board of Directors maintains a clear separation of responsibilities between itself and Executive Management, ensuring full independence and enabling the Board to effectively fulfill its duties. The Company has committed to clearly defining the roles and responsibilities of both the Board of Directors and Executive Management in its approved policies and regulations, reflecting a balance of powers and authorities between the two. Ultimate responsibility remains with the Board, even if it establishes committees or delegates certain tasks to other bodies or individuals.

Responsible Governance

### Board of Directors' Powers

**First:** The Board of Directors shall have unlimited powers (except as provided by law, the Articles of Association, or the resolutions of the General Assembly) to manage the Company's operations and investments. More specifically, the Board retains the discretion to exercise authority over financial matters and related decisions.



**Second:** Except for the financial powers reserved by the Board, the Chief Executive Officer (or their designee) shall be responsible for managing the Company's financial and administrative affairs within the overall framework of the regulations issued by the Board.

## Roles and Responsibilities of the Board of Directors:

The Board of Directors holds the broadest administrative authority in the Company and may carry out all actions necessary for managing the Company in accordance with its objectives. This authority is limited only by provisions of the law, the Articles of Association, or resolutions of the General Assembly. The following are some of the roles and responsibilities of the Board of Directors:

- Formulating and approving the Company's overall strategy.
- Establishing the Company's governance system, overseeing it, monitoring its effectiveness, and making amendments as necessary.
- Forming specialized committees reporting to the Board of Directors, specifying their members, mandates, terms, and oversight mechanisms.
- Establishing organizational structures and defining information reporting channels that ensure the Board of Directors can perform its duties independently of management, while implementing the relevant procedures.
- Periodically ensuring the effectiveness and adequacy of the internal control systems and risk management frameworks in place at the Company, including the integrity of financial and accounting systems and the mechanisms for assessing risk management.
- Approving policies and procedures governing relationships with related parties in order to mitigate conflicts of interest.
- Establishing and implementing a shareholder communication policy to keep them informed of the Company's activities and developments, and to ensure that accurate and adequate reports on the Company's financial performance are provided to shareholders, other stakeholders, and regulatory authorities in a timely and regular manner.
- Monitoring compliance with legal and regulatory requirements as well as ethical standards.
- Defining the authorities delegated to Executive Management.
- Monitoring the Company's overall operational performance.
- Establishing a dividend policy that serves the interests of the shareholders.
- Disclosing and communicating the Company's operations, developments, and future prospects.
- Approving the Company's budget estimates.
- Preparing the annual report on the Company's activities.
- Overseeing capital expenditures and the acquisition, ownership, and disposal of the Company's assets.
- Ensuring that the financial results are presented fairly and in accordance with applicable accounting principles.
- Performing other tasks assigned to the Board of Directors in accordance with the Company's Articles of Association, regulations, and applicable laws.

## Roles and Responsibilities of the Board Chairman:

The roles and responsibilities of the Chairman of the Board are clear and completely separate. The Chairman of the Board is responsible for ensuring the proper and effective functioning of the Board of Directors, including ensuring that Board members receive complete and accurate information in a timely manner. The duties of the Chairman include, but are not limited to, the following:

- Coordinating with Board members to establish and oversee the work of committees reporting to the Board, and ensuring the effectiveness and performance of the Board and all its members.
- Reviewing and approving the agendas of Board of Directors meetings and both ordinary and extraordinary General Assembly meetings.
- Calling meetings after ensuring quorum is met, enabling the Board to convene and perform its duties effectively.
- Managing Board of Directors meetings and both ordinary and extraordinary General Assembly meetings.
- Ensuring that Board members receive complete information promptly regarding the matters to be discussed during Board meetings.
- Ensuring that the Board of Directors effectively discusses all key matters in a timely manner.
- Encouraging all Board members to participate fully and actively in the Board's affairs to ensure that it acts in the best interests of the Company.
- Monitoring the quality and volume of information and reports submitted by Executive Management to the Board of Directors.
- Monitoring the performance of Executive Management and the implementation of tasks, decisions, recommendations, and requirements issued by the Board.
- Coordinating with the Board of Directors and Executive Management in defining, approving, and communicating the Company's mission, vision, and strategy, ensuring their effective implementation across all departments and divisions, and verifying adherence to and compliance with their principles.
- Working with the Board of Directors and Executive Management to ensure adherence to the approved ethical principles and standards in all the Company's activities and operations.
- Coordinating with the Board of Directors and Executive Management to enhance and develop the Company's business activities and to strive to maintain and elevate its position.
- Coordinating with the Board of Directors and Executive Management to enhance the impact of social responsibility initiatives.
- Ensuring effective communication with shareholders and conveying their views to the Board of Directors.
- Fostering a culture that encourages constructive criticism on matters where there are differing viewpoints among Board members.

