



2023 Corporate Sustainability Report

Pure
Wholesome
Goodness





Pure Wholesome
Goodness in Everything
We Do.



Message *from our* CEO

Our strong bond with our customers is founded on our reputation for quality and encapsulated in our brand promise of Pure Wholesome Goodness. That same promise defines our approach to sustainability, which is increasingly at the heart of everything we do.



Our sustainability approach at KDD is founded on two principles. First, to provide healthy goodness to our customers. And second, to leave only goodness behind, which means maximising our positive contributions to people and to the environment. We have made good progress in both these areas since our last report.

We have continued to pioneer our approach to product development focused on metabolic health, creating a new portfolio of products that feed the gut, protect the liver and support the brain. We are just one company, but by sharing our research and leading by example, we aim to help drive a paradigm shift in the way our industry engineers food that could ultimately lead to healthier populations everywhere.

After mapping our corporate environmental footprint, we are working to set targets and establish roadmaps across our three focus areas: carbon emissions, water and waste. Recognising that our impact and responsibilities extend beyond our own operations, we are reaching out across our value chain, notably through our new Supplier Engagement Programme, working alongside our suppliers to assist them in their own carbon footprint assessment.

Our overall approach is defined by our sustainability framework. This is aligned with the United Nations Sustainable Development Goals and our own business goals, as we establish processes to improve our performance continuously across our three sustainability pillars: nutritional, social and environmental. We are still only at the start of our sustainability journey, but we are proud of what we have already achieved and look forward to sharing our continued progress in our next report.

Sir Mohammad Ezzat Jaafar
Chairman and Chief Executive Officer

"We must drive positive change across all of our sustainability pillars – nutritional, social and environmental – so that we leave a better world for our children and grandchildren *"*



04 Executive summary

05 Our business

- Who we are and what we do
- Our history, mission and values
- Our approach to sustainability
- Our sustainability framework
- Our sustainability ambitions
- Our governance
- Our stakeholder engagement

13 The future of nutrition

- Our approach to nutrition
- The Metabolic Matrix
- Product development
- Outreach and replication

18 Our people and communities

- Our employees
- Learning and development
- Diversity and inclusion
- Safety, health and wellness
- Our communities

24 Caring for our planet

- Our approach to the environment
- GHG emissions
- Supplier engagement
- Water
- Waste and recycling

30 Appendix


- About this report
- Our material topics
- Our sustainability performance
- GRI content index



Executive Summary

Here's an at-a-glance roundup of our key sustainability achievements

Nutrition



Published extensive peer-reviewed methods paper focused on Metabolic Matrix in *Frontiers in Nutrition*

New!

Developed new Good For Me™ range of metabolically improved products

1.45%

Reduction of sugar use across our existing product portfolio in 2023 (vs 2022), well ahead of our initial 1% goal, and zero added sugar in most new product developments



Conducted first clinical trial of our no-added-sugar products in partnership with Dasman Diabetes Institute




Engaged with and supported a wide range of public and private stakeholders, including leading health, education and scientific organisations and professionals, NGOs, youth groups, hospitals, government agencies, and commercial interests

New!

In 2023, we launched a new Learning Management System to manage and track our employees' training history and ease training methods

People



Launched internal diabetes campaign in parallel with nutrition strategy, including health checks at KDD Clinic

2,000

Number of healthy free meals that match our employees' health conditions served daily in our staff canteen

15%

Percentage of women among new employee hires in 2023

945

Number of visitors to our factory in 2023



New!

Introduced a Health and Safety Committee structure to provide a foundation for employees and management to work together to address health and safety concerns

Planet

Launched Supplier Engagement Programme in 2023 to help address our scope 3 emissions, which dominate our carbon footprint – particularly raw material production

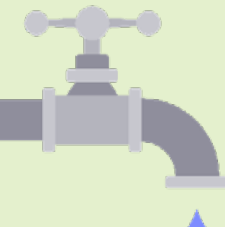
14%

Reduction in waste to landfill in 2023 compared with 2022




100%

All fleet vehicles now replaced with lower fuel consumption models, up from 90% in 2020



13,500

Cubic metres of treated effluent water reused for manufacturing and production in 2023

Our business

- 06 Who we are and what we do
- 07 Our history, mission and values
- 08 Our approach to sustainability
- 09 Our sustainability framework
- 10 Our sustainability ambitions
- 11 Our governance
- 12 Our stakeholder engagement



Who we are and what we do

KDD manufactures, markets, sells and distributes dairy, juices, ice cream and culinary products across the Middle East and beyond. KDD processes, certifications and state-of-the-art production and packaging facilities ensure that our products meet the highest international standards.



Our ingredients

We source high-quality ingredients from around the world to produce tasty and nutritious products, with no preservatives nor artificial colours.

Our operations

Our production centres cover around 57,000 sq m. Our facilities and processes are supported by regular quality audits. Extensive testing – sensory, physical, chemical and bacteriological – ensures that all materials and products align with national and international standards, and our own even stricter standards. Operations are managed seamlessly through an integrated Enterprise Resource Planning (ERP) system, backed by advanced operational technology to ensure efficient execution.

Our packaging

Our long-life products are thermally treated and aseptically packaged on modern Tetra Pak equipment, remaining sterile and shelf-stable for at least six months. Containers and cups for dairy product packaging are manufactured in our plastics factory at Sabhan, ensuring full control of the material that comes in direct contact with the product.

Our products

Dairy: Plain, fortified and flavoured milks, yoghurts, laban and labneh.

Juices and drinks: 100% pure juices, nectars and still drinks.

Ice cream: Cones, cups, sticks, family packs, sandwiches, lollies, frozen yoghurt and premium ice cream.

Culinary: Thick cream, liquid cream, butter, tomato paste and purée, béchamel sauce, mushroom sauce, pink sauce and evaporated milk.

Our markets and outlets

Retail: KDD operates several exclusive outlets in Kuwait, called Gate-Shops, offering our entire product portfolio. We operate DUKKAN, a chain of neighbourhood convenience stores launched in Kuwait in 2009. We are also present in kiosks offering a range of products such as hot chocolate, fruit slushies, etc.

Online: KDD offers direct home delivery in Kuwait through our e-Shop application. Our products are also available via other online stores, including T-mart, Taw9eel, Drops and Jameia.com.

Markets: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Iraq, Jordan, Lebanon, Palestine, USA and Canada.



	<p>1,901 NUMBER OF EMPLOYEES IN KUWAIT</p>	<p>14 NUMBER OF COUNTRIES WHERE PRODUCTS ARE SOLD</p>	<p>75 VARIETIES OF ICE CREAM</p>	<p>24 VARIETIES OF DAIRY PRODUCTS</p>	<p>27 VARIETIES OF FRUIT JUICES, NECTARS AND STILL DRINKS</p>	<p>57,000 TOTAL AREA OF PRODUCTION FACILITIES IN SQ M</p>
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Our history, mission and values




KDD has been in business since 1962. It is the longest-established dairy and food company in Kuwait, with a brand that is trusted across generations.

KDD was founded more than 60 years ago with a vision to achieve nutritional sufficiency for Kuwaiti families through packaged dairy food. Today, we have a multi-product, multi-category portfolio and a broad international reach, but our essential vision to provide quality nutrition remains unchanged, as encapsulated in our brand promise: Pure Wholesome Goodness.

The story of KDD stretches beyond our products to our culture and values. Mutual respect, shared growth, nutrition excellence and consideration for the environment are at the heart of all our relationships. It is why our brand is trusted across generations, capturing the imagination of both the young and the old.

"Our mission is to provide safe, nutritious and convenient packaged food to our customers while responding to the needs of our stakeholders and fulfilling our obligations to the environment **"**

TIMELINE

1960s	1970s	1980s	1990s	2000s	2010s	2020s
<p>1962 Company founded as joint venture with the Danish Dairy Federation under the name Dankuwa. Milk and yoghurt production begins at plant in Shuwaikh, Kuwait.</p> 	<p>1972 First ice cream products launched, produced on the first line of its kind in Kuwait.</p> 	<p>1982 Company becomes 100% Kuwaiti-owned and is renamed KDD. Second plant opens in Sabhan. Juice and long-life milk added to product portfolio.</p> <p>1985 Exports to the MENA region begin.</p> <p>1989 Introduction of first tomato paste in packaged form in the region.</p>	<p>1990s Iraq invades Kuwait. KDD is one of the very few companies to continue supporting Kuwaitis with products. The Sabhan plant is bombed in January 1991 and rebuilt partly in October 1991 and fully in 1994.</p>	<p>2003 Becomes key supplier to international franchises, including the US Army.</p> <p>2009 Launches DUKKAN, a chain of neighbourhood convenience stores. KDD rebuilds factory after a major fire.</p> <p>2012 Golden Jubilee.</p> <p>2014 Initiated elimination of artificial colours from entire product portfolio.</p> <p>2016 Lactose-free milk launched.</p>	<p>2018 Launches the e-Shop app for home delivery to consumers.</p> <p>2019 Trans-fatty acids eliminated from dairy products.</p> <p>2021 Metabolic Matrix developed and showcased via the World Health Organization and World Economic Forum.</p> <p>Implements comprehensive measures for hygiene, health and safety of employees and customers during COVID-19 pandemic.</p> <p>Launches fortified milks to help improve immunity and bone health.</p>	<p>2023 Peer-reviewed methods paper published in <i>Frontiers in Nutrition</i>, focused on the Metabolic Matrix.</p> <p>Launches Double Shot Espresso, first new product guided by criteria in the Metabolic Matrix.</p> <p>Setting the stage for a range of products under the Good For Me® brand.</p> 

Our approach to sustainability

Our sustainability vision is an extension of the values enshrined in our brand promise: Pure Wholesome Goodness. These values are firmly embedded in our company culture.

KDD was founded on delivering nutritional goodness to Kuwaiti families and has taken a sustainable, long-term view from the beginning. Our formal sustainability journey began a decade ago, with the creation of our Environmental Department.

Progress has accelerated in recent years. Key milestones include the development of our sustainability framework, aligned with the United Nations Sustainable Development Goals (UN SDGs); a pioneering new approach to product reengineering and development to maximise nutrition and health benefits; mapping our corporate footprint to set a baseline for metrics that measure our environmental performance; and working on establishing key targets and roadmaps across each of our three sustainability pillars.

We are working to extend our sustainability vision across the whole of our organisation, aligning it with our business goals, and establishing processes and mechanisms to continuously improve our nutritional, social and environmental performance. These efforts are spearheaded by a sustainability committee managed by our senior leadership team, which is continuing to develop our environmental, social and governance (ESG) structure. Sustainability-related metrics are reviewed and acted upon on a monthly basis. In 2024, we will be working to develop a Sustainability Policy, which we aim to have in place by the end of the year.

Driving positive change

We are also working to drive positive change across the organisation by promoting a sustainability culture through campaigns and learning initiatives, including providing management with the skills and competences to promote sustainable leadership. All the time ensuring that we treat our employees fairly, being diverse and inclusive, while collaborating with and supporting local causes and small and medium-sized enterprises (SMEs) in Kuwait.

Recognising that our impact and responsibilities extend beyond our own operations, we are reaching out across our value chain, notably through our new Supplier Engagement Programme. We are also expanding our society outreach programmes, working alongside government bodies and non-governmental organisations (NGOs) to further positive change.

OUR SUSTAINABILITY VISION

Sustainably manufacturing and distributing high-quality nutritious food and beverage is at the heart of everything we do. Our sustainability vision is an expression of our brand promise, Pure Wholesome Goodness. That means we aim to:

PROVIDE HEALTHY GOODNESS

Our nutrition goal is to advance metabolic health with products that feed the gut, protect the liver and support the brain, ultimately contributing to a healthier population.

LEAVE ONLY GOODNESS BEHIND

We aim to protect the planet by minimising our environmental footprint, while actively supporting our employees and the communities we serve.



OUR SUSTAINABILITY JOURNEY

2013

Environmental Department created.

2019

First materiality assessment. Corporate footprint mapped to create baseline for environmental metrics, including GHG emissions, water, plastic use and waste.

2020

Sustainability framework developed. First sustainability report published.

