



Date:

2026/06/30

التاريخ:

Ref:

ALG/CO/30/2026

المرجع:

Dear Bursa Kuwait Company  
Greeting,

السادة/ شركة بورصة الكويت المحترمين  
تحية طيبة وبعد،

**Subject: Sustainability Report for the Financial  
Year Ended 31 December 2025**

**الموضوع: تقرير الاستدامة للسنة المالية المنتهية  
في 31 ديسمبر 2025**

With reference to the above subject, and pursuant to the provisions of Chapter One of Module Twelve (Listing Rules) of the Executive Bylaws of Law No. 7 of 2010 concerning the Establishment of the Capital Markets Authority and the Regulation of Securities Activities, as amended, we are pleased to enclose the Sustainability Report of Ali Alghanim Sons Automotive Company for the financial year ended 31 December 2025.

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام الفصل الأول من الكتاب الثاني عشر (قواعد الإدراج) من اللائحة التنفيذية للقانون رقم 7 لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاته، نود أن نرفق لكم تقرير الاستدامة لشركة أولاد علي الغانم للسيارات للسنة المالية المنتهية في 31 ديسمبر 2025.

Sincerely yours,

وتفضلوا بقبول فائق التحية والاحترام،

Eng. Fahad Ali Alghanim  
Chairman

م. فهد علي الغانم  
رئيس مجلس الإدارة



www.alg.com.kw



Ali Alghanim Sons Automotive  
Company K.S.C.P

# Road to Sustainability

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Sustainability Report 2025

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# The Big Picture

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# Operating Responsibly



Ali Alghanim Sons Automotive Company K.S.C.P. (ALG) is pleased to present our Annual Sustainability Report for the financial year ending December 31, 2025.

This report reflects ALG's ongoing commitment to operating responsibly, transparently, and in a manner that creates long-term value for our stakeholders, the communities in which we operate, and the broader economy of Kuwait.

As one of Kuwait's leading automotive entities, ALG recognizes that sustainable business practices are integral to enduring commercial success. This report represents our effort to move beyond financial performance and provide a comprehensive account of how we manage our environmental footprint, invest in our people, uphold strong governance, and contribute to Kuwait's national development agenda.

It is intended to serve as a meaningful tool for accountability, enabling our stakeholders, including investors, customers, employees, regulators, and the wider public, to assess our performance.

#### Reporting Frameworks and Guidelines

This report has been prepared in accordance with the ESG Reporting Guidelines issued by Bursa Kuwait, which serve as the primary framework governing the structure and content of this disclosure.

In preparing this report, ALG has additionally drawn on the GRI Standards (2021) as a supplementary reference framework to strengthen the depth, comparability, and rigor of our disclosures. Where GRI Standards have informed specific disclosures, the relevant GRI references are noted accordingly. Reasonable estimates have been incorporated in the data measurements and related calculations, where required, without materially affecting the accuracy of quantitative disclosures.

This dual-framework approach reflects ALG's commitment to meeting our obligations under Bursa Kuwait's ESG reporting requirements while voluntarily adopting internationally recognized best practices to enhance the quality and credibility of our non-financial reporting.

#### Reporting Boundary, Scope and Period

This report covers the period from 1 January 2025, to 31 December 2025. The scope of this report covers ALG's direct automotive operations within Kuwait, pertaining to the following entities:

- Ali Alghanim Sons Automotive Company K.S.C.P. (ALG)
- Ali Mohammed Thunayan Alghanim and Sons Automotive Company W.L.L. (AAS)
- Al Ahlia Heavy Vehicle Selling and Import Company K.S.C.C. (Al Ahlia)
- MAKFM Automotive Company W.L.L. (MAKFM)

Any material changes to the reporting boundary, or restatements of previously reported figures, are identified and explained within the relevant sections of this report.

Wherever available, data for the prior reporting period (FY2024) has been provided for comparability purposes.