## Roles and Responsibilities of Executive Management:

The Company's daily operations are managed by Executive Management, led by the Chief Executive Officer, supported by two Deputy CEOs, a team of directors, and other Company employees. The following outlines the key responsibilities of the CEO.

- Implementing the Company's strategy and vision to successfully address challenges and increase profitability.
- Creating a culture and set of values that employees can follow and uphold.
- Analyzing growth and development opportunities for the Company, developing appropriate strategies, and entering into partnerships and alliances (subject to Board approval) that can provide a competitive advantage.
- Submitting necessary recommendations to the Chairman and the Board of Directors regarding acquisitions, expansions, new service offerings, and other related matters.
- Planning, supervising, and monitoring the Company's activities, and playing a key role in the appointment of senior executive officers.
- Making executive decisions for the Company and directing all department heads to achieve optimal performance in line with the Company's objectives.
- Establishing and maintaining effective and positive relationships with Board members, shareholders, clients, and suppliers, as well as other governmental and business affiliations.
- Evaluating business opportunities that provide greater benefits to the Company.
- Ensuring legal and regulatory compliance, as well as adherence to the Company's policies and standards.
- Ensuring the implementation of appropriate risk management policies and practices.

## Board Committees

### Audit Committee

It is responsible for assisting the Board of Directors in fulfilling its obligations related to overseeing the quality and integrity of accounting practices, auditing, internal controls, financial reporting, and the Company's overall governance framework, in addition to managing the Company's relationship with external auditors.

### Risk Committee

It aims to enhance the Board's effective oversight of the Company's significant transactions. The Committee is responsible for all aspects of risk management, including, but not limited to, strategic risks, market risks, compliance risks, and operational risks.

### Nomination & Remuneration Committee

Making recommendations for the appointment and re-election of Board members at the General Assembly, in addition to conducting the annual performance evaluation of Board members. The Committee is also responsible for evaluating the remuneration of Board members and Executive Management in accordance with the Company's performance indicator matrix.

# Responsible Governance

## The Company's Risk Management and Internal Control Systems

The Company has internal control and monitoring systems covering all its activities. In its organizational structure, the Company incorporates the principles of internal control based on the "Four Eyes Principle," which are as follows:

- Clear Definition of Authorities and Responsibilities.
- Full Separation of Duties and Avoidance of Conflicts of Interest.
- Dual Inspection and Control.
- Dual Signing.

### Internal Control and Monitoring Systems:

To provide reasonable assurance of effective and appropriate operations, including various control measures such as financial controls, operational controls, and compliance with relevant regulations and laws, the Company has established an internal control system within defined frameworks and policies, which are translated into procedural steps across the Company's operations. The Board of Directors regularly reviews these frameworks and policies through its main committees, with the effectiveness of the controls being periodically assessed within the Company's relevant departments through internal audits and regular reviews of the activities of various Company divisions.

### Internal Audit Function:

The Company's organizational structure ensures the establishment of an independent internal audit function, which has been outsourced to an external entity and reports to the Audit Committee established by the Board of Directors. The role of the internal audit function primarily focuses on overseeing the effectiveness and efficiency of the Company's internal control systems, ensuring the integrity and accuracy of financial data and related administrative operations, as well as assessing the evolution of risk factors and the adequacy of established systems to evaluate the efficiency of daily operations and the Company's ability to respond to unexpected market changes.

### Risk Management:

To ensure the proper identification, detection, and management of risks within the Company, the Board of Directors has defined the scope of the Risk Committee's work to include preparing and reviewing risk management strategies and policies before their approval by the Board, and ensuring that these strategies and policies are implemented and appropriate to the Company's size and nature of operations. The Committee also ensures the availability of adequate resources and systems for risk management to assist the Board in determining and assessing the Company's acceptable risk level and in ensuring that the Company does not exceed this level once approved by the Board.



