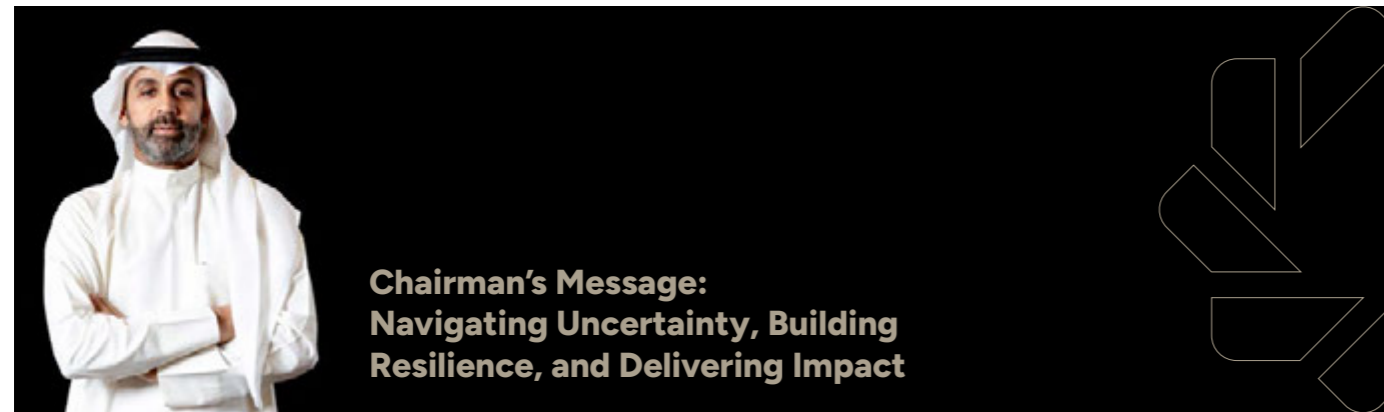


ESG Highlights Report 2024–2025 Bridge Cycle

A Purpose-Driven Path Toward
Sustainable Islamic Investments





**Chairman's Message:
Navigating Uncertainty, Building
Resilience, and Delivering Impact**

I am pleased to present KFH Capital's Sustainability Report, reflecting our unwavering commitment to responsible investment, ethical stewardship, and Islamic finance principles.

At KFH Capital, we believe sustainable growth requires foresight integrating ESG frameworks with Sharia values to align financial performance with societal impact. Our role in advancing a low carbon, inclusive economy remains central to our strategy.

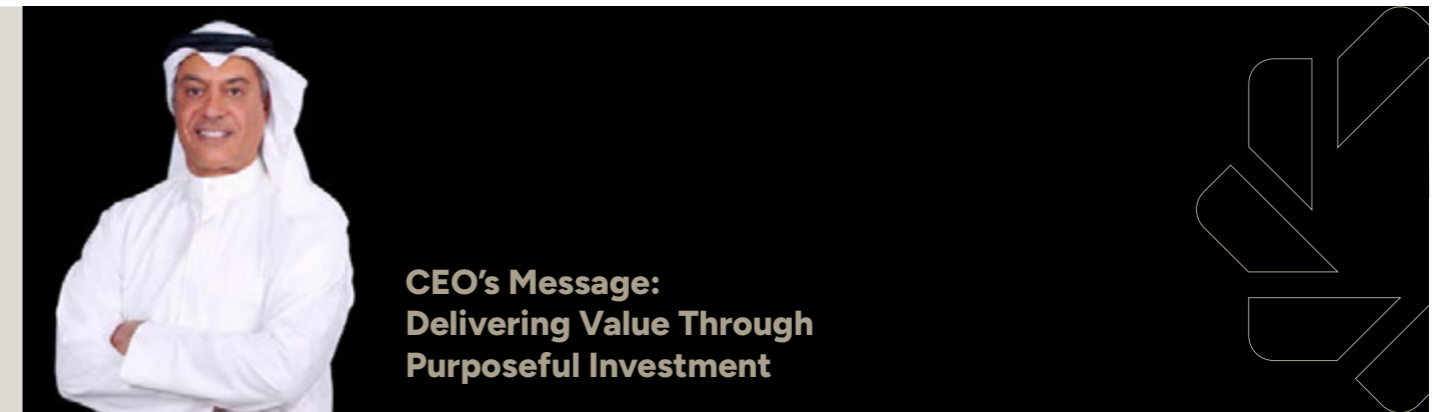
Regionally, the GCC and MENA markets are witnessing strong momentum in green sukuk and ESG linked investments aligned with national visions such as Kuwait Vision 2035 and Saudi Vision 2030. Leveraging this trend, we have strengthened our position as a leading Islamic investment bank, offering Sharia compliant solutions from green sukuk advisory to ESG screened portfolios.