## Responsibility Statement

**ALG firmly believes that this report is a fair representation of our organization's non-financial, sustainability and operational performance for the financial year 2025.**

**The Board acknowledges that the contents of this report have been assimilated in consultation with various functions of the business and have been developed under the guidance of senior management and functional heads.**

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#### Contact point:

For feedback or inquiries on this report,  
Contact: [investors@alg.com.kw](mailto:investors@alg.com.kw)

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# Leading Through Our People

**Fahad Ali Alghanim, Chairman**

Ali Alghanim Sons Automotive Company K.S.C.P



Chairman's message:

# Leading Through Our People



**Fahad Ali Alghanim,  
Chairman**

**Ali Alghanim Sons  
Automotive Company  
K.S.C.P**

**Dear Shareholders,**

On behalf of the Board of Directors and Executive Management, I am pleased to present ALG's 2025 Sustainability Report, which represents a meaningful milestone in our sustainability journey.

As a Group, we continue to evolve in a rapidly changing environment, and this report reflects our commitment to ensuring that sustainability is not treated as a standalone initiative, but rather as an integrated part of how we think, operate, and grow over the long term. It captures the progress we have made across our businesses to date, while also highlighting the direction we are taking to further strengthen our approach to responsible and sustainable value creation across the Group.

In 2025, the Group continued to build on its legacy as a leading automotive and mobility organization, reinforcing its commitment to delivering value across every segment of the market.

In a year marked by evolving market dynamics, shifting customer expectations, and increasing focus on sustainability, the Group remained focused on strengthening its operational resilience while continuing to expand and enhance its diverse portfolio across Kuwait, Egypt, and Iraq.

Throughout the year, the Group advanced its position across the automotive value chain, from accessible passenger vehicles to premium and ultra-luxury brands, as well as heavy commercial and industrial equipment.

This breadth of offering reflects our continued focus on meeting the needs of a wide customer base while maintaining high standards of service, quality, and reliability.

At the same time, we have continued to invest in strengthening our operational foundations, improving efficiency, and enhancing the customer experience across all touch points. Sustainability remains a core focus area for the Group. We continue to integrate sustainability into our operations

through targeted initiatives, including energy efficiency upgrades, smart electricity monitoring systems, waste segregation and recycling programmes, and infrastructure enhancements aimed at reducing environmental impact.

These efforts reflect our broader commitment to embedding responsible practices across our businesses and aligning operational performance with long-term environmental goals.

As we look ahead, the Group remains committed to driving sustainable growth while continuing to evolve in response to a rapidly changing industry landscape.

Our focus is on strengthening our market position, enhancing operational excellence, and ensuring that sustainability remains an integral part of how we operate and grow as a Group.

**Sustainability is not treated as a standalone initiative, but rather as an integrated part of how we think, operate, and grow over the long term.**

**Fahad Ali  
Alghanim**

# Building a Sustainable Future

**Yusef Abdullah Al Qatami, Vice Chairman and CEO**

**Ali Alghanim Sons Automotive Company K.S.C.P**



CEO's message:

# Building a Sustainable Future



**Yousef Abdullah Al Qatami, Vice Chairman and CEO**

**Ali Alghanim Sons Automotive Company K.S.C.P**

## To our valued stakeholders,

On behalf of the ALG team, I am pleased to present our 2025 Sustainability Report, reflecting our continued commitment to embedding Environmental, Social, and Governance (ESG) principles at the core of our business.

As we navigate an evolving economic and environmental landscape, we remain focused on delivering sustainable, responsible growth while creating long-term value for our stakeholders and the communities we serve.

Throughout 2025, we have continued to strengthen our sustainability framework by integrating ESG considerations more deeply into our strategy, operations, and decision-making processes.

Our approach is guided by key pillars, including environmental stewardship, responsible resource management, human capital development, digital innovation, and strong corporate governance.

These pillars form the foundation of our efforts to balance business growth with environmental responsibility and social impact, ensuring that sustainability

remains a driver of resilience and long-term success.