# Responsible Governance

## Disclosure and Transparency

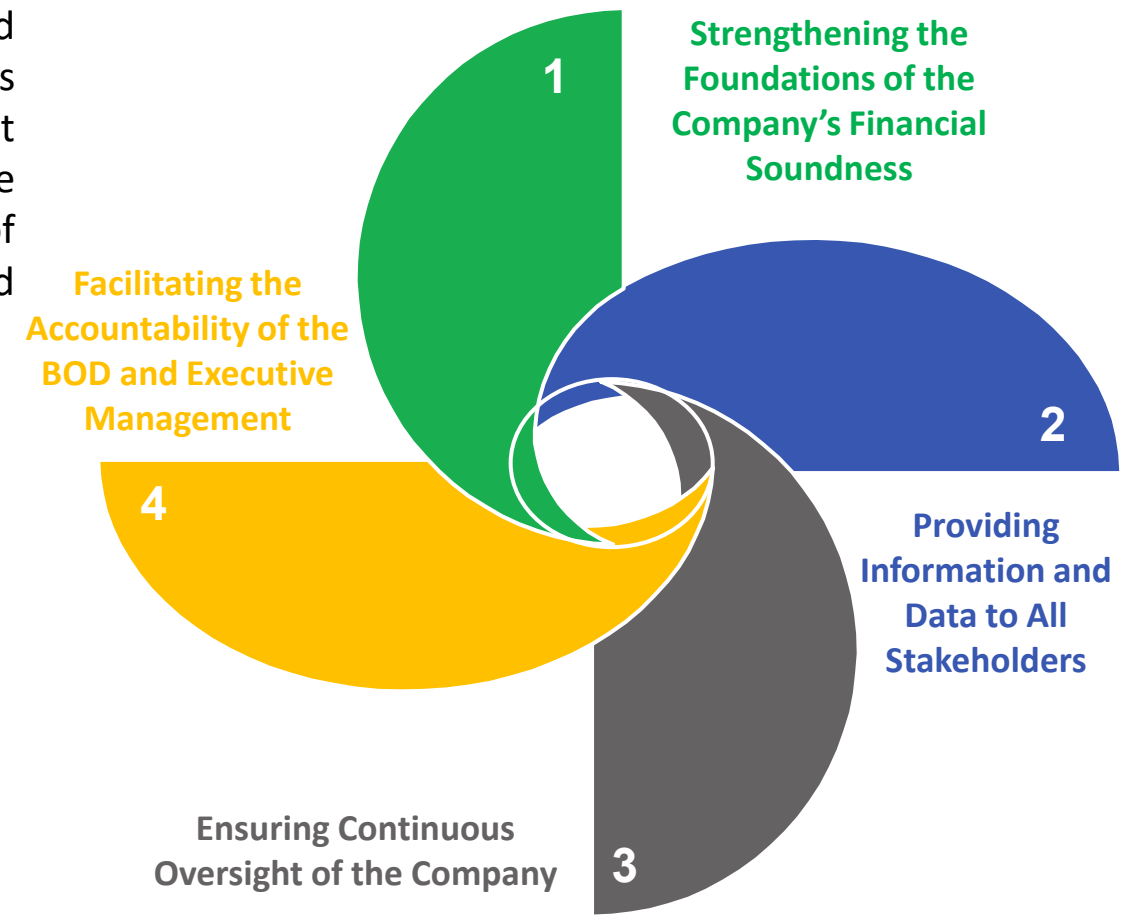
The Company recognizes the importance of transparency and disclosure as essential to monitoring its activities and evaluating performance, and is committed to the accurate, timely, and continuous disclosure of all material information in accordance with applicable regulatory standards.

The Company promotes disclosure and transparency across all its dealings and operations. As a public shareholding company, certain sensitive information is restricted from disclosure; however, the Company applies a fair and compliant disclosure policy in line with its Articles of Association and the Companies Law. The Board of Directors ensures that all required disclosures, including the Board of Directors' Report and annual financial statements, are issued within the prescribed timelines and in accordance with relevant standards.

## Protection and Respect of Shareholders' Rights

The Company's governance framework ensures that shareholders are able to exercise their fundamental rights with a high degree of fairness and equality, as stipulated in the Company's Articles of Association. The Articles of Association clearly set out the procedures and controls necessary to guarantee that all shareholders can exercise their rights in a manner that achieves fairness and equality, without prejudice to the applicable laws, regulations, and the relevant resolutions and instructions issued in this regard.

**Accurate and timely disclosure and transparency constitute key pillars of sound corporate governance, enabling shareholders to fully exercise their rights, as they contribute to achieving the following:**



# Responsible Governance

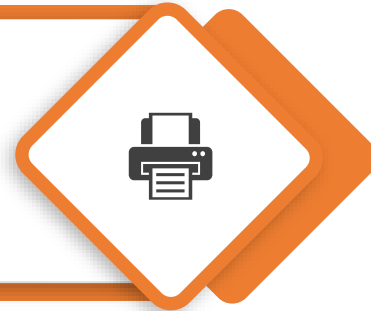
## Data Privacy and Security

The Company is committed to providing the highest levels of protection for its data, as follows:

**Data Protection Policy:** This ensures secure handling and strict safeguarding of sensitive information in order to maintain trust and comply with applicable regulatory requirements.



**Employee Awareness and Training:** Employees receive continuous training on email security threats, enabling them to identify potential risks and respond to them effectively.



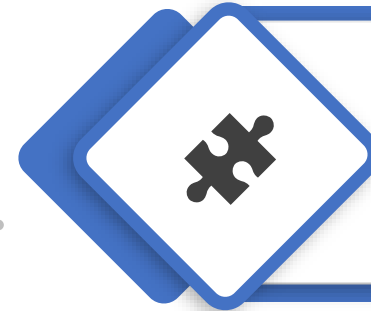
**Patch Management:** The Company ensures that all devices and servers are regularly updated to reduce vulnerabilities and enhance security.