2023

Sustainability targets and roadmap under development, with a science-based approach. Supplier Engagement Programme initiated.



Our sustainability framework

KDD is actively investing in transforming its business by 2030, strengthening our position as a leading food and beverage company with a holistic approach to human wellness, the environment and a thriving society

Nutrition

Be a leader in the development of food and beverages that improve metabolic wellbeing

FOCUSAREAS

- Update Metabolic Matrix to v2.0
- Establish and expand Good for Me®
 - Validate new product benefits
 - Reduce sugar in existing products

SUPPORTING SDGs



People

Be a diverse, fair and inclusive employer that empowers people and creates opportunities for communities in the region

FOCUSAREAS

- Promote employee wellbeing
- Pioneer youth opportunities
- Promote OHS in the workplace
- Uphold human rights and dignity

SUPPORTING SDGs



Planet

Continuously reduce KDD's environmental footprint, while addressing the biggest sustainability challenges in the region

FOCUSAREAS

- Develop sustainable sourcing practices
 - Improve water management
 - Minimise waste
- Develop sustainable logistics
 - Address plastic leakage

SUPPORTING SDGs



Enabling ethical, fair and transparent business practices across all activities contributing to local economic prosperity

Our sustainability ambitions

FOCUS AREAS	GOALS AND TARGETS	STATUS*	SUPPORTING SDGs
	<ul style="list-style-type: none"> Update Metabolic Matrix to v2.0 Establish and expand Good For Me® Validate new product benefits Reduce sugar in existing products 	<ul style="list-style-type: none"> Update, scale and replicate metabolic health approach by 2024 More than 50% of all new product launches to be metabolic compliant from 2024 Planning for second clinical trial to demonstrate metabolic benefits of no-added-sugar products Reduce total sugar usage in our existing products by 2% by the end of 2024 	
	<ul style="list-style-type: none"> Promote employee wellbeing Pioneer youth opportunities Promote OHS in the workplace Uphold human rights and dignity 	<ul style="list-style-type: none"> Foster staff career growth and develop a Learning Management System Enhance the National Youth Opportunities Challenge through hiring and internships Implement Health and Safety Committee and Safety Champions concept in 2024 Extend support through campaigns and allocate provision until 2025 	
	<ul style="list-style-type: none"> Develop sustainable sourcing practices Improve water management Minimise waste Develop sustainable logistics Address plastic leakage 	<ul style="list-style-type: none"> Develop and launch a Supplier Engagement Programme 20% of ingredients to be produced with regenerative agriculture practices by 2030 Implement AWS standard for Sabhan site by 2024 and seek certification by 2025 Advance water management and reduce risk in priority sourcing areas by 2030 Assess primary ingredient suppliers to identify water-related risks and opportunities by 2025 Reduce food waste at Sabhan plant by 50% by 2030 (versus 2019) Train 100% of drivers in eco-driving techniques by 2025 Install new GPS system across fleet by 2024 Identify opportunities for reducing plastic and set up plan to maximise reduction by 2025 Innovate to include circularity practices in new packaging where appropriate by 2030 	

*STATUS AT 31 DECEMBER 2023

● PROJECT IN PROGRESS AND ON TRACK ● GOAL ACHIEVED

Our governance

We conform to high standards of ethical business practices when dealing with consumers, suppliers, customers, business partners and other stakeholders.

Governance at KDD is overseen by the board of directors, which consists of seven members with experience from a range of sectors and representing all shareholders. The board is elected for three years and meets six times a year.

The board appoints the Chairman and Deputy Chairman, who head the company and guide the senior leadership team. Sir Mohammad Ezzat Jaafar is the Chairman and CEO. Mrs Bahia Ezzat Jaafar is the Deputy Chairman, Deputy CEO and CFO. The senior leadership team is responsible for KDD's performance and implementation of policies.

KDD has a wide range of policies and processes that govern its business. All employees must comply with our Code of Conduct, which states that KDD respects the heritage of integrity handed down by its founders by maintaining the highest standards of ethics and professional honesty, beyond complying with applicable laws and regulations.



KDD requires its staff to consistently exhibit professionalism, decency and amiability. The company strictly enforces a zero-tolerance policy for any employee engaging in actions that breach either relevant laws or KDD's internal policies. On joining, all employees receive and sign up to the KDD Employee Handbook, which describes expectations of conduct, benefits and policies. They also undergo an induction programme to become acquainted with KDD's operational activities and systems.

Policies and processes

Policies and processes include those related to anti-harassment, child labour, performance appraisal, special funds disbursement, employment anti-discrimination, succession planning, internal promotion, disciplinary action, grievance, the environment, incident reporting, food safety, occupational health and safety (OHS) and medical training. All policies are communicated across the company intranet and reviewed frequently.

Any disciplinary incident is managed by the HR and Personnel Department following our disciplinary action policy, including legal investigation, if necessary. All incidents are documented in the employee's file history and saved on the company's system to secure employee and company rights.

CERTIFICATION AND REPORTING

We conform with and are certified to international standards including:

- **FSSC 22000:** Food Safety Management Systems for Dairy and Plastic
- **ISO 14001:** Environmental Management Systems
- **ISO 27001:** Information Security Management System
- **ISO 45001:** Occupational Health and Safety
- **Kuwait Conformity Assessment Scheme**
- **Emirates Quality Mark**
- **Halal Certificate:** Number CR/IHC/TKDDC/08/23/HC

We report on our ESG performance in periodic corporate sustainability reports, with reference to the GRI standards ([see page 31](#)).

Our stakeholder engagement

We engage with a wide range of stakeholders, including customers, employees, public and regulatory authorities, retailers, suppliers, consumers and others.

As we work to improve our business practices, we listen and adapt to the needs of our stakeholders. This helps us create a more sustainable future for the communities we serve.

Stakeholder engagement takes many forms, including employer and consumer surveys, culture excellence surveys to gauge the health of the organisation, in-person meetings with clients to ensure their needs are met, and with public and regulatory authorities to ensure compliance with all relevant rules and requirements. These include:

Ministries and public authorities

- Public Authority for Food and Nutrition (PAFN)
- Environment Public Authority (EPA)
- Public Authority for Industry (PAI)
- Ministry of Health (MOH)
- Ministry of Commerce and Industry (MOCI)
- Ministry of Interior (MOI)
- Public Authority of Manpower (PAM)

Industry partners

- World Business Council for Sustainable Development (WBCSD)
- World Economic Forum (WEF)

Business partners

- International Dairy Federation (IDF)
- Kuwait Industries Union (KIU)
- Kuwait Chamber of Commerce and Industry (KCCI)

Science partners

- The Kuwait Foundation for the Advancement of Sciences (KFAS)
- Dasman Diabetes Institute (DDI)
- The Robert H. Lustig Research Foundation
- Kuwait Institute for Scientific Research (KISR)

KDD is also supported by an independent Scientific Advisory Team comprised of internationally renowned scientists and doctors ([see page 15](#)).

Our memberships

Collaboration is an important value at KDD. We participate in the following initiatives to help drive innovation, improve performance and reduce risk:

- **FReSH:** This WBCSD initiative drives food systems transformation by developing solutions that support healthy people on a healthy planet.
- **New Frontiers in Nutrition:** A WEF initiative convening a diverse set of stakeholders to progress global nutrition, sustainable diets, and human health and resilience.
- **Sustainable Plastics and Packaging Value Chains:** This WBCSD project helps companies accelerate solutions to make plastics and packaging circular and sustainable.



The *Future* of nutrition

- 14 Our approach to nutrition
- 15 The Metabolic Matrix
- 16 Product development
- 17 Outreach and replication

NUTRITION PILLAR TARGETS

- **Update Metabolic Matrix to v2.0**
 - Update, scale and replicate Metabolic Matrix by end of 2024
- **Establish/expand Good for Me® healthy product range**
 - More than 50% of all new product launches to be metabolic compliant from 2024 onwards
- **Validate new product benefits**
 - Planning for second clinical trial to demonstrate metabolic benefits of no-added-sugar products
- **Reduce sugar usage in existing products**
 - Reduce total sugar usage in our existing products by 2% by the end of 2024

NUTRITION PILLAR GOAL
 BE A LEADER IN THE DEVELOPMENT OF FOOD AND BEVERAGES THAT IMPROVE METABOLIC WELLBEING



Our approach to nutrition

We have a long history of supporting the health and wellbeing of our consumers. We want our products to be nutritious and healthy, staying true to our brand promise of Pure Wholesome Goodness.

THE NEED FOR CHANGE

Factors related to diet and metabolic health are driving a growing global prevalence of non-communicable diseases.

We know that expectations around food and beverages are changing; nutrition science is evolving, and many consumers are calling for cleaner, healthier, better-for-you ingredients. The cry has grown even louder as public health agencies lead the charge to expand the focus beyond products to include health outcomes.

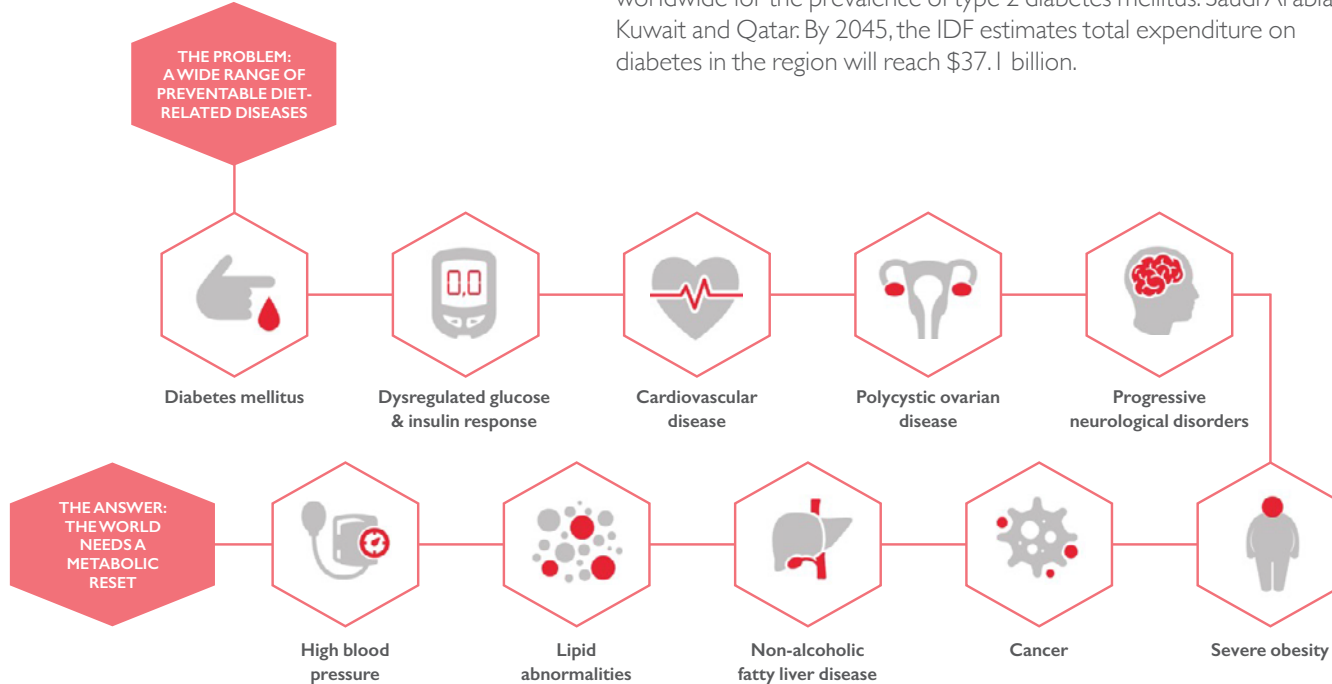
We are mindful that we operate in a region with a high incidence of metabolic disease, which we know to be related to diet and the impact of processed food and added sugar. In particular, a diabetes epidemic is sweeping the Middle East and North Africa (MENA) region: the disease now affects one in every four people in the Middle East. Based upon International Diabetes Federation (IDF) estimates, three countries from the Arab world are among the top 10 countries worldwide for the prevalence of type 2 diabetes mellitus: Saudi Arabia, Kuwait and Qatar. By 2045, the IDF estimates total expenditure on diabetes in the region will reach \$37.1 billion.