Internally, we have enhanced ESG integration across systems, risk models, and investment processes, introducing innovative instruments such as ESG aligned sukuk and sustainable funds. Our governance framework combines global best practices with Sharia oversight, ensuring transparency and accountability at every level.

This dual foundation ESG rigor and Islamic integrity enables us to deliver ethical, forward looking financial services that create long-term value for clients, communities, and the environment. As we deepen our ESG commitments, we do so as a reflection of purpose, not trend.

I extend my gratitude to our Board, Shari'a Supervisory Board, management, and employees for their dedication to this vision.

Khaled AlShamlan
Chairman, KFH Capital Investment Company



**CEO's Message:
Delivering Value Through
Purposeful Investment**

It is with pride and purpose that I present KFH Capital's inaugural Sustainability Report an affirmation of our commitment to responsible finance, ethical conduct, and long-term value creation through a Sharia compliant lens.

This report reflects tangible progress. Guided by a robust materiality assessment, we identified and prioritized ESG issues most relevant to our business and stakeholders. Our focus spans strong governance, Shari'a compliance, data protection, employee wellbeing, community investment, and advancing digitalization and green finance.

We strengthened governance frameworks, enhanced compliance, and reinforced ethics programs to uphold integrity and transparency. Our investment in human capital through training in technical, leadership, and sustainability domains underscores our belief that capability drives innovation and resilience.

On the financial front, we expanded our role in Sukuk and Sharia compliant instruments, meeting growing investor demand for ethical capital markets. Our workforce strategy focuses on developing local talent, fostering leadership opportunities, and building a strong, diverse team that reflects our values and business priorities.

This report is not just a reflection of achievements it is a promise for the future. I thank our Board, Shari'a Supervisory Board, and every member of the KFH Capital team for their dedication to excellence and innovation. We are proud of what we've accomplished and even more excited about what lies ahead.

Abdullah S. Al Haddad
Chief Executive Officer, KFH Capital Investment Company

Welcome

KFH Capital is pleased to present its ESG Highlights Report, reflecting our commitment to ethical finance, sustainability oriented value creation, and responsible growth. As the investment arm of Kuwait Finance House Group and the Centre of Excellence for Sharia Compliant Investments, KFH CAPITAL integrates global ESG standards with Islamic finance principles to enhance stakeholder value while supporting Kuwait Vision 2035.

This 14 page highlights document summarizes major achievements across Environmental Stewardship, Social Impact, and Governance Excellence for the 2024–2025 bridge reporting period.

What's Inside:

- ESG Highlights at a Glance
- About KFH CAPITAL Our Visions, Our Mandate, Awards & Recognition
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Environmental Highlights

1. ESG Highlights at a Glance

KFH Capital demonstrated its leadership in sustainability by arranging a USD 350 million Green Sukuk for Kuveyt Türk the world's first Tier 2 sustainability sukuk from an Islamic financial institution. The funds will support green and social projects.

Significant paper reduction through digitization of onboarding and automated workflows.

Sustainable investment focus across real estate assets, including LEED® Gold and BREEAM® Very Good/Excellent certified developments.

Awarded «Best for Fixed Income in Kuwait» (Euromoney, 2024).



Social Highlights

170 employees, representing +13 nationalities, promoting diversity and cross cultural expertise.

14 new local hires in 2024, reflecting strong national talent development.

<%1 turnover, demonstrating strong employee satisfaction.

Full workforce trained on AML Compliance.

High impact CSR programs such as E-Trading Youth Workshops at Universities, working with KFH group on Initiatives such as KFH Academy and financial literacy awareness through the Wealth Insights Report.



Governance Highlights

Robust oversight through the three lines of defense governance model.

Strong Sharia governance supported by the Sharia Supervisory Board.

Zero cases of non-compliance, corruption, or breaches of customer privacy.

2. About KFH Capital



Our Purpose

KFH Capital is driven by a clear and enduring ambition: to be a leading full fledged Islamic investment institution and a global thought leader. We strive to deliver financial solutions that are not only competitive and innovative, but grounded in ethics, responsibility, and sustainability. Guided by Sharia principles and informed by global best practices, we work to create long-term value for clients, communities, and the markets we serve.