**Access Control:** Security is prioritized by restricting access to critical data through the use of privileged access management solutions.



**Backup Strategy:** Encrypted offline backups are performed on a regular basis to ensure the integrity and availability of data.



**Data Leakage Prevention:** To mitigate the risk of data leakage, the Company adopts a secure cloud-based system for its internal network with no external connectivity that would allow access to the internal network. In addition, the Company maintains an effective firewall and dedicated security software to protect against cyberattacks and potential threats.



# Environmental Responsibility

The Company continuously works to implement an effective environmental conservation policy through the management of its operations, in line with relevant environmental standards under various sustainability frameworks, with the aim of respecting the environment and ensuring the optimal use of resources.



01

## Energy Management and Efficiency Improvement

Through a focus on energy efficiency, reduction strategies, and the adoption of innovative solutions, the Company actively contributes to achieving a more sustainable future.



02

## Water Management and Conservation

The Company is committed to implementing best practices for water conservation across all its operations by adopting and integrating innovative technologies aimed at reducing water consumption, thereby contributing to a more resilient and water-secure future that adequately meets the needs of the community.



03

## Waste Management

The use of paper constitutes a significant part of companies' daily operations. Accordingly, the Company aims to reduce its paper consumption by limiting the use of company paper to business purposes only and recycling discarded paper instead of disposing of it whenever possible. In addition, paper-based office supplies are disposed of separately in designated recycling bins.



# Environmental Responsibility

## Energy and Water:

The Company works to improve energy efficiency across all levels of the organization that rely on energy use, including reducing overall energy consumption and promoting the use of energy-efficient solutions. The Company also seeks to enhance the efficiency of water use across its operations, whether for domestic use or for activities that may involve maintenance, with the objective of reducing waste and promoting conservation. The tables below illustrate the prudent consumption of both energy and water, based on the available data and the amounts paid for energy and water consumption.

### Energy Consumption

Based on the available data and in accordance with the accounting mechanism applied by the competent authorities for the Company's consumption, and in line with the data available	2021	2022	2023	Change
Energy Consumption – Kuwaiti Dinar	1,064	1,009	Not yet available	
Energy Consumption – Kilowatt	212,885	201,784		

### Water Consumption

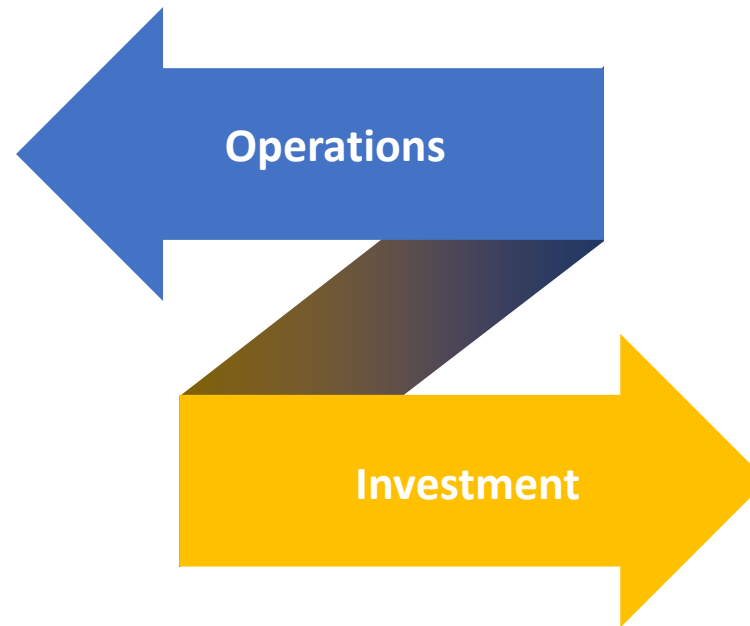
Based on the available data and in accordance with the accounting mechanism applied by the competent authorities for the Company's consumption, and in line with the data available	2021	2022	2023	Change
Water Consumption – Kuwaiti Dinar	1,836	1,740	Not yet available	
Water Consumption – Gallon	1,468,506	1,391,927		

Given the nature of the Company's operations, there are no equipment or machinery that require high levels of energy consumption, Where there is one vehicle, whose energy consumption is negligible.

# Environmental Responsibility

The Company's approach includes seeking ways to reduce the direct impact of its operations by minimizing energy and water consumption and promoting waste recycling.

This is also achieved through providing appropriate workspaces for employees, adopting more sustainable office supplies, implementing technological solutions, promoting environmentally friendly procurement practices, and increasing environmental awareness among employees.



The Company's approach further incorporates environmental considerations into investment decision-making and risk management processes, with the aim of aligning investment decisions with sustainable principles to achieve better outcomes and to avoid investing in companies with poor environmental or social records.