Consumer packaged goods (CPG) companies worldwide are beginning to recognise the detrimental impact of the food they market, and have employed substitution strategies to reduce sugar, salt and fat. However, the harm of processed food is more complex than any single component and is not ameliorated by such simple substitutions.

A new paradigm

Our belief is that reformulation on its own is not enough. We need fundamental and structural changes in the way we engineer foods, with metabolic health as the industry's North Star. The world has long been told: "We are what we eat." In fact, we are what we metabolise. In other words, nutrition, and the entire paradigm of how we view any food or its components, must ultimately be measured by its metabolic impact.

This is the cornerstone of our approach to nutrition today. Our strategic goal is to be a leader in the development of food and beverages that improve metabolic wellbeing and, more widely, to reimagine, reinvent and reengineer a food system that delivers positive metabolic health outcomes for all.



THE HIDDEN COST OF FOOD

The net benefits of achieving a food system transformation are worth up to \$10 trillion a year, equivalent to between 4% and 8% of global GDP in 2020, according to a recent report published by the Food System Economics Commission (FSEC). The benefits accrue by addressing the "hidden" costs of current food systems, notably health and

environment costs, which are far larger than their contribution to global prosperity. The health costs are at least \$11 trillion a year, according to FSEC estimates, measured through their negative effects on labour productivity. Those are driven by the prevalence of non-communicable diseases, including diabetes, hypertension and cancer, which can be attributed to food.

The Metabolic Matrix

Our Scientific Advisory Team has developed a pioneering approach to boosting wellbeing by systematically improving the metabolic quality of food.

To further our strategic nutrition goals, we commissioned an independent Scientific Advisory Team (SAT) in 2020 to inform and empower the development of best-in-class food and beverages that support metabolic wellbeing, while also being nourishing, delicious, affordable and commercially viable.

The SAT is comprised of leading experts in the fields of metabolic health and nutrition, medicine, research, food data science, public health education, consumer advocacy, translational science and computer informatics. It is led by Robert H. Lustig, MD, MSL, Professor of Pediatrics, Division of Endocrinology at the University of California, San Francisco, a leading figure in the global discussion of metabolic health and nutrition. The SAT has complete academic and scientific independence, and the methodology supporting the Metabolic Matrix has been published in a peer-reviewed journal.

Once established, the SAT worked for a year alongside interdisciplinary teams within KDD, conducting a comprehensive scientific evaluation of our entire commercial food and beverage portfolio, supported by cutting-edge Perfect food data analysis technology. Extensive tests were carried out on KDD products and ingredients, providing detailed and actionable reports on nutrient content, impacts of processing and metabolic impacts.

Three key principles

The result of our work with the SAT is the Metabolic Matrix, an evidence-based, highly quantified framework founded on three key principles: **protect the liver, feed the gut** and **support the brain**. Underpinned by thousands of evidence-based data points, the Metabolic Matrix categorises each product and provides criteria, metrics and recommendations for improvement or reformulation.

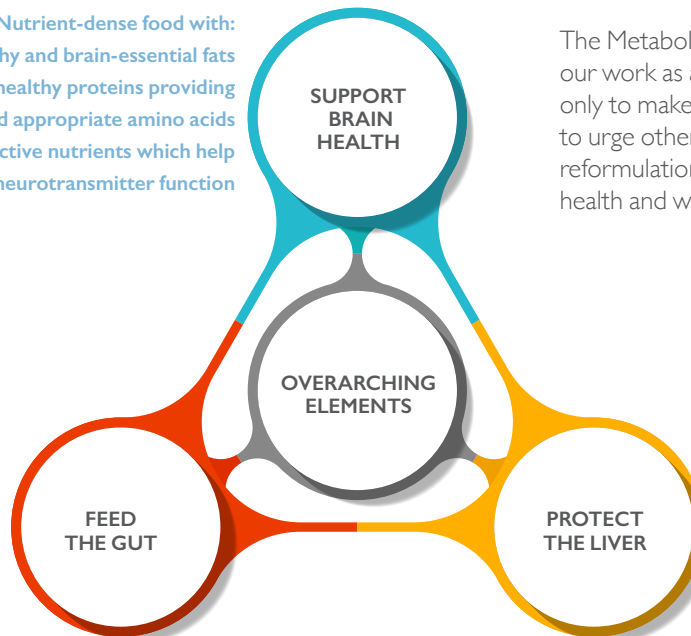
The Metabolic Matrix is easily transferrable, and we are sharing our work as a proof-of-concept. A key aim of our approach is not only to make our own products healthier and more nutritious, but to urge other food companies to implement similar analysis and reformulation of their product lines to improve the metabolic health and wellbeing of consumers worldwide.

- Nutrient-dense food with:**
- healthy and brain-essential fats
 - healthy proteins providing sufficient and appropriate amino acids
 - brain-selective nutrients which help neurotransmitter function

A SCIENCE-BASED PARADIGM SHIFT

The Metabolic Matrix builds upon the fundamental role of the brain-gut-liver axis and categorises each product, providing criteria, metrics and recommendations for improvement or reformulation. It is a replicable, scalable framework that can be utilised by any food and beverage company to improve the metabolic quality of food and ensure a more sustainable planet.

- Soluble and insoluble fibre
- Reduce processed carbohydrates
- Whole intact food (cellular) matrix
- Provide prebiotic nourishment (soluble and insoluble fibre)
- Replace prebiotic nourishment (gut microbiota)



- Fructose reduction
- Reduce total sugar intake
- Appropriate hydration
- Reduce environmental toxins
- Reduce glycaemic load

Product development

Redevelopment of our product portfolio through the application of the Metabolic Matrix and sugar reduction initiatives is well under way.

Implementation of our product redevelopment programme began in 2022 with the establishment of a Nutrition Department led by an Executive Manager of Human and Environmental Health and a nutritionist. Development processes were modified to reflect input by the Nutrition Department, using the Metabolic Matrix and its quantified and progressive tiers framework for reengineering as a guide. A product development roadmap and marketing plans were created and a new kitchen lab was constructed as a resource in our pilot plant.

Our robust vision of metabolic health is now embedded in the company's strategic decision-making through the formation of a Reengineering Strategy Leadership Group called REFRAME, which meets weekly to review new product developments and provide actionable reports to the company leadership.

Good For Me®

We are working on a new range of products called Good For Me®. Underpinned by the Metabolic Matrix, Good For Me® products are designed to remove limitations in today's food and beverage choices, positively impacting quality of life and helping consumers feel good. The first Good For Me® products are scheduled to be launched in Q2 2024.

In particular, we are working with our science advisers and partners to produce metabolically supportive products – including ice creams and chocolate milk – with no added sugar. We met a target of independent validation of no-added-sugar foods and beverages with a scientific breakthrough: the first Kuwaiti food product to undergo a double-blind randomised cross-over clinical trial with the highest level of evidence. The trial was conducted by Dasman Diabetes Institute (DDI), the leading diabetes treatment centre in Kuwait, and funded by KFAS – another leading independent scientific entity in Kuwait. A paper analysing the results will be published in an open-source peer-reviewed scientific journal in 2024.

At the MOH's 4th Nutrition Conference on Childhood Obesity and Nutrition in February 2023, KDD was praised by Dr Ayoub Al Jawaldeh, Regional Adviser on Nutrition for the World Health Organization (WHO), stating that our no-added-sugar product developments placed Kuwait ahead of other countries in the region. KDD was also featured prominently by Dr Ebaa Al Ozairi, DDI's Chief Medical Officer:

Sugar reduction

In addition to developing no-added-sugar products, we are working to reduce the sugar content in existing products where sugar is added. Sugar plays a crucial role in milks, nectars, drinks and ice cream, contributing not only to sweetness, but also to viscosity and mouthfeel. To ensure a reduction is acceptable to consumers, it needs to be gradual; beginning modestly, with the possibility of escalating reductions later on.

For this initiative, we identified the 12 products in our portfolio with the highest added-sugar content – including fruit and nectar drinks, ice creams and flavoured milks – and focused on refining seven recipes. We conducted plant trials and consumer tastings to evaluate and discuss the impact of sugar reduction at various different levels, using the results to develop refined products. As a result of the initiative, in 2023, we reduced our total sugar content by 1.45% (versus 2022) – significantly ahead of our initial goal of a 1% reduction. In addition to health benefits, this reduction in sugar usage also helps to reduce our carbon footprint.



THE GOOD FOR ME® DIFFERENCE

OPTIMISING IMPACTS

- Substantive and quantifiable product improvements
- Positive nutrition from functional ingredients
- No compromise on delightfulness (sensory satisfaction)

Outreach *and* replication

Our goal is to scale and replicate our Metabolic Matrix work, and to actively seek input and collaboration from other interests around the globe that are advancing positive nutrition and metabolic health within the context of sustainability.

Clearly, no one company alone can fix the problems that KDD is addressing: these challenges are industry-wide and systemic in nature. They require effective alliances between forward-thinking business, medical, economic and political leaders. KDD is playing its part in fostering such collaboration through extensive external outreach.

In 2022, KDD established a comprehensive website to share our Metabolic Matrix developments. In 2023, members of the SAT published an extensive peer-reviewed methods paper in *Frontiers in Nutrition*, the world's third most cited and sixth largest research publisher and open science platform. By the end of the year, the paper was in the top 3% of views and in the top 5% of all research outputs scored by Altmetric.

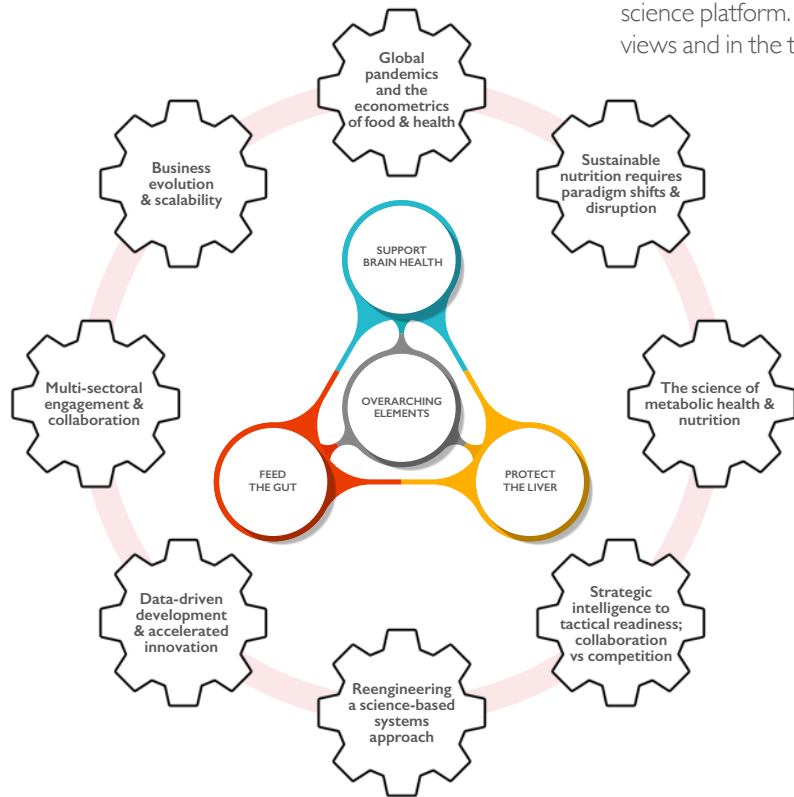
The Metabolic Matrix has also been shared globally via WEF and WBCSD through year-round work groups focused on nutrition and sustainability. KDD is a contributor to WEF's New Frontiers of Nutrition initiative, where many companies come together, along with the public sector, to share critical learnings, remove common barriers, and accelerate industry-wide steps to shift the default environment to an abundance of healthy, nutritious food choices that support individual health and strengthen societal resilience.

KDD also participates in WEF's Annual Meeting in Davos and Climate Week events in New York, which take place alongside the UN General Assembly and bring together international leaders from business, government and civil society to showcase global climate action.