Our Mandate

As the investment arm of Kuwait Finance House Group, KFH CAPITAL plays a central role in shaping the future of Islamic Investment. Our mandate spans an integrated suite of investment services from asset management and investment banking to real estate strategies, private equity, advisory offerings, and the structuring and management of specialized funds.

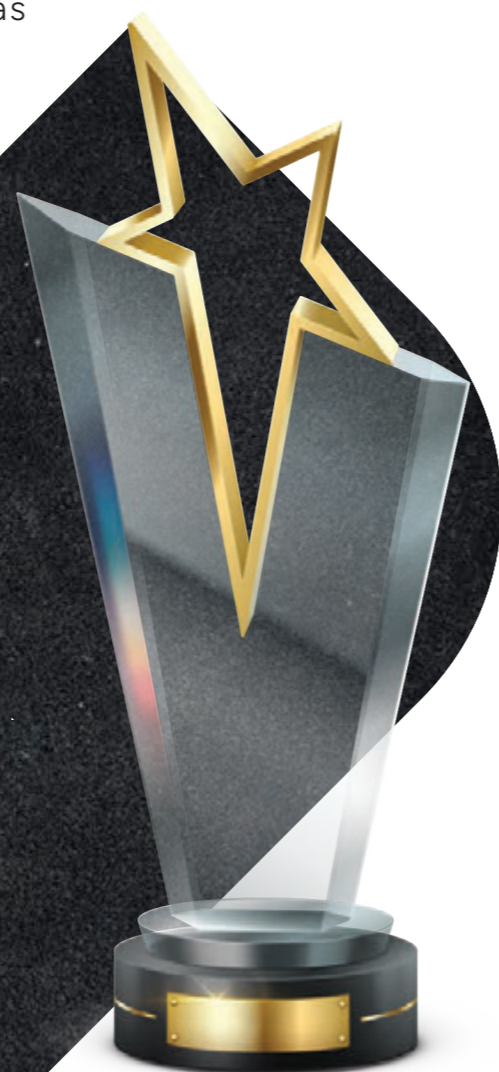
With a portfolio exceeding USD 10 billion in Assets Under Management, KFH CAPITAL continues to influence and elevate Islamic capital markets across multiple geographies. Our expertise, grounded in Sharia compliance and strengthened by decades of experience, allows us to unlock opportunities that balance commercial performance with responsible investment principles.

Awards & Recognition

KFH CAPITAL's commitment to excellence has earned widespread recognition from global financial institutions and industry authorities. In recent years, the company has been honored with several distinguished awards, including "Best Investment Bank – Kuwait" at the 2025 MEED Banking Awards and "Kuwait's Best Investment Bank" from Euromoney in 2025.

Global Finance recognized us as the "Best Investment Bank in Frontier Markets" in the same year, while Euromoney awarded KFH CAPITAL the title of "Best for Fixed Income in Kuwait" in 2024.

These accolades highlight our vision, expertise, and leadership in Sharia compliant investment innovation. They also affirm our role in integrating ESG principles into Islamic finance, reinforcing our commitment to sustainable and ethical role. They also underscore how our investment banking excellence translates into sustainable finance leadership pioneering initiatives such as Green Sukuk and resource efficient strategies that align with global ESG objectives. By integrating innovation in Islamic finance with long-term stakeholder value, KFH CAPITAL reinforces its role as a catalyst for ethical and sustainable growth.



3. ESG Strategy Overview

KFH CAPITAL's ESG strategy is built around a clear and purposeful framework that reflects both our values and our long-term responsibility to stakeholders. Our approach is grounded in five strategic pillars that guide how we operate, invest, and create impact across the markets we serve.



The first pillar, **Ethical Governance & Transparency**, reinforces our commitment to integrity at every level of the organization. Strong governance, disciplined oversight, and open disclosure form the foundation of our decision making processes and ensure that our operations remain aligned with both regulatory expectations and stakeholder trust.



Our second pillar, **Climate & Environmental Responsibility**, reflects our role in supporting the transition to a low carbon economy. Through careful investment selection, environmental risk assessment, and the promotion of greener financial instruments, we strive to contribute to a more resilient and sustainable future.