## Achieving Effective Environmental Sustainability:

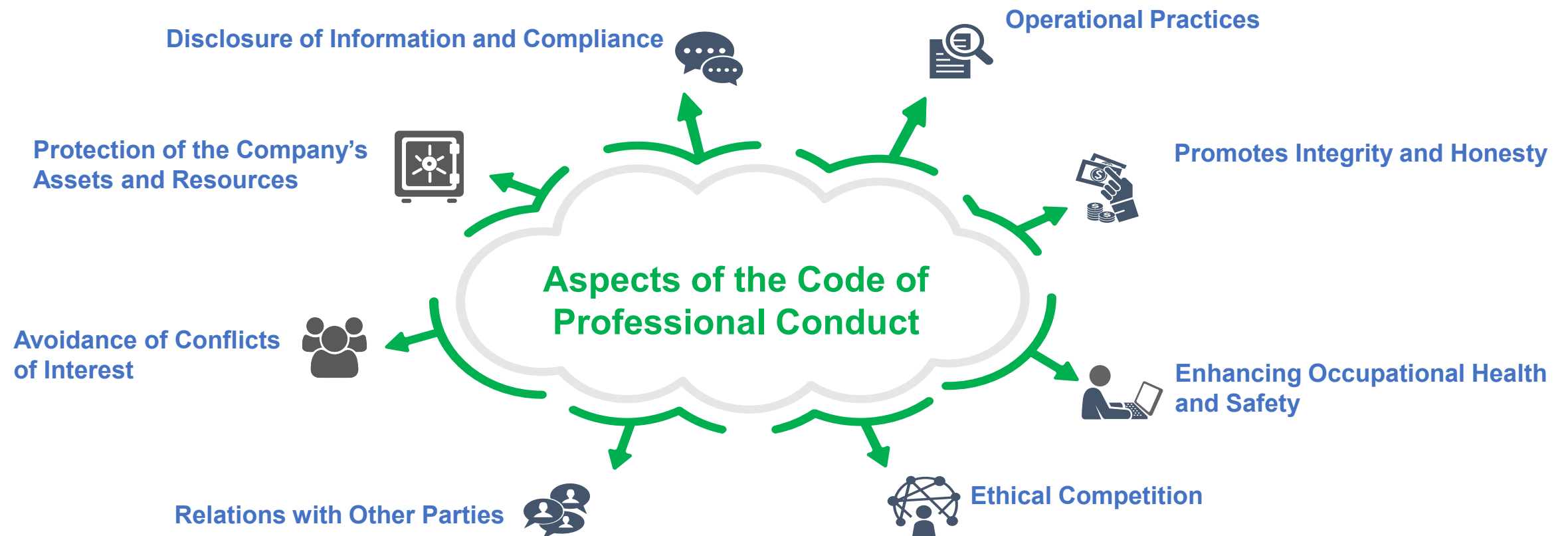
Given the nature of the Company's operations as a holding company, it does not consume significant amounts of energy or water in any of its operational activities. Accordingly, the Company undertakes measures aimed at promoting sustainability, which may be periodic in nature but have a significant impact, such as:

- Turning off unnecessary lighting.
- Promoting sustainable practices in the way employees use energy and water.
- Conducting periodic maintenance to ensure the efficiency of energy and water operations and to prevent any waste or irresponsible use.

## Promoting and Embedding a Culture of Professional Conduct and Ethical Values

Promoting a culture of professional conduct and ethical values within the Company constitutes one of the fundamental pillars for the implementation of the Company's sustainable business practices. Accordingly, the Company places significant emphasis on ensuring that all its personnel—including members of the Board of Directors, executive management, and other employees—comply with the Company's internal policies and regulations, as well as applicable legal and regulatory requirements. This is achieved through the adoption of a Code of Professional Conduct, with the aim of safeguarding the interests of all stakeholders, in particular the shareholders.