Sponsorship and outreach

In 2022, KDD was the premier sponsor of an international Metabolic Health & Nutrition Continuing Medical Education Symposium inspired by the Metabolic Matrix: Catalyzing Science to Action for Transformation and Resilience Across the Lifespan. We are planning to bring this type of conference to Kuwait in 2024, providing a regional conference focused on metabolic health.

Our Nutrition Department has also reached out for education and engagement to local government entities, healthcare centres, educational institutes and regional bodies. Additionally, we have reached out to international business- and health-focused think tanks, foundations, investment groups and other organisations. For example, we participate in nutrition events in alignment with the MOH and DDI and we impart nutrition training in schools. We are also engaging with other companies about how to apply the Metabolic Matrix, both inside and outside Kuwait.



TURNING THE GEARS OF CHANGE

The Metabolic Matrix requires much more than a new approach to product development. It requires new thinking about what is included in the business model and multiple “gears of change” in addition to the traditional “bottom line”.

SOURCE: DAVOS AGENDA: HOW THE NEW FUTURE OF NUTRITION PUTS HOLISTIC HEALTH FIRST, JANUARY 13, 2023

Our people and communities

- 19 Our employees
- 20 Learning and development
- 21 Diversity and inclusion
- 22 Safety, health and wellness
- 23 Our communities

PEOPLE PILLAR TARGETS

- **Promote employee wellbeing**
 - Foster staff career growth and develop a Learning Management System
- **Pioneer youth opportunities**
 - Enhance the National Youth Opportunity Challenge through hiring and internship
- **Promote health and safety in the workplace**
 - Implement Health and Safety Committee and Safety Champions concept in 2024
- **Uphold human rights and dignity**
 - Extend support through campaigns, allocating annual provision until 2025

PEOPLE PILLAR GOAL
 BE A DIVERSE, FAIR AND INCLUSIVE EMPLOYER THAT EMPOWERS PEOPLE AND CREATES OPPORTUNITIES FOR COMMUNITIES IN THE REGION



Our employees

We cultivate a safe and inclusive workplace where employees are treated with respect and appreciation. Our goal is to be among the most preferred employers in the food and beverage sector in the Gulf Cooperation Council region.

At KDD, retaining and developing our workforce is a primary focus, as we consider our employees to be our most valuable asset. We believe that the comprehensive benefits we provide enhance the individual employee's experience as part of the KDD family, contributing to overall job satisfaction and fulfillment. Our thoughtfully designed benefits package has a profound impact, not only attracting top talent but also fostering a positive and productive work environment.

Employee benefits and policies

Each employee has well-defined and documented responsibilities, aiding in the identification of their career trajectory. KDD's code of conduct and company practices are outlined by Kuwait Private Sector Law, and set out in the KDD Employee Handbook. Our appraisal policy provides a framework for consistent measurement of performance, recognition and rewards, with 100% of employees participating in an annual transparent performance review. As part of an HR transformation programme to be launched in February 2024, we will develop the review process to better recognise and reward exceptional performances.

Employee satisfaction and culture surveys

To gauge employee satisfaction and company culture, we periodically conduct internal surveys. In 2022 and 2023, we collaborated with an external supplier to survey our work environment, covering aspects such as job security, health and wellbeing and professional development. We look forward to expanding our surveys to uncover more opportunities for enhancing our workplace culture and productivity.

Commitment to Kuwaiti workforce development

We are committed to exceeding the Kuwaitisation percentage mandated by the government. Our qualification and experience criteria have been restructured to attract and retain Kuwaiti talents. We also offer enhanced training to support their professional development through KFAS and other institutions. We are particularly focused on providing opportunities and fulfilling careers for young Kuwaitis, including by supporting initiatives such as the Kuwaiti National Youth Opportunity Challenge through hiring and internship programmes in collaboration with [LOYAC](#), a Kuwaiti non-profit organisation ([see next page](#)).



HUMAN RIGHTS

Human rights is a material topic at KDD, and upholding human rights and dignity is a strategic goal under our People pillar.

We believe that the protection of human rights has extensive and interconnected impacts. Prioritising this fundamental topic is not only a moral imperative but also a strategic approach for fostering a just, inclusive and thriving global society.

From a KDD perspective, human rights include the following impacts:

- Boosting the dignity and wellbeing of employees by ensuring equal treatment, freedom and protection from discrimination and harm.
- Empowering employees to participate in society, express their opinions and access further education and healthcare, fostering personal development.
- Preventing corrupt practices, such as bribery or coercion, that may infringe on individuals' rights and freedoms.

KDD is compliant with all human rights-related laws in Kuwait that address people trafficking. We have policies in place related to child labour, forced labour, discrimination and harassment. Our responsibilities are extended to our entire value chain, and all new suppliers are screened using social criteria. We are also working to extend support for human rights through campaigns, allocating an annual provision until 2025.

Learning *and* development

We empower the success of each team member through comprehensive learning and development programmes, helping to unlock their potential, enhance their skills and provide the support and guidance they need to thrive in their career.

TRAINING PROGRAMME TOPICS

- Induction and awareness for new joiners (including food safety, occupational health and safety, environmental awareness)
- Technical (including waste management, crisis management, customer service, advanced negotiation skills, hazardous waste handling)
- Soft skills (including positive workplace mindset, leadership skills enhancement)

50%

PERCENTAGE OF EMPLOYEES ATTENDING AT LEAST ONE TRAINING SESSION IN 2023

KDD thrives on motivating its employees by giving them opportunities for advancement and progression. Training enhances the skills and productivity of the workforce, contributing to overall economic productivity, innovation and efficiency. We ensure that our employees receive training to acquire new skills and enhance existing ones, boosting their confidence in their abilities. Accomplishing training goals instills a sense of achievement, contributing to a positive outlook and increased morale.

Each KDD employee receives a personalised Learning Charter outlining their required training plan, which may include induction training for new joiners, technical training and/or competence-based training. We often implement cross-training to help our employees become more professionally well-rounded, and we offer additional professional certifications through a number of accredited local and international centres.

Learning Management System

In 2023, we introduced a new Learning Management System that helps us to maintain our competitive edge in the global market. Incorporating competency-based and technical training, it improves our ability to manage and track our employees' training history and securely store earned certifications. It is also used for assessing potential candidates during the recruitment process. An online learning platform enables all employees to complete all trainings at any time, from any place and from any device. We continue to enhance the quality and scope of our online training offerings to align with the system.

Building capacity

Throughout 2022 and 2023, we continued to build capacity and expertise around learning and development through our collaboration with our associates including the Kuwait Foundation for the Advancement of Sciences (KFAS), the Kuwait Chamber of Commerce and Industry (KCCI), the Kuwait Industries Union (KIU) and others.



YOUTH OPPORTUNITIES

Our commitment to pioneering youth opportunities includes inviting school pupils to visit our facilities, and working with LOYAC, a non-profit organisation focused on empowering youth to become impactful leaders. "LOYAC had the pleasure of collaborating with KDD as part of our Darb internship programme in 2023," commented a LOYAC Executive Board member (interns pictured left). "KDD demonstrated an exceptional commitment to providing a meaningful, hands-on learning experience that significantly contributed to interns' personal and professional growth. Participants praised the welcoming and supportive environment, highlighting the opportunity to work on impactful projects and the valuable mentorship received from seasoned professionals within the company."

Diversity *and* inclusion

We embrace diversity, recognising and valuing the uniqueness of individuals. We believe that a diverse environment fosters creativity and innovation, and a richer tapestry of ideas.

In our organisation, diversity is not just a slogan; it is the cornerstone of our success and resilience, a core value that we embody every day. With a workforce representing around 40 nationalities, we celebrate the richness of cultures, perspectives and experiences that each individual brings with them when joining KDD.

We have zero tolerance for racial abuse, hate speech or religious divide, fostering a safe and inclusive environment for all. This commitment is laid out in our Employment and Discrimination Policy and is the first principle included in the KDD Employee Handbook.

We operate on the principle of meritocracy, where roles and responsibilities are assigned based on talent and capability, not race or religion. Serving over 2,000 free meals daily in our staff canteen, our menu reflects the diverse tastes and preferences of our multinational team, ensuring that everyone feels valued and catered to.

Equal remuneration

We are dedicated to boosting the dignity and wellbeing of our employees by ensuring equal treatment, freedom and protection from discrimination and harm. We are committed to the achievement of equal opportunity for all our employees and applicants as per Article 11 of Kuwait Labour Law. Furthermore, we actively promote gender equality, ensuring that both men and women have identical wages and benefits for each employee category, and are given equal opportunities to thrive and succeed within our company.

We are committed to maintaining a diversified workplace environment. We aim to overcome diversity and inclusion challenges imposed by systemic barriers through commitment, learning and the implementation of policies and practices that actively promote inclusivity.

Diversity & inclusion
2023 DATA

5%
WOMEN AS PERCENTAGE OF THE WORKFORCE

12%
WOMEN AS PERCENTAGE OF MANAGEMENT

15%
WOMEN AS PERCENTAGE OF NEW EMPLOYEE HIRES

41
NUMBER OF DIFFERENT NATIONALITIES IN WORKFORCE



Safety, health *and* wellness

We take great care of the wellbeing and safety of all employees. We create a culture that supports health and wellness so that all employees are safe at work.



CREATING A CULTURE OF SAFETY

We are working to create a safety culture through:

- Daily meetings at work sites with health and safety representatives
- Employee participation in risk assessment, hazard identification, incident investigations and review of health and safety procedures
- Cascading health and safety KPIs
- Extending job descriptions to include health and safety responsibilities
- Quarterly meetings between management and safety representatives to identify risks and set action plans
- Supporting procedures: Incident Investigation, Non-conformity and Remedial Action Procedure; Hazard Identification and Risk Assessment Procedure

KDD complies with the latest national and international health and safety rules and regulations. Our health and safety management system has been implemented in accordance with ISO 45001:2018, the internationally accepted OHS management systems standard. Our ongoing target is to maintain certification of ISO 45001:2018 with no instances of non-conformities.

New Health and Safety Committee

In 2023, we introduced a Health and Safety Committee structure to provide a foundation for employees and management to work together to address health and safety concerns. The structure comprises four levels of committees, each with its own purposes and targets, supporting the same overall objective.

Working in alignment with our Occupational Health Department, we have established a system of incident reporting and analysis, KPIs, regular inspections and audits, and training effectiveness and safety culture surveys. We have also established safety goals, including reducing the number of accidents, achieving specific safety certifications and improving response times to safety incidents.

KDD provides employees with a range of safety trainings, depending on their role, including: general safety; transporter operation; mobile elevating work platform operation; hazardous material handling and spill response; and defensive driving.

Assessments and reviews

Regular health and safety risk assessments are crucial to guaranteeing the ongoing safety and wellbeing of our employees and to ensuring that we comply with local and global health and safety regulations. We have converted our traditional reporting process into a digital format, enabling real-time decision-making.

We conduct regular reviews to assess progress towards safety goals, analysing incident trends to identify areas of concern and collecting feedback from employees regarding the effectiveness of safety measures. We conduct a review after any safety incident to identify the root causes, assessing the effectiveness of the response and documenting learnings.

In 2024, we will work to establish a fully integrated and automated health and safety management and reporting system. This will help to increase the involvement of all KDD employees in the reporting process, vital to effective community engagement.

KDD CLINIC

KDD established its own in-house clinic in 2014 with an on-site doctor and nurses to oversee employees' health, examining non-critical illnesses and providing periodic health checks. The clinic also collaborates with the HR and Personnel Department to develop necessary regulations aimed at enhancing employees' mental

health and monitoring exposure to workplace accidents.

The clinic is open for 16 hours each day and is furnished with essential equipment including electrocardiogram, audio meters and vision testing, as well as necessary medications. Employees with critical medical conditions are referred to relevant hospitals or the Occupational

Health Department for further investigation and treatment.

In line with our nutrition strategy, we launched an internal diabetes campaign in 2023. This includes routine health checks for employees with chronic conditions. We also provide healthier meal plans in the staff canteen, with a focus on diabetes and hypertension.