We are committed to minimizing our environmental footprint by advancing initiatives in energy efficiency, waste management, and resource optimization across our operations.

At the same time, we are aligning our practices with internationally recognized frameworks, including the United Nations Sustainable Development Goals (UN SDGs), to ensure our contributions are meaningful, measurable, and globally relevant.

As the automotive industry continues to evolve, we recognize our responsibility to support the transition toward more sustainable mobility solutions and environmentally conscious operations.

Our social responsibility remains a key priority. We continue to invest in our people, fostering a workplace culture rooted in inclusivity, diversity, and continuous development.

By empowering our employees and promoting a safe and supportive working environment, we strengthen our ability to deliver value to our customers while contributing positively to society.

We also remain committed to engaging with the communities in which we operate through initiatives that promote social development and shared progress.

In parallel, we have maintained a strong focus on governance, reinforcing transparency, accountability, and ethical business practices across all levels of the organization.

Through enhanced governance frameworks, robust risk management, and disciplined system administration, we ensure that our operations remain resilient, secure, and aligned with stakeholder expectations.

While our sustainability journey remains ongoing, 2025 marked important progress in aligning our strategic growth with ESG objectives. This included advancing our regional expansion through the Geely manufacturing project in Egypt and the acquisition of a stake in Global Auto Egypt, alongside the continued rollout of digital solutions to enhance operational efficiency and customer experience.

These initiatives reflect our belief that innovation and sustainability must go hand in hand to drive long-term value creation.

As we look ahead, we remain committed to building on this progress and further embedding sustainability into every aspect of our business. We recognize that achieving meaningful impact requires continuous improvement, collaboration, and accountability. With a clear vision and a strong foundation, we are confident in our ability to contribute to a more sustainable and prosperous future.

Thank you for your continued trust and support.

# Snapshot

## Ali Alghanim Group of Companies

**In 2022, ALG became the first automotive dealership listed on the Kuwait Stock Exchange, underscoring its commitment to transparency and governance.**

The story of the Group is a journey of ambition anchored by a commitment to excellence. Founded in the early 1960s as a modest family business, the Group has remained true to the Vision: to remain synonymous with quality and excellence, and to be recognized as the leading automotive business in Kuwait and the trusted representative of premium automotive brands and marques across the region.

Over the decades, the Group's presence has strengthened in Kuwait, representing distinguished marques such as Rolls-Royce, Haval, BMW, Mini, Land Rover, Geely, GWM, MAN Trucks, and McLaren.

In 2022, ALG became the first automotive dealership listed on the Kuwait Stock Exchange, underscoring its commitment to transparency and governance.

The Group's operations extend beyond vehicle import and distribution to include after-sales services, certified pre-owned vehicle sales, rental and leasing solutions, ride-hailing services, vehicle valuation, technical inspection, and registration renewal services.

As a leading Kuwaiti enterprise with a significant footprint in Kuwait, Egypt, and Iraq, the organization manages a multifaceted automotive ecosystem.