The third pillar, **People & Culture Development**, recognizes that our employees are the cornerstone of our success. We invest in continuous learning, support local talent, and cultivate an inclusive and empowering workplace culture that allows our people to grow and excel.



The fourth pillar, **Sharia Aligned Social Impact**, ensures that our contributions to society reflect the ethical foundations of Islamic finance. From financial literacy initiatives to community engagement and responsible investing, we work to advance social well being in ways that are authentic to our values.



Finally, our fifth pillar, **Sustainable Finance Leadership**, reflects KFH CAPITAL's role as a regional pioneer in Islamic investment innovation. Through our work in green sukuk, sustainable real estate, and responsible capital markets, we continue to champion financial solutions that deliver long-term value for clients and communities.

Together, these pillars shape an ESG approach that is fully aligned with the GRI 2021 Standards, supports the ambitions of Kuwait Vision 2035, and remains firmly rooted in Islamic finance principles.

4. Stakeholder Engagement & Materiality



At KFH CAPITAL, meaningful engagement with our stakeholders is central to how we operate and how we shape our sustainability agenda. We maintain continuous dialogue with a wide network of stakeholders, including our clients, regulatory authorities such as the Capital Markets Authority and the Central Bank of Kuwait, our Sharia Supervisory Board, and our employees and strategic partners. These relationships provide valuable insights that help us refine our practices, anticipate emerging risks, and ensure our activities remain aligned with both market expectations and our ethical responsibilities.

Our materiality priorities stem directly from these engagements. Sharia compliance remains a defining cornerstone, guiding every product, service, and investment decision we make. Strong governance, supported by transparency and rigorous oversight, is equally essential to maintaining trust and operational integrity. In parallel, we continue strengthening the integration of ESG considerations into our investment processes, ensuring that environmental and social factors are embedded into long-term value creation.

Cybersecurity also stands out as a critical material priority, reflecting our responsibility to protect client data and uphold the highest standards of digital security in a rapidly evolving landscape. Finally, talent development remains fundamental to our success. By investing in our people and fostering continuous learning, we reinforce a culture capable of supporting our strategic ambitions and delivering long-term, sustainable impact.

5. Environmental Performance

5.1 Green Sukuk Innovation

KFH CAPITAL's leadership in sustainable Islamic finance was underscored by the successful arrangement of a landmark USD 350 million Sustainability Sukuk for Kuvейt Türk. This issuance represents a significant advancement for the region's green finance landscape, demonstrating how Sharia compliant instruments can mobilize capital toward climate positive development. The Sukuk proceeds are directed toward projects that accelerate renewable energy generation, enhance the efficiency of critical infrastructure, and support the transition of industrial activities toward lower carbon operations. This achievement reflects KFH CAPITAL's commitment to shaping a future where Islamic capital markets contribute meaningfully to environmental resilience.

5.2 Responsible Investment Practices

ESG considerations are woven into the heart of KFH CAPITAL's investment philosophy. Across all asset classes, we employ structured ESG screening to guide investment decisions and ensure alignment with long-term sustainability objectives. Our focus remains firmly on assets that contribute to the global low carbon transition, including environmentally certified buildings, energy efficient real estate, and businesses with strong sustainability credentials. By prioritizing such investments, we not only enhance portfolio resilience but also support the wider ecosystem of responsible capital deployment.



6. Social Responsibility

6.1 Workforce Profile

KFH CAPITAL's workforce continues to reflect the diversity, professionalism, and local talent development that define our culture. With a team of 170 employees representing more than 13 nationalities, the organization benefits from a rich blend of perspectives and expertise. The contribution of women: 25 professionals across various functions, continues to strengthen our leadership pipeline and enrich our work environment. In 2024, we welcomed 14 new local hires, reinforcing our commitment to nurturing national talent and building capacity within Kuwait's financial sector.



6.2 Employee Development

Our success is rooted in the growth and capability of our people. KFH CAPITAL places strong emphasis on structured, continuous learning to ensure that employees remain future ready and aligned with evolving market expectations. During the reporting period, each employee completed more than seven hours of targeted training, spanning technical, regulatory, and professional development themes. Importantly, the entire workforce received comprehensive training in anti-money laundering compliance and regulatory risk, reflecting our commitment to maintaining the highest standards of ethical conduct. Staff also pursued ongoing certifications in areas such as ESG integration, cybersecurity awareness, wealth management, and Islamic finance, ensuring that our teams stay ahead of global trends and industry best practices.