Our communities

We believe in the power of community and are committed to fostering positive change together. Our dedication goes beyond business – we aim to have a meaningful impact on the lives of those we serve.

Whether it is supporting local events and organisations, or investing in projects that promote sustainability and wellbeing, we are working to create stronger, more vibrant communities.

We foster a sense of belonging at KDD and encourage employees to participate in various community initiatives. This helps us to form strong social networks within the community, providing emotional support, enhancing communication and creating a sense of unity. In particular, we give consideration to improving health and nutrition awareness and supporting training and educational initiatives. We offer our support in the following ways:

- Encouraging employees to volunteer during work hours and supporting those who contribute to community service.
- Providing resources and support for local educational institutions, such as schools and colleges, including factory visits. In 2023, we arranged 945 visits, up from 759 in 2022, an increase of 24.5%.
- Offering mentorship programmes, internships or training opportunities to support skill development in the community.
- Demonstrating transparency in reporting about the organisation's community initiatives and their impact.
- Establishing metrics and measurement tools to evaluate the social impact of community initiatives.
- By 2024, we will sign an agreement with the Human Construction Society for Social Development to support the hiring of candidates with disabilities.



ECO-QUEST

In November 2023, KDD sponsored Eco-Quest, a competition for high school students designed to spread environmental awareness. It had two parts: a treasure hunt, and an environmental project developed with the help of mentors. Held at Al Shaheed Park, the event involved 70 students.



LOCAL SMEs

We are committed to working with local SMEs. In 2023, we worked with a variety of businesses to procure secondary cartons, rigid plastics, flexible packaging, duplex boxes, gloves, disposable hairnets and video marketing content (pictured left).



SPORTING EVENTS

KDD has supported a number of sporting events over the recording period, including the Duathlon, NBK Marathon, KIU Marathon and Women Committee Sports Day. We also supported athletes who represented Kuwait at the Hangzhou 2022 Asian Games. In addition, we arrange an Annual Sports Day for KDD employees (pictured left).

Caring for *our* planet

- 25 Our approach to the environment
- 26 GHG emissions
- 27 Supplier engagement
- 28 Water
- 29 Waste and recycling

PLANET PILLAR TARGETS

- **Develop sustainable sourcing practices**
 - Develop and launch Supplier Engagement Programme
 - 20% of ingredients to be produced with regenerative agriculture practices by 2030
- **Improve water management**
 - Implement AWS standard for Sabhan site by 2024 and seek certification by 2025
 - Advance water management and reduce risk in priority sourcing areas by 2030
 - Assess primary ingredient suppliers to identify water-related risks and opportunities by 2025
- **Minimise waste**
 - Reduce food waste at Sabhan plant by 50% by 2030 (versus 2019)
- **Develop sustainable sourcing logistics**
 - Train 100% of drivers in eco-driving techniques by 2025
 - Install new GPS system across fleet by 2024
- **Address plastic leakage**
 - Identify opportunities for reducing plastic and set up plan to maximise reduction by 2025
 - Innovate to include circularity practices in new packaging where appropriate by 2030

PLANET PILLAR GOAL
LEAVE THE SMALLEST ENVIRONMENTAL FOOTPRINT BEHIND, WHILE ADDRESSING THE BIGGEST SUSTAINABILITY CHALLENGES IN THE REGION

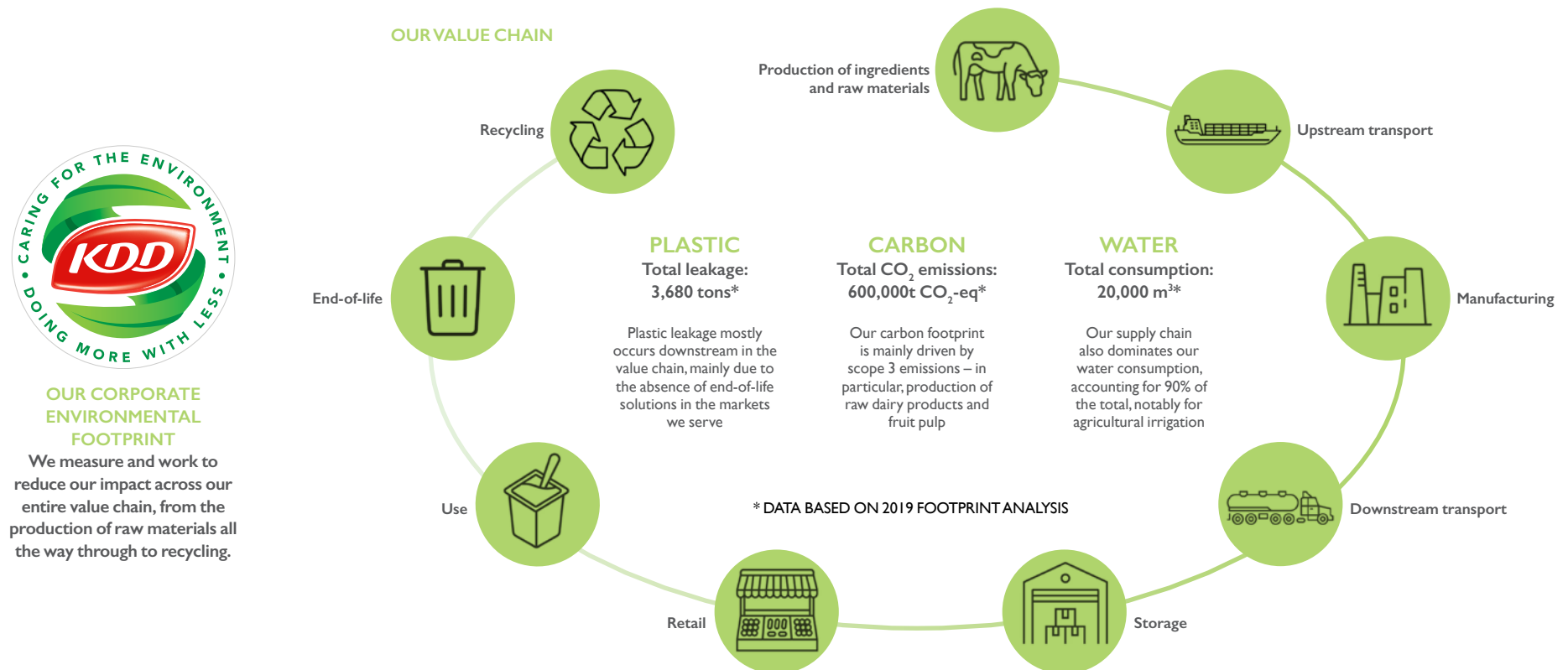


Our approach to the environment

We aim to minimise our negative environmental impact to protect the world for future generations. Our vision is to achieve the smallest possible environmental footprint while addressing the biggest environmental challenges in the places where we operate.

We take an integrated, science-based, value chain approach to environmental management. To measure our total impact – and to help us set goals and establish plans for its reduction – in 2021 we completed a comprehensive corporate footprint analysis. This covered our entire value chain, measuring and creating benchmark metrics across our three key environmental categories: carbon emissions, water consumption and plastic leakage. It uses 2019 data under the guidance of sustainability consultancy Quantis International.

This analysis confirmed that by far the majority of our environmental impact occurs outside of our own operations, upstream and downstream in our value chain (see infographic). For our own operations, we have a data management system that tracks emissions, energy use, water use (water withdrawal, consumption and wastewater release) and waste, measuring impact relative to output on a monthly basis.



OUR CORPORATE ENVIRONMENTAL FOOTPRINT

We measure and work to reduce our impact across our entire value chain, from the production of raw materials all the way through to recycling.

GHG emissions

We work to reduce greenhouse gas (GHG) emissions across our value chain – in our own operations, in our supply chain, and downstream through to end-of-life and recycling.

Our Planet pillar roadmap specifically focuses on three categories: ingredients and raw materials (see following page); production and operations; and logistics.

Production and operations

We have now mapped electricity consumption across our company, including at our production site in Sabhan, and have installed additional power meters to assist ongoing energy mapping. Other energy-saving initiatives include replacing old boilers.

Logistics

We are taking the following actions to reduce GHG emissions produced by logistics across the value chain:

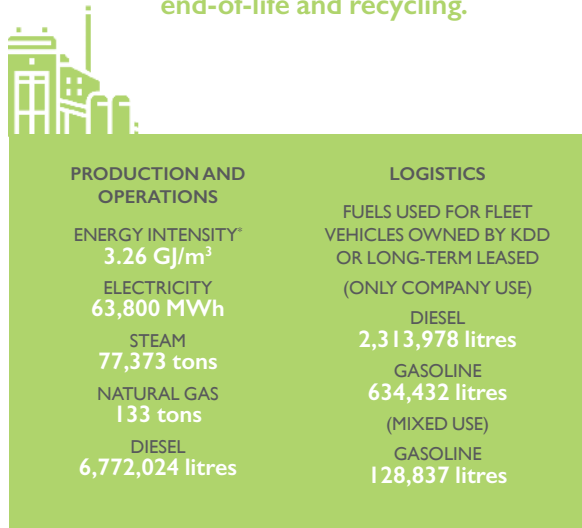
- Upgrading our transport fleet with reduced-emission vehicles. All trucks have now been upgraded.
- Training all drivers to adopt eco-driving behaviour for optimising fuel efficiency. Ongoing and on track for completion in 2025.

- Routes optimisation plan to minimise fuel consumption. By the end of 2023, we installed GPS systems on 60% of our transport fleet to help us achieve this goal. GPS systems will be added to the rest of the fleet by 2024 and route optimisation is ongoing, with fleet fuel consumption monitored monthly.
- Supporting shipping companies as they embrace sustainable practices by paying environmental fees.

Other initiatives to minimise the environmental impact of our transport fleet include use of high-grade oil, reducing the frequency of oil changes from 5,000 km to 10,000 km; regular emissions testing; water conservation at washing stations; and upgrading battery quality to minimise battery waste.

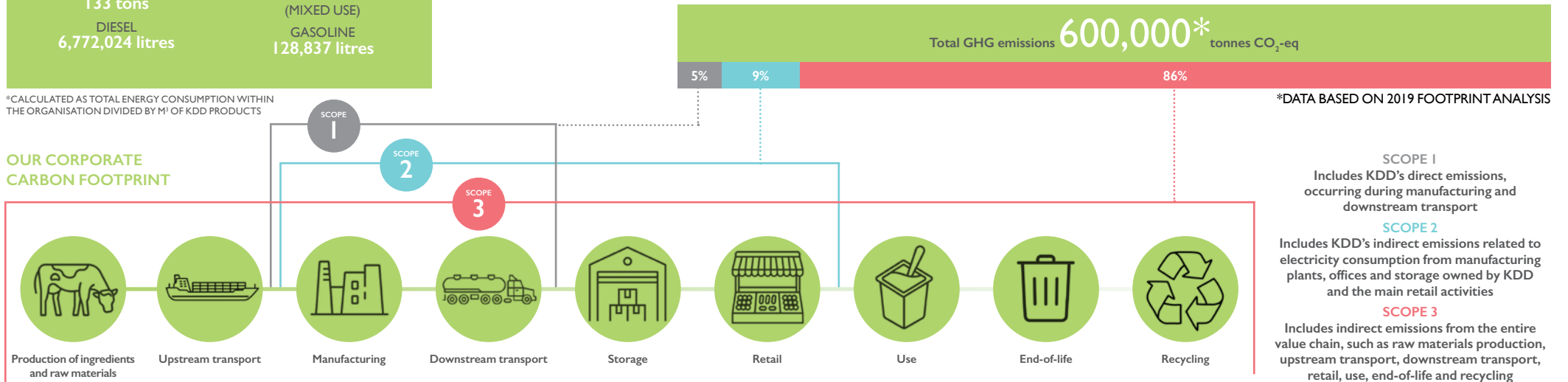
GO GREEN PLUS

By 2024, KDD will sign an agreement with DHL to utilise its Go Green Plus service. This has the potential to cut carbon emissions linked to our parcel shipments by 70%. KDD is the first food and beverage company in Kuwait to join this worldwide initiative.