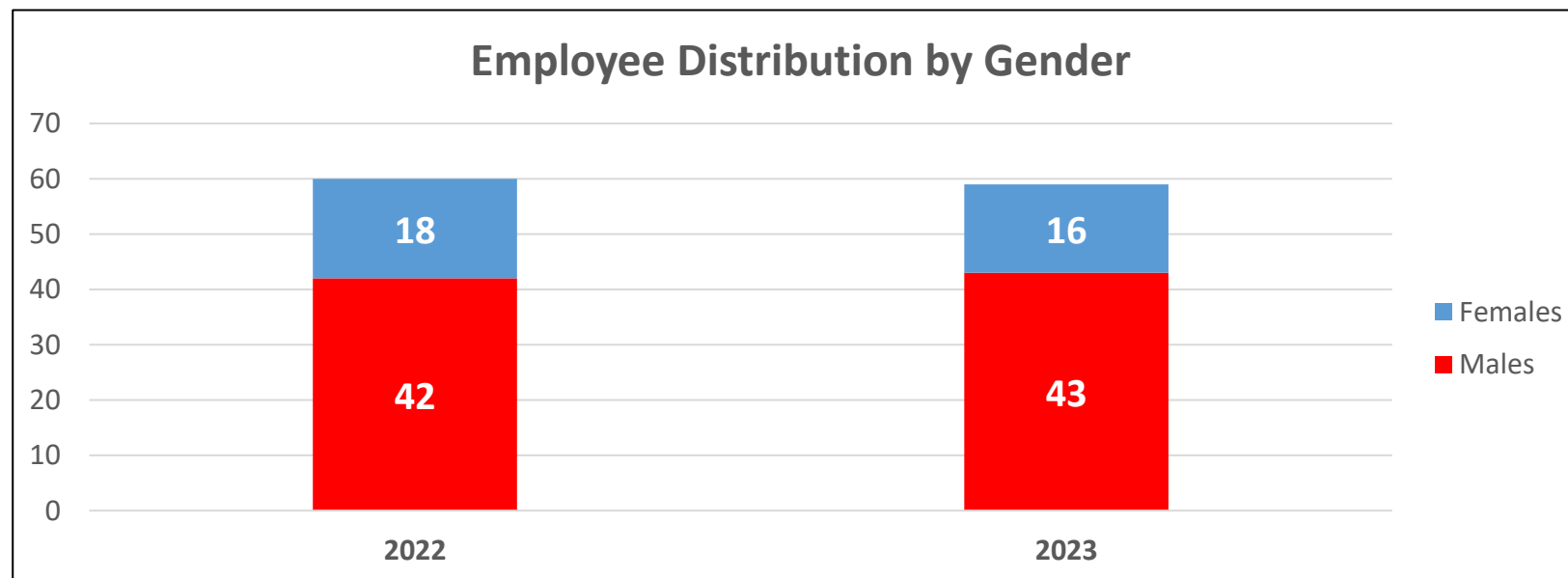
The Company periodically reviews and updates the approved Code of Professional Conduct to ensure that it encompasses all standards and principles of professional conduct and ethical values, and to verify its alignment with all applicable requirements. **The Code of Professional Conduct addresses several aspects, including:**



## Employees

The Company employs individuals with diverse expertise and talents in line with their assigned roles and responsibilities. The Company's employees are considered among the key factors supporting its commitment to responsible business practices. Accordingly, the Company prioritizes employee well-being through comprehensive training, health initiatives, fair labor practices, and the promotion of an inclusive culture in which every contribution is valued. By advocating diversity and equal opportunity, the Company also seeks to focus on the following:

- Gender Equality
- Training and Development
- Benefits Coverage and Employee Well-Being



 **27%**

Female employees represent approximately 27% of the Company's total workforce as of 31 December 2023.

 **73%**

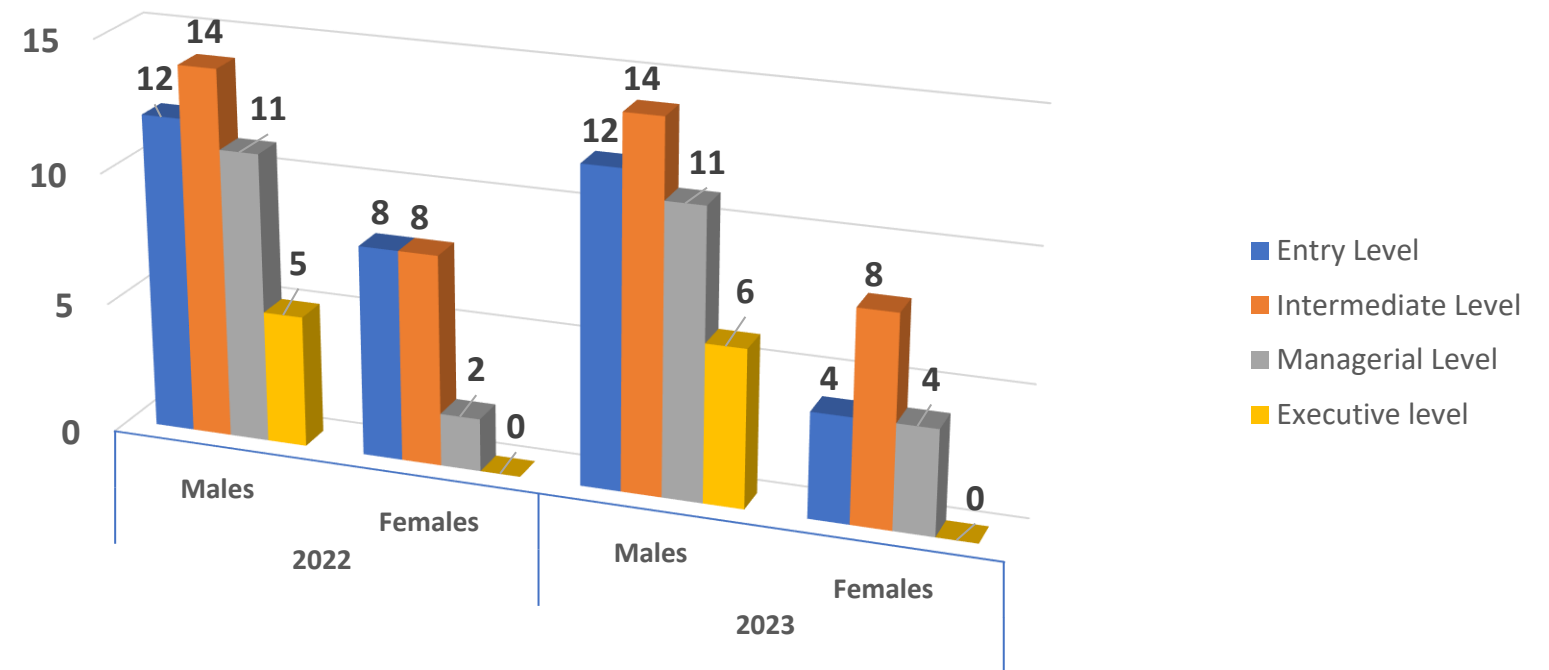
Male employees represent approximately 73% of the Company's total workforce as of 31 December 2023.