6.3 CSR and Community Engagement

KFH CAPITAL's social impact agenda extends beyond our offices into the communities we serve. We continue to champion initiatives that support youth, education, and financial literacy, areas we believe create long-term social and economic value. Our outreach to universities, particularly through the E-Trading Workshops, has helped introduce students to the fundamentals of investing and responsible financial behavior. The publication of the Wealth Insights Report further strengthened public awareness of Islamic investment principles, offering accessible guidance to both new and experienced investors. Alongside these initiatives, KFH CAPITAL actively supports programs that empower young entrepreneurs, helping them navigate market challenges and contribute to Kuwait's growing innovation landscape.

7. Governance & Ethical Conduct

KFH CAPITAL's governance framework brings together the principles of Sharia, the requirements of regulatory authorities, and internationally recognized corporate governance practices. This integrated approach ensures that the organization operates with clarity, fairness, and accountability while remaining firmly grounded in the ethical foundations of Islamic finance.



7.1 Governance Structure

Governance at KFH CAPITAL is anchored by the Board of Directors, which provides strategic oversight and ensures that the company's activities remain aligned with long-term priorities. The Sharia Supervisory Board plays a central role in safeguarding ethical integrity by reviewing and validating all products and services for full Sharia compliance. Complementing these layers of oversight, the Internal Audit, Risk Management, and Compliance functions operate within a three lines of defense model that reinforces transparency, strengthens internal controls, and ensures robust risk mitigation across the organization.

7.2 Compliance and Integrity

KFH CAPITAL maintains full adherence to the regulations set by the Capital Markets Authority and continuously enhances its procedures to meet evolving industry expectations. All employees undergo mandatory compliance training, ensuring a shared understanding of ethical expectations, regulatory duties, and professional standards. During the reporting period, the company recorded zero incidents of bribery, corruption, or data breaches, reflecting the strength of its governance culture and its unwavering commitment to integrity.

7.3 Operational Resilience

Beyond governance and compliance, KFH CAPITAL prioritizes operational resilience as a cornerstone of sustainable performance. Our Business Continuity Management System (BCMS) ensures preparedness for disruptions whether natural disasters, cyber incidents, or geopolitical events through proactive risk assessments, scenario based planning, and robust recovery strategies. Key capabilities include dual site IT infrastructure with disaster recovery provisions, structured incident response plans, and regular drills to maintain readiness. This integrated approach safeguards critical operations, protects stakeholders, and reinforces confidence in KFH CAPITAL's ability to adapt and recover swiftly, ensuring continuity and long-term stability.

8. Sharia Compliance

Islamic finance principles shape every product, service, and investment decision at KFH CAPITAL. These principles are not an added layer but the foundation upon which our entire business model is built. They guide how we structure financial solutions, assess opportunities, and measure the social value created through our activities.

8.1 Key Sharia Foundations

KFH CAPITAL operates on the firm prohibition of riba, ensuring that all financial dealings avoid interest based transactions and remain anchored in fairness and shared value. Our investments are strictly asset backed, reflecting the Sharia emphasis on real economic activity rather than speculative gains. Transparency is an essential part of every financing model, and we prioritize structures that serve a clear social or economic purpose. Oversight from the Sharia Supervisory Board ensures continuous alignment with Islamic ethical standards, providing an additional layer of integrity across all operations.

8.2 Sharia Impact Areas

The application of these principles is evident in several of our key activities. Sukuk structuring, for example, plays an essential role in supporting national infrastructure and contributing to sustainable economic development. Qard Hasan, a benevolent form of financing, reflects our commitment to social welfare and responsible financial support within the community. Rigorous halal compliant screening ensures that all investments align with Sharia requirements and uphold the ethical foundations upon which KFH CAPITAL is built.



9. Digitalization & Innovation

Digital transformation continues to play a central role in enhancing KFH Capital's ESG performance and strengthening operational efficiency. By investing in advanced platforms and secure digital infrastructure, we are improving the client experience while reducing environmental impacts and elevating organizational resilience. KFH Capital's digital transformation journey further drives resource efficiency and environmental stewardship. The enhanced KFH Capital Wealth App, automated onboarding, and expanded e-portal services have significantly reduced reliance on physical documentation cutting paper consumption, improving client processing times by over 40% and minimizing operational waste. These improvements demonstrate how digital innovation supports both sustainability and customer experience.