*CALCULATED AS TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION DIVIDED BY M³ OF KDD PRODUCTS

OUR CORPORATE CARBON FOOTPRINT



*DATA BASED ON 2019 FOOTPRINT ANALYSIS

Supplier engagement

We are addressing our scope 3 emissions, which dominate our total value chain output, through our newly implemented Supplier Engagement Programme.



Our 2019 corporate footprint analysis shows that our carbon footprint is dominated by our scope 3 emissions. These account for 86% of the total, with 65% coming from purchased goods and services, particularly raw materials such as milk powder and fruit pulp.

Consequently, supplier engagement is a key component of our Planet pillar roadmap. In 2023, we implemented a pilot Supplier Engagement Programme with the following aims:

- To start understanding the level of existing sustainability engagement within our supply chain.
- To start aligning suppliers with our sustainability ambitions, working with them to assist with their sustainability journey, ideally via the Science Based Targets initiative.
- To provide recommendations for a future global supplier engagement strategy.

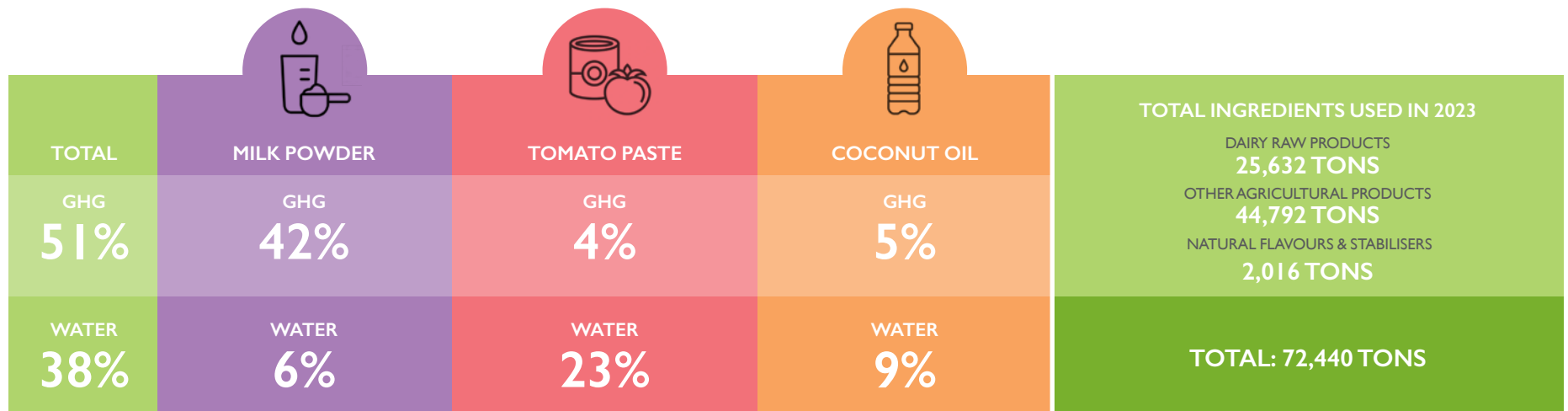
We set up a project team and selected eight suppliers of three ingredients for assessment. The selection process was guided by various criteria, including: environmental relevance and volume; location relevance, such as geographical coverage; relationship with supplier; and relevance of ingredient to KDD. The selected suppliers are now being assessed on a number of categories related to their GHG impact directly under their control, and their water impact. The results from this exercise will help to embed more evaluation criteria in supplier assessment forms going forward. We will report on the results in our next sustainability report.

Supplier self-assessment

In addition, we have been collecting environmental and social data from all existing and new suppliers via self-assessment forms since Q3 2023. This is being compiled and reviewed by our Quality Assurance team. Results will also be used to embed further evaluation criteria within the assessment form. Looking ahead, we aim to implement a plan to integrate regenerative agricultural practices in our supply chain, with a goal of sourcing 20% of ingredients from suppliers using such practices by 2030.

OUR INGREDIENTS

This chart shows the amount of our total category 3.1 footprint (based on our 2019 footprint analysis) represented by the three ingredients now under assessment.



Water

Water is crucial to KDD's future, not least because it is the primary ingredient in our products. It is also crucial to the future of the planet.

Total global water use has increased by 600% over the past 100 years, with agriculture accounting for around 70% of withdrawals. Raw material production, particularly agricultural irrigation, dominates our own value chain water consumption, with our supply chain accounting for 90% of the total. Water impact and risk are therefore key elements of our Supplier Engagement Programme. Going forward, we aim to work with our suppliers to advance water management and reduce risk in priority sourcing areas.

While consumption in our own sites represents a relatively small percentage of the total, saving water here is particularly important as Kuwait suffers from severe water scarcity. An arid country with little readily available surface water, Kuwait is among the 10 poorest countries in terms of water resources per capita, according to World Bank figures. The main sources of freshwater are seawater desalination (accounting for 61%), brackish groundwater and recycling wastewater.

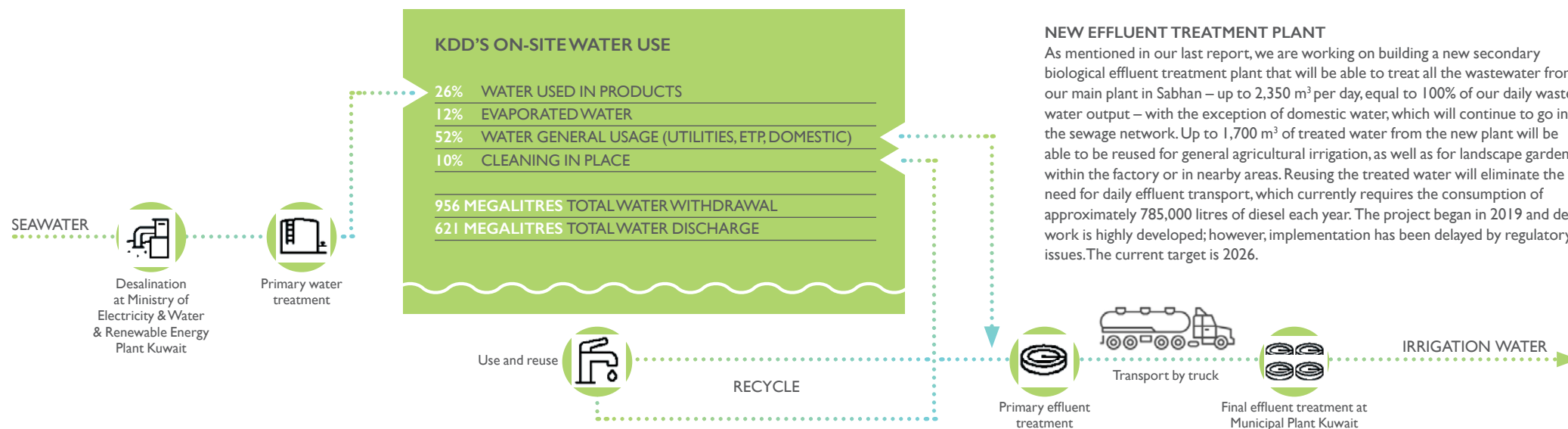
Reuse and recycling of water

Consequently, we strive to minimise consumption and maximise the reuse and recycling of water wherever possible, and we have already completed a number of initiatives to that end over the years. We have mapped all our water activities across the company, and have optimised consumption by recovering and reusing water wherever possible. For example, around 1% to 3% of water treated by the primary effluent treatment plant is disinfected and filtered for reuse, such as for preparing process chemicals and for ground cleaning, amounting to around 13,500 m³ in 2023, and around 65% of water withdrawn is discharged, treated and ultimately reused for irrigation.

An ongoing goal is to achieve AWS Standard certification from the Alliance for Water Stewardship for our Sabhan plant. AWS certification is confirmation of having met the global benchmark for responsible water stewardship. Implementation is scheduled to begin in Q2 2024 and be completed by year end, with certification following in 2025.

NEW EFFLUENT TREATMENT PLANT

As mentioned in our last report, we are working on building a new secondary biological effluent treatment plant that will be able to treat all the wastewater from our main plant in Sabhan – up to 2,350 m³ per day, equal to 100% of our daily waste water output – with the exception of domestic water, which will continue to go into the sewage network. Up to 1,700 m³ of treated water from the new plant will be able to be reused for general agricultural irrigation, as well as for landscape gardening within the factory or in nearby areas. Reusing the treated water will eliminate the need for daily effluent transport, which currently requires the consumption of approximately 785,000 litres of diesel each year. The project began in 2019 and design work is highly developed; however, implementation has been delayed by regulatory issues. The current target is 2026.



Waste *and* recycling

We seek to reduce waste, particularly production-linked food and packaging waste. We also strive to minimise consumption and to maximise reuse and recycling.

We separate and quantify different types of solid waste, effluents and gaseous emissions to ensure effective waste management. This includes the segregation of recyclable and non-recyclable waste in order to expand the potential for recycling and reuse.

We send our recyclable waste to contractors, who will either recycle it themselves locally or, where appropriate facilities are not available, export it for recycling elsewhere. We are steadily reducing the total amount of waste that goes to landfill. In 2023, 70% of waste generated was recycled, compared with 60% in 2022 and 55% in 2020. Our ultimate goal is that zero waste should go to landfill.

We have completed many waste reduction initiatives over the years, including reusing cartons, paper cores and certain plastics in our production processes, and monitoring the consumption of consumables such as paper and ink, and the disposal of plastic bags.

Going forward, we aim to extend our initiatives by engaging with stakeholders such as the Kuwait Foundation for the Advancement of Sciences (KFAS), the Kuwait Institute for Scientific Research (KISR) and the Kuwait Environment Public Authority (KEPA) on sustainable projects, and by developing waste collection campaigns.

A new target is to reduce production-linked food waste and packaging waste (including primary, secondary and tertiary packaging) by 10% in 2024, compared with 2023. We also plan to include consideration of food loss and waste in our Sustainability Policy, which we aim to have developed by the end of 2024. Food waste caused by market return of products has already been significantly reduced, with the figures for dairy and juice down by more than a third (34%) in 2023. Looking ahead, we aim to reduce production-linked food waste by 50% by 2030, compared with a 2019 baseline.

Plastic management strategy

Plastics is a key component of our Planet pillar roadmap. We are pursuing the following actions to address plastic leakage, which is mainly due to the absence of end-of-life solutions in the markets we serve:

- Identify opportunities for reducing plastic usage via auditing and set up a plan to maximise reduction.
- Evaluate our waste contractors on environmental metrics and engage with more recyclers both inside and outside Kuwait.
- Develop a recycling system at our Sabhan site by 2026.
- Develop deposit schemes for KDD packaging, starting with schools.
- Innovate to include circularity practices in new packaging where appropriate by 2030.



WASTE BY TYPE AND DISPOSAL METHOD

		RECOVERY	DISPOSAL
Hazardous waste	56 tons	54 tons	2 tons
Non-hazardous waste	10,024 tons	4,212 tons	5,812 tons
Total:	10,080 tons	4,266 tons	5,815 tons

IN 2023, 96% OF OUR HAZARDOUS WASTE WAS RECYCLED

OUR ULTIMATE GOAL IS 0% OF WASTE TO LANDFILL

Appendix

- 31 About this report
- 32 Our material topics
- 33 Our sustainability performance
- 38 GRI content index



About this report

This document constitutes KDD's second Corporate Sustainability Report, and covers the calendar year 2023.

This report outlines our approach and performance concerning ESG matters. The contents reflect the results of the materiality assessment carried out in 2020 ([see next page](#)).

KDD has reported the information cited in this document and in its GRI Content Index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards, published in 2021 by the Global Reporting Initiative (GRI). Data from previous years, particularly environmental data, is included where available and relevant to ensure comparability over time.

In this report, any reference to "KDD" is to be intended as inclusive of the parent company "The Kuwaiti Danish Dairy Company KCSC" in Kuwait. Therefore, data and information reported refer to Kuwaiti operations only.

However, data related to 2023 energy consumption and 2019 corporate footprint include the activities of The Kuwaiti Danish Dairy Company in Kuwait and the UAE, as well as the activities of the Saudi Kuwait Food Company (main activity: distribution of KDD's products).