The Company employed a total of 59 employees as of 31 December 2023, comprising both male and female employees across different age groups. All employees of the Company are employed on a **full-time** basis and receive a basic salary, benefits, and various incentives in accordance with the Company's policies and the Kuwaiti Labor Law.

## Employees

In addition to gender diversity, the Company's workforce also demonstrates diversity in terms of nationality, age, and job level, as illustrated below.

- ❖ The demographic composition of the Company's employees reflects a culture of diversity and equal opportunity, as the Company has employed individuals **from 15 different nationalities**. This diversity mirrors the broader community and promotes an inclusive culture in which all employees feel valued and respected.
- ❖ In addition, diversity exists across different job levels, as the Company provides varied and equal opportunities regardless of gender or nationality.



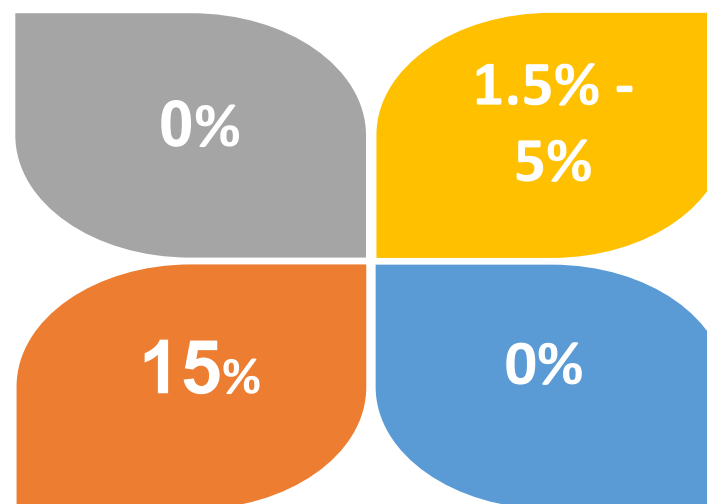
## Employees

The Company has a Human Resources policy that includes attracting, retaining, and developing competencies within the Company, based on standards related to each job level. Below is the employee distribution by age group:

Male Employees	Number of Employees	Under 30 Years	Between 30–50 Years	Over 50 Years
2023	43	0	22	21
2022	42	0	25	17
Female Employees	Number of Employees	Under 30 Years	Between 30–50 Years	Over 50 Years
2023	16	0	13	3
2022	18	2	13	3

The employee absenteeism rate without excuse was 0% over the two-year period.

The percentage of national workforce amounted to 15% as of 31 December 2023.



The employee turnover rate ranged from 1.5% to 5% over the two-year period.

The Company did not receive any complaints from employees over the two-year period.

No incidents involving employees at the Company's premises were reported during the same period.

## Training

Training and development procedures consist of structured and organized activities designed to ensure that employees possess the knowledge and skills required to perform their job roles effectively. These procedures may also be expanded to support employee development for appointment to other positions within the Company, or to assist employees in adapting to new technological systems, as well as the Company's new processes and organizational structures.

The total training hours provided to male employees during the year 2022 & 2023 amounted to: 400 training hours.

The total training hours provided to female employees during the year 2022 & 2023 amounted to: 60 training hours.

The total training hours provided to employees increased by 103% compared between the years 2022 and 2023.