9.1 Wealth App Transformation

The KFH Capital Wealth App has become a key driver of our digital evolution. Through automated onboarding, clients can now open accounts and begin their investment journey with minimal manual intervention. Investment flows have been streamlined, ensuring faster processing and improved service delivery across all touch points. These enhancements have meaningfully reduced client wait times and transitioned many procedures into fully paperless, secure transactions. The result is a more responsive, sustainable, and user friendly platform that brings efficiency to the forefront of our service model.

9.2 Cybersecurity and Data Privacy

As digital adoption expands, safeguarding client information remains a top priority. KFH CAPITAL maintains rigorous adherence to global security protocols and continuously strengthens its digital infrastructure to ensure secure data architecture and robust authentication systems. During the reporting period, the company recorded zero incidents of data breaches or privacy violations, underscoring the strength of our cybersecurity framework and our steadfast commitment to protecting stakeholder trust.

10. Sustainable Investments & Real Estate

KFH CAPITAL's real estate strategy is firmly aligned with global sustainability benchmarks, reflecting our commitment to responsible investing and long-term value creation. Consideration of sustainability extends to the selection and acquisition of new assets and is integrated into ongoing performance monitoring. Sustainability considerations are integrated into our due diligence processes to ensure responsible decision making and ongoing oversight.

Our portfolio includes several developments that exemplify this commitment. The Honeywell Corporate Headquarters in the United States, a key asset within KFH CAPITAL's international holdings, has achieved the prestigious LEED® Gold certification. This recognition highlights the building's advanced environmental performance, efficient resource use, and integration of smart operational technologies.

In the United Kingdom, two newly developed assets are progressing toward BREEAM® ratings, with one targeting a Very Good classification and the other working toward an Excellent classification. These targets reflect careful planning and a proactive approach to energy efficiency, resource management, and occupier wellbeing.

Across our holdings, we continue to adopt smart building systems that enhance energy performance and reduce operating emissions. These systems, which include intelligent monitoring, adaptive lighting, and automated environmental controls, support our goal of building a more resilient, efficient, and environmentally responsible real estate portfolio.

11. Looking Ahead: KFH CAPITAL's Path to 2030

KFH CAPITAL is focused on advancing a sustainability agenda that is both forward looking and firmly rooted in Sharia principles. Our priorities for the coming period reflect a strategic commitment to shaping the future of Islamic finance while supporting national and global sustainability ambitions.

A key area of focus is the development of a comprehensive Green Sukuk pipeline. Building on our recent achievements in sustainable finance, KFH CAPITAL aims to expand the availability of Sharia compliant instruments that channel capital toward environmentally responsible projects. Alongside this, we are working to scale our portfolio of sustainable real estate investments, prioritizing assets that demonstrate strong environmental performance and long-term resilience.

KFH CAPITAL continues to contribute to the advancement of Islamic ESG benchmarks, helping shape standards that accurately reflect the ethical, social, and environmental dimensions of Islamic finance. Digital inclusion remains an equally important priority, as we expand digital access across our investment platforms to ensure a seamless, secure, and accessible experience for clients.

Our vision for the future also includes closer collaboration with global sustainability leaders. By forming strategic partnerships and exchanging knowledge with institutions at the forefront of sustainable development, KFH CAPITAL is strengthening its ability to deliver meaningful impact across markets.

KFH CAPITAL's ESG performance illustrates a thoughtful and balanced approach grounded in Sharia, committed to responsible investment, and guided by strong governance. Through the combined strength of ethical finance, empowered talent, and strategic foresight, KFH CAPITAL is shaping the future of sustainable investment in Kuwait and beyond.



Appendix: Application of GRI Standards

KFH Capital's Sustainability Report is prepared in alignment with the Global Reporting Initiative (GRI) Standards (2021), ensuring transparency, comparability, and accountability in ESG disclosures. The GRI framework was tailored to reflect our Sharia compliant operating model while maintaining global best practices.

Scope of Application

GRI 1 – Foundation (2021): Fully applied, setting principles of accuracy, balance, and completeness.

GRI 2 – General Disclosures (2021): All 31 disclosures applicable, covering governance, ethics, workforce, and Shari'a oversight.

GRI 3 – Material Topics (2021): 58 disclosures reviewed; 41 identified as relevant to KFH Capital's operations and investment activities.

In total, 72 out of 89 disclosures were reported, representing 100% of those applicable to our business model. This alignment provides a robust baseline for future sustainability reporting and reinforces our commitment to global standards and ethical finance.