Other subsidiaries are not included in the scope of the report, either because of their lower share of turnover or because of lack of readily accessible data. Any changes to this scope, or limitations and exclusions, are clearly indicated in the document.

KDD is committed to providing the highest level of accountability on sustainability matters and will publish a sustainability report on a biennial basis, improving reporting process and overall data accuracy.

This report is [available on the KDD website](#). For more information and feedback regarding this Corporate Sustainability Report, please contact sustainability@kddc.com.



Our material topics

To help us formulate our sustainability strategy and our approach to reporting, in 2020 we undertook a materiality assessment, referring to the GRI Standards, under the guidance of sustainability consultancy Quantis International.

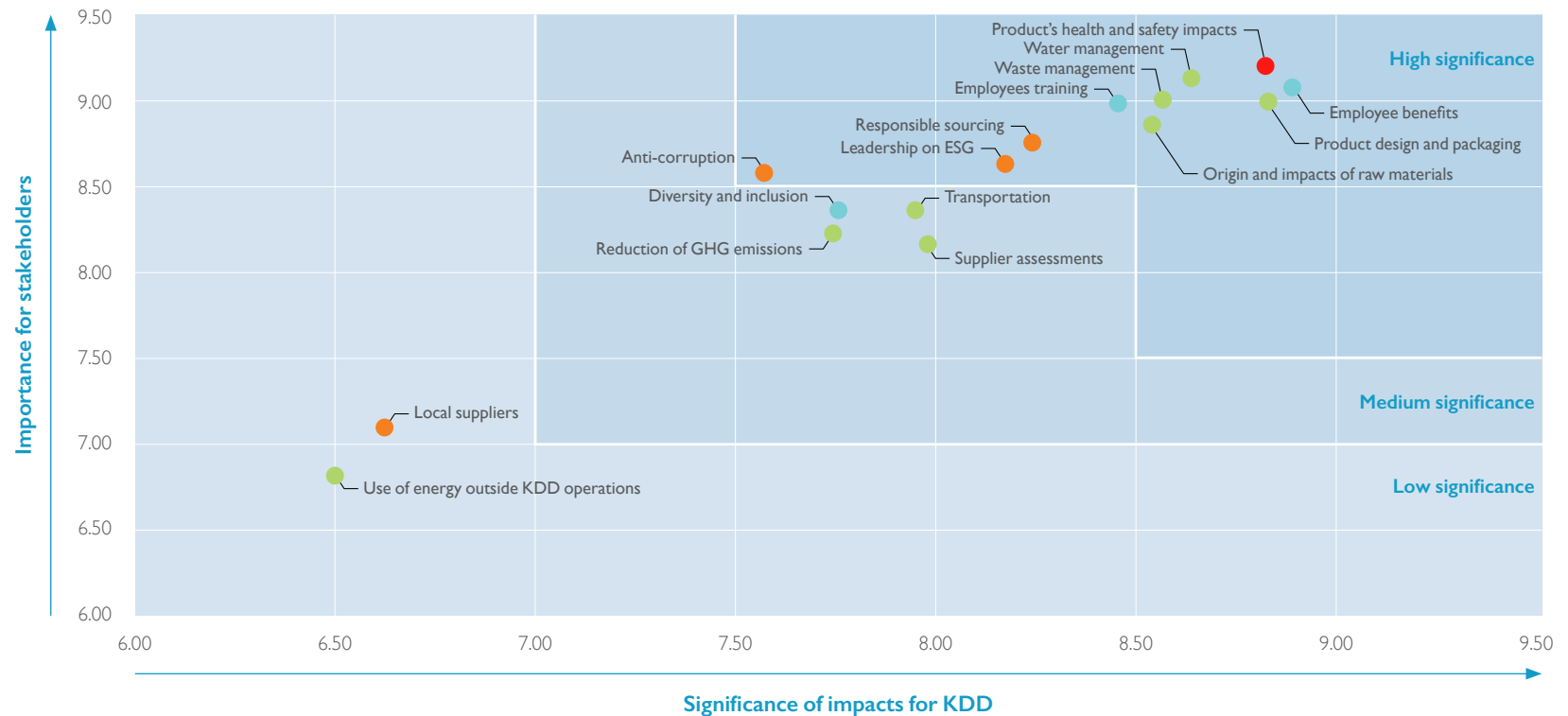
The assessment allowed us to identify KDD's most significant ESG matters. The multi-stage process included:

- Identifying key stakeholders across KDD's business activities and relationships.
- Collecting insights by conducting interviews internally with company executives, and externally with actors including the MOH and the EPA.
- Benchmarking by analysing various established companies in the Middle East, including regional affiliates of multinationals.
- Running workshops within KDD to identify material topics and strategic priorities, and to outline a sustainability framework.

The materiality assessment identified 17 material topics, which are mapped on the table below, according to their significance for KDD's business (horizontal axis) and their importance for external stakeholders (vertical axis). These material aspects help to inform the sustainability framework and pillars and focus areas (see page 9) on which this report is based.

Materiality assessment

- Our business topics
- Nutrition topics
- People topics
- Planet topics



Our sustainability performance

Our people and communities

GRI 2-7 Employees

As of 31 December 2023	
Total number of employees (HC)	1,901
of which female	96
of which male	1,805
Percentage of permanent employees	100%
Percentage of full-time employees	100%

GRI 401-1 New employee hires and employee turnover

	Number of new employee hires in 2023	Rate of new employee hires in 2023
By gender	155	8%
of which female	23	24%
of which male	132	7%
By age group	155	8%
under 30 years old	58	29%
30-50 years old	93	7%
over 50 years old	4	1%

GRI 401-3 Parental leave

	Total
Number of employees that were entitled to parental leave in 2023¹	59
Number of employees that took parental leave in 2023	3
Number of employees that returned to work in 2023 after parental leave ended	3
Number of employees who returned to work after parental leave ended in 2022 that were still employed 12 months after their return to work (in 2023)	1
Return to work rate	100%
Retention rate	100%

¹All married women working full time are entitled to parental leave.

Our sustainability performance

Our people and communities

GRI 405-I Diversity of governance bodies and employees

Employees (HC) by employee category and gender as of 31 December 2023

	Number	Percentage
Management	113	100%
of which female	14	12%
of which male	99	88%
Non-management	1,788	100%
of which female	82	5%
of which male	1,706	95%

Employees (HC) by employee category and age range as of 31 December 2023

	Number	Percentage
Management	113	100%
under 30 years old	0	0%
30-50 years old	58	51%
over 50 years old	55	49%
Non-management	1,788	100%
under 30 years old	199	11%
30-50 years old	1,276	71%
over 50 years old	313	18%

GRI 403-9 Work-related injuries

As of 31 December 2023 (employees data)	
Number of fatalities as a result of work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities)	2
Number of recordable work-related injuries	45
Number of hours worked	5,504,385
Multiplier	1,000,000
Rate of fatalities as a result of work-related injury	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.4
Rate of recordable work-related injuries	8.2

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GRI 301-1 Materials used by weight or volume

	Unit of measure	2022	2023
Renewable materials	tons	82,548	83,896
Dairy raw products	tons	26,029	25,632
Other agricultural products	tons	43,787	44,792
Cardboard, paper and carton – Tetra Pak packaging	tons	8,972	9,127
Cardboard, paper and carton – other packaging	tons	3,760	4,345
Non-renewable materials	tons	8,376	8,645
Packaging (except cardboard) – Tetra Pak packaging	tons	4,981	5,067
Packaging (except cardboard) – other packaging	tons	1,672	1,562
Chemicals (incl. flavours, stabilisers, etc)	tons	1,723	2,016
Total materials used	tons	90,924	92,541

GRI 302-1 Energy consumption within the organisation²

	Unit of measure	2022		2023	
FUELS		Total	Total in GJ	Total	Total in GJ
Fuels used for productive purposes					
Natural gas	tons	138	6,293	133	6,070
Diesel	litres	6,600,352	235,739	6,772,024	241,871
Fuels used for fleet vehicles owned by the organisation or long-term leased (only company use)					
Diesel	litres	2,239,278	79,978	2,313,978	82,646
Gasoline	litres	662,467	21,981	634,432	21,050
Fuels used for fleet vehicles owned by the organisation or long-term leased (mixed use)					
Gasoline	litres	130,529	4,331	128,837	4,275
TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES	-	-	348,322	-	355,912
ELECTRICITY					
Electricity consumed and purchased from non-renewable sources	kWh	63,022,700	226,882	63,799,827	229,679
STEAM					
Steam consumed and self-generated from non-renewable sources	kWh	56,464,416	203,272	59,104,419	212,776
TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION	-	-	778,476	-	798,367

²Sources for conversion factors are "UK Government GHG Conversion Factors for Company Reporting (DEFRA), Conversion Factors 2023" and Ecoinvent. It was considered that 70% of fuels used by mixed use fleet vehicles is for company purposes.

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GRI 302-3 Energy intensity

	Unit of measure	2022	2023
Energy intensity	GJ/m³	3.28	3.26
Energy consumption within the organisation	GJ	778,476	798,367
m ³ of KDD products	m ³	237,037	245,272

GRI 303-3 Water withdrawal

	Unit of measure	2022	2023
Total water withdrawal from third-party water	megalitres	943	956
Freshwater ($\leq 1,000$ mg/l total dissolved solids)	megalitres	943	956
Total water withdrawal from third-party water from areas with water stress³	megalitres	943	956

GRI 303-4 Water discharge

	Unit of measure	2022	2023
Total water discharge from third-party water	megalitres	613	621
Freshwater ($\leq 1,000$ mg/l total dissolved solids)	megalitres	613	621
Total water discharge from third-party water from areas with water stress⁴	megalitres	613	621

GRI 303-5 Water consumption

	Unit of measure	2022	2023
Total water consumption	megalitres	330	335
Total water consumption from areas with water stress⁵	megalitres	330	335

GRI 306-3 Waste generated

	Unit of measure	2022	2023
Hazardous waste	tons	36	56
Non-hazardous waste	tons	9,854	10,024
Total weight of waste generated	tons	9,890	10,080

^{3,4}World Resources Institute, Aqueeduct Water Risk Atlas, www.wri.org/our-work/project/aqueeduct

⁵Around 35% of water withdrawn is used in products or evaporated

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GRI 306-4 Waste diverted from disposal

	Unit of measure	2022	2023
Hazardous waste diverted from disposal, by recovery composition	tons	33.5	53.7
Recycling [off-site]	tons	33.5	53.7
Non-hazardous waste diverted from disposal, by recovery composition	tons	3,676.2	4,211.5
Recycling [off-site]	tons	3,676.2	4,211.5
Total weight of waste diverted from disposal	tons	3,709.6	4,265.2

GRI 306-5 Waste directed to disposal

	Unit of measure	2022	2023
Hazardous waste directed to disposal, by disposal operations	tons	2.4	2.5
Incineration (without energy recovery) [off-site]	tons	0.9	0.8
Landfilling [off-site]	tons	1.5	1.7
Non-hazardous waste directed to disposal, by disposal operations	tons	6,178.2	5,812.2
Landfilling [off-site]	tons	2,736.8	2,366.5
Other disposal operations [off-site]	tons	3,441.4	3,445.7
Total weight of waste directed to disposal	tons	6,180.6	5,814.7