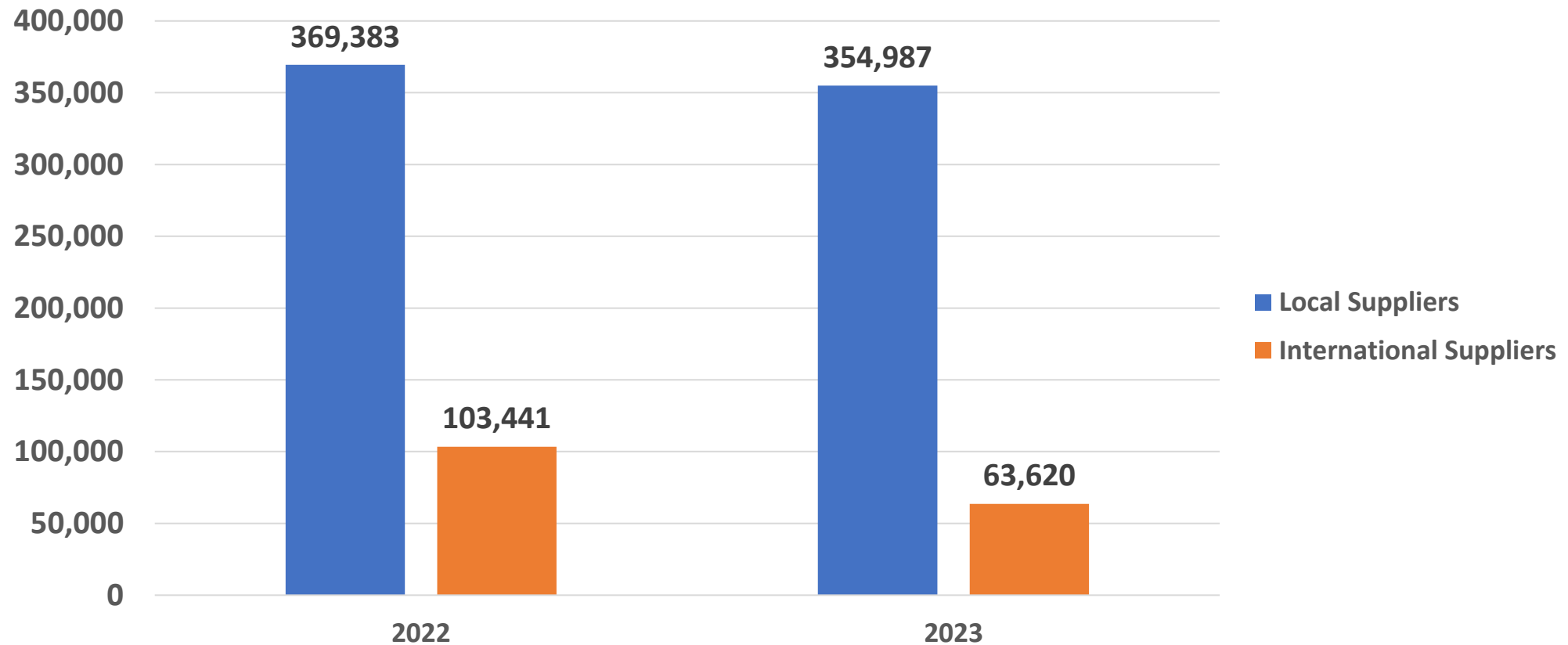
**103%**



## Community Engagement

Implementing procurement practices that support local suppliers represents an effective means of contributing to the local community. The Company is committed to supporting the national economy by sourcing the majority of its requirements from local suppliers. This commitment is reflected in the value of local and international procurement expenditures, which demonstrate the Company's dedication to supporting the local community.

Comparison of Local and International Suppliers – Amounts Paid (Kuwaiti Dinar)



## Community Engagement

The concept of social responsibility reflects the company's ongoing commitment to ethical conduct and its contribution to achieving sustainable development for society at large, and for the company and its employees in particular. This is achieved through efforts to improve the living, social, and economic conditions of the workforce and their families, in addition to contributing to the reduction of unemployment levels in society and ensuring the optimal utilization of available resources.

Within the framework of fulfilling its social responsibility in service of the nation, the National Industries Group established a charitable foundation under the name "National Industries Group Initiative", dedicated to carrying out charitable and humanitarian activities. The Board of Directors of the Group has placed significant emphasis on this initiative by providing substantial financial and moral support and allocating specialized human resources. This reflects the Group's belief in the importance of investing in the initiative's work and supporting its productivity.

Among the most notable achievements and initiatives undertaken by the Initiative during the year 2023, by way of example and without limitation, are the following:

#	Achievements
1	Project to support postgraduate scholarship students in Islamic Economics.
2	Project for the establishment of the National Industries Charitable School.
3	National Industries Charitable Foundation project to support the education of orphaned students.



**Thank You!**