GRI content index

General Disclosures

GRI Standards	Disclosure Title	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	<p>Page 6</p> <p>The Kuwaiti Danish Dairy Company KCSC (KDD) is a Kuwaiti Closed Shareholding Company with its headquarters in Sabhan Industrial Area, Block 1, Plot 157, Street 104, Sabhan, Kuwait.</p> <p>KDD HQ & Manufacturing are located in the Sabhan factory, while warehouses are located in Kuwait, Saudi Arabia (Jeddah & Riyadh) and the UAE.</p>
	2-2 Entities included in the organisation's sustainability reporting	<p>Page 31</p> <p>Data and information included in this report refer only to the parent company "The Kuwaiti Danish Dairy Company KCSC (KDD)" in Kuwait. However, data related to 2023 energy consumption and 2019 corporate footprint include KDD's activities in Kuwait and in the UAE as well as the activities of the Saudi Kuwait Food Company (main activity: distribution of KDD's products).</p> <p>Other legal entities, not included in this report, are: Sabhan Holding Co., Jabriya Real Estate Co., SUTC, Al Jabriya Kuwaiti General Trading Company, KDD Logistical Services Company, KDD IT Consultancy Company, Sabhan Royal Import & Export Company (Kuwait), KDD-UAE (Branch UAE), Saudi Kuwaiti Food Co. (Saudi Arabia), Green Gardens Capital IQR (Iraq).</p>
	2-3 Reporting period, frequency and contact point	<p>Page 31</p> <p>Reporting period for sustainability and financial statement are the same.</p> <p>This report is published in July 2024.</p>
	2-4 Restatements of information	No restatements of information were made from previous reporting periods.
	2-5 External assurance	This document was not externally assured.
	2-6 Activities, value chain and other business relationships	<p>Page 6</p> <p>KDD agricultural products come from Australia, UAE, Malaysia, USA, Kuwait, India, UK, Germany, Spain, Netherlands, Belgium, Brazil, Italy, Denmark, Lebanon and Ivory Coast.</p> <p>KDD additives and flavours come from Denmark, Switzerland and France.</p> <p>KDD packaging production comes from Tetra Pak (UAE, Turkey, KSA, etc.) and other suppliers (Kuwait, KSA, Oman, Switzerland).</p>
	2-7 Employees	Page 33

General Disclosures

GRI Standards	Disclosure Title	Location
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	The information reported is compliant with disclosure 2-9 from GRI 2: General Disclosures 2021, except for requirement c. Page 11 The steering committee headed by the Deputy Chairman, Deputy CEO and CFO is directly responsible for overseeing all sustainability-related activities happening on site. They set the direction and review objectives and key results on a regular basis.
	2-11 Chair of the highest governance body	The chair of the highest governance body is also the Deputy Chairman, Deputy CEO and CFO for the company. Because of her familiarity with the company's operations, she is responsible for strategic thinking, building organisational capability, managing profitability and driving change in the organisation. Conflicts are rare because all issues are discussed among a team/committee, opinions are sought, and a consensus is arrived at.
	2-13 Delegation of responsibility for managing impacts	The steering committee headed by the Deputy Chairman, Deputy CEO and CFO is directly responsible for overseeing all sustainability-related activities happening on site. They set the direction and review objectives and key results on a regular basis. Oversight of all facets related to corporate sustainability is vested in the senior leadership team. Environmental impacts are regularly documented and communicated to the highest governing body by the Environment Department on a monthly basis. Key drivers influencing environmental performance are established as KPIs, which are then meticulously delineated to the respective departments. An evaluation of these aspects and impacts is conducted in comparison with predefined targets. In the event of any deviations from these targets, a comprehensive root cause analysis is undertaken, and action plans are formulated and implemented. Furthermore, nutritional and people-related aspects undergo a comprehensive review on a quarterly basis. This proactive approach ensures a thorough examination of relevant factors, enabling the identification of areas for improvement and the implementation of strategic initiatives to enhance overall performance.
	2-14 Role of the highest governance body in sustainability reporting	The members of the highest governance body have reviewed and approved the information reported in this report.
	2-16 Communication of critical concerns	Critical concerns are communicated to the highest governance body through the Legal and Internal Audit teams. During 2023, zero critical concerns were communicated.
	2-22 Statement on sustainable development strategy	Page 2
	2-27 Compliance with laws and regulations	During 2023 there were no significant instances of non-compliance with laws and regulation and no related fines.
	2-28 Membership associations	Page 12
2-29 Approach to stakeholder engagement	Page 12	

Material Topics

GRI Standards	Disclosure	Location
GRI 3: Material Topics 2021	3-2 List of material topics	Page 32
Origin and Impacts of Raw Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 33 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements e and f.
GRI 301: Material Topics 2016	301-1 Materials used by weight or volume	Page 33
Reduction of GHG Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 26 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements e and f.
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 33
	302-3 Energy intensity	Page 33
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 28 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements e and f.
	303-1 Interactions with water as a shared resource	Page 28 Water is supplied to the KDD factory in Sabhan by Kuwait's Ministry of Electricity and Water. This includes desalinated seawater supplied through a water network and pumping stations throughout Kuwait. Water is used in product mixing, cooling systems, steam generation, system cleaning and wastewater treatment processes. Wastewater from the factory is collected and partially treated to standards set by the Kuwait Environmental Public Authority (KEPA). Partially treated wastewater is hauled to a government-approved facility for further treatment and discharged. Automatic samplers are installed to take regular samples and tested in our internal lab. These are also monitored for contaminants such as fats, oil and grease, chemical oxygen demand, pH and conductivity.

Material Topics

GRI Standards	Disclosure	Location
Water Management (continued)		
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Page 28 Effluent discharge from the main factory is treated to comply with the guidelines of the Kuwait Environmental Authority (KEPA). We are strictly following and monitoring the revised sewer discharge standards that were published in 2017 (Decision No. 12 – 27 August 2017). However, KDD is not directly discharging its effluent water, but is treating it with physical and chemical processes to comply with the KEPA Guidelines for Water Discharges into Sewers. The treated effluent water is being hauled by approved tankers to the government's treatment site.
	303-3 Water withdrawal	Page 33
	303-4 Water discharge	Page 33
	303-5 Water consumption	Page 33
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 29 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements e and f.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 29
	306-2 Management of significant waste-related impacts	Page 29
	306-3 Waste generated	Page 33
	306-4 Waste diverted from disposal	Page 33
	306-5 Waste directed to disposal	Page 33
Employment Benefits		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 19 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021.
	401-1 New employee hires and employee turnover	Page 33 The information reported is compliant with requirement a of the disclosure 401-1 from GRI 401: Employment 2016.

Material Topics

GRI Standards	Disclosure	Location
Employment Benefits (continued)		
GRI 401 Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Page 19</p> <p>The following benefits are provided to all our employees:</p> <ul style="list-style-type: none"> • Life insurance: Worldwide and 24/7 cover benefit is provided in the event of natural/accidental death as well as partial disability due to sickness. The policy cover is extended to include medical expenses, repatriation, and loss-of-income "due to accident" subject to the policy terms/conditions and limitations as applicable. • Personal accident insurance covering accidental death and/or total, partial, temporary and permanent disabilities due to accident. • Comprehensive individual travel insurance scheme is provided to those employees who have business travel including to and within Kuwait. <p>Staff members at KDD operate under an established scale and grading structure, while service providers are regarded as consultants or contractors. They are identified, listed, and engaged to fulfill specific tasks within stipulated fees. All other benefits are covered as per Kuwait Labour Law.</p> <p>The distribution of benefits varies among employees, contingent upon their employment classification and salary level. Additionally, our KDD Clinic is equipped to cater to the healthcare needs of all staff members, offering essential checks, medications and various tests such as ECG, vision and audio assessments. Furthermore, we have established partnerships with external clinics to offer our employees discounted rates for enhanced healthcare services.</p>
	401-3 Parental leave	Page 33
Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 22
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<p>Page 22</p> <p>Scope of ISO 45001: Development, manufacture, packing and distribution of yoghurt, frozen desserts, tomato paste, dairy, non-carbonated beverages (juices, drinks, nectars) and culinary products; manufacture of baked and roasted products and packaging of butter.</p>
	403-2 Hazard identification, risk assessment, and incident investigation	Page 22
	403-3 Occupational health services	Page 22

Material Topics

GRI Standards	Disclosure	Location
Health and Safety (continued)		
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 22 Participation and representation of the workforce regarding health and safety matters is ensured through daily meetings on the shop floor and meetings with health and safety representatives. Employees and safety representatives are involved in incident investigation and review of procedures, as well as hazard identification, risk assessment and the appropriate precautions to be taken, including ensuring consultation where there are changes that affect their safety. KDD employees are involved in hazard identification and risk assessment and their review at regular set intervals as mentioned in the HIRA procedure. Employees are also involved in incident investigations by providing appropriate input and by being part of the investigation conducted as per the Incident Investigation procedure. Quarterly meetings are held with the safety representatives of the departments. Input from these meetings are acted upon by management, with short-, medium- and long-term actions.
	403-5 Worker training on occupational health and safety	Page 22
	403-6 Promotion of worker health	Page 22 KDD provides comprehensive medical services, including medications, to support all employees. The HR & Personnel Department collaborates closely with the KDD Clinic and the Insurance & Risk Department to establish favourable medical arrangements at discounted rates for all employees. Additionally, the KDD Clinic, in conjunction with the HR & Personnel Department and management, ensures the mental wellbeing of all employees through medical assessments and financial assistance. The KDD Clinic opens for 16 hours each day, in line with employees' working hours.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 22 We conduct thorough risk assessments to identify potential occupational health and safety hazards associated with operations, products, or services. We integrate occupational health and safety into contractual agreements on all projects undertaken on site be internal or externally run. We also conduct regular audits and continuously monitor and audit processes to assess health and safety performance. All incidents are reported and duly investigated.
	403-8 Workers covered by an occupational health and safety management system	Page 22 100% of employees (1,901 in 2023) are covered by ISO 45001.
	403-9 Work-related injuries	Page 33 The information reported is compliant with disclosure 403-9 from GRI 403: Occupational Health and Safety 2018, except for requirement b. Given KDD's activities, the main work-related hazards include: working at height and in confined spaces; working with chemicals; manual handling; and operating forklifts. Safety is one of our top priorities. This is why in addition to training our employees, we have undertaken several actions to minimise risk, such as upgrading lights in the facility, upgrading and automating concentrated lye and acid delivery lines, and installing additional lifting aids.

Material Topics

GRI Standards	Disclosure	Location
Employee Training		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements d and e.
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	Page 20 The information reported is compliant with disclosure 404-2 from GRI 404: Training and Education 2016, except for requirement b.
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 19
Diversity and Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 21 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements e and f.
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Page 21
	405-1 Diversity of governance bodies and employees	Page 34 The information reported is compliant with requirements b i. and ii. of disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 21 In 2023, there were no incidents of discrimination.
Product Health and Safety Impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 13-17 The information reported is compliant with disclosure 3-3 from GRI 3: Material Topics 2021, except for requirements e and f.

Material Topics

GRI Standards	Disclosure	Location
Product Health and Safety Impacts (continued)		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	<p>Pages 13-17</p> <p>With the broader goal of improving the health and nutrition of the KDD portfolio, we have assessed the entire portfolio for metabolic impacts, as measured by the 39 criteria in the Metabolic Matrix Tiers. The methodology of this work is described in detail in the Metabolic Matrix Methods paper published in <i>Frontiers in Nutrition</i>.</p> <p>We ensure that all products are compliant with local regulations and regulations of the country of final destination. For the entire range of products, we ensure compliance to GCC Standardization Organization (GSO) standards and specifications, use governmental laboratories such as Amiri for the approvals of all our products, and also procure municipality health certificates for all exports. We also obtain all required approvals from the Saudi Food and Drug Authority (SFDA) and Emirates Quality Mark (EQM), apart from food safety certifications, health and safety certifications, etc. KDD is also committed to understanding the impact of our products on human health and we work with entities like the Dasman Diabetes Institute (DDI) and Kuwait Foundation for the Advancement of Sciences (KFAS) to carry out clinical trials on the products we deliver to consumers.</p>
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<p>Pages 13-17</p> <p>During 2023, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.</p>

Last word



" In Kuwait, sustainability remains an emerging focus, presenting distinct challenges in formulating and implementing effective strategies. However, the potential for collective impact is significant. By drawing on global shifts towards sustainability and making incremental contributions, each individual can drive meaningful change.

At KDD, we are advocating this transformative vision through our operations and outreach, anchoring our efforts in the food industry as a starting point to inspire broader adoption. Although KDD's scale may be modest in the global context, our commitment to nutrition and sustainability garners attention and sets a precedent. It is our aspiration that this report not only informs but also catalyses similar commitments across the industry, leveraging our initiative as a blueprint for others to emulate. "

Mrs Bahia Ezzat Jaafar

Deputy Chairman, Deputy CEO and CFO



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