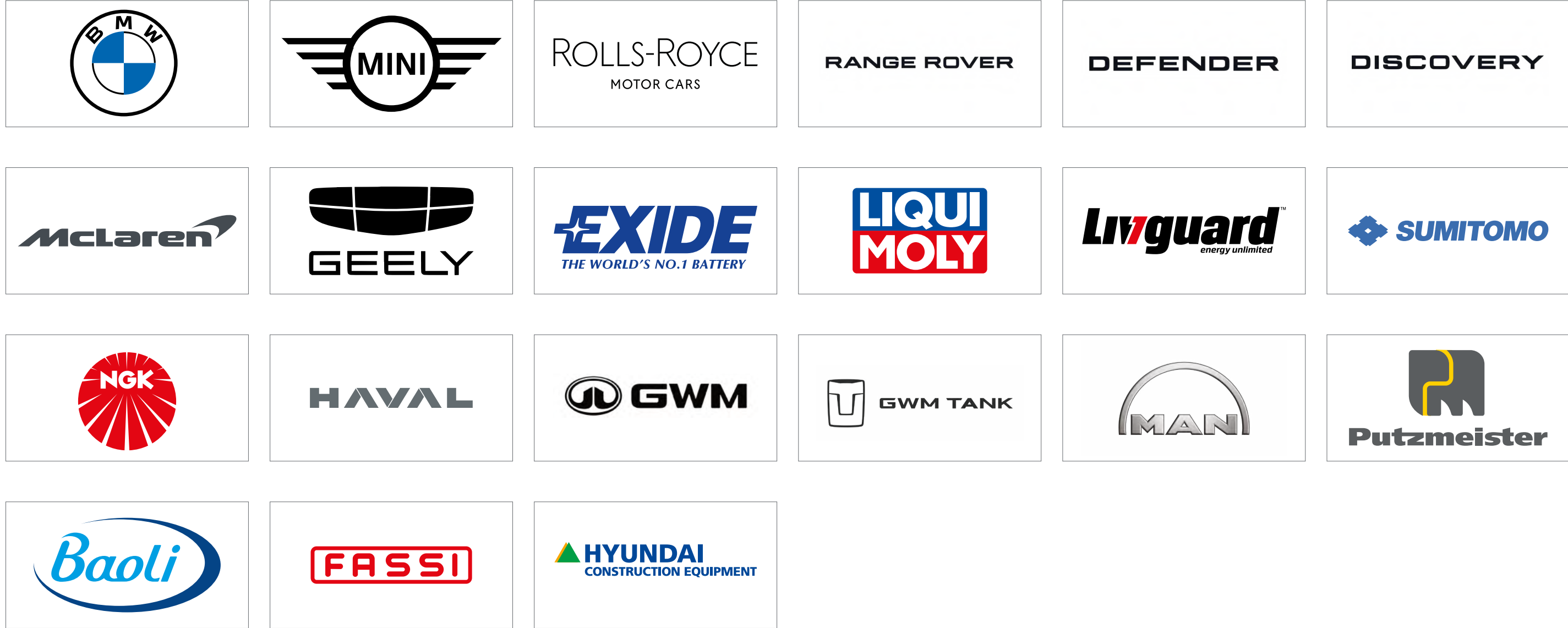
Through a strategic network of seven subsidiaries and affiliates, ALG oversees a diverse portfolio that spans the entire market from budget-friendly models to prestigious ultra-luxury and heavy industrial vehicles.

MAKFM focuses on passenger vehicles as the authorized distributor of brands such as Great Wall and Haval, while also offering flexible leasing and rental solutions across both mainstream and premium segments.

In contrast, Al Ahlia operates in the commercial and industrial sector, providing world-class trucks and

equipment from global brands such as MAN, Hyundai, and Putzmeister, serving key industries including construction, logistics, oil & gas, and infrastructure.

Beyond sales, the comprehensive service infrastructure includes everything from leasing and certified pre-owned programs to technical inspections.





# Innovation

## For a Sustainable Future

At ALG, sustainability is embedded in the way the Group conducts its operations, manages risk, and delivers long-term value. As an automotive dealer in Kuwait, the Group operates across an extensive value chain that interfaces with environmental resources, a diverse and multi-national workforce, local communities, and a broad spectrum of stakeholders. In this context, the Group acknowledges its responsibility to manage its environmental footprint, support and develop its people, and uphold practices that contribute to sustainable economic value creation.

The Group's ESG approach is guided by the principle that responsible and well-governed businesses are better positioned to achieve long-term resilience. The Group's sustainability framework reflects

the interdependence of environmental stewardship, social responsibility, and sound governance. These elements are integrated into operational processes, internal policies, and risk management systems, enabling a structured and consistent approach to managing ESG-related considerations across the organization.

From an environmental perspective, the Group focuses on managing the direct impacts of its operations, including energy consumption, emissions, waste generation, and resource use. These aspects are addressed through defined operational controls and monitoring practices. Environmental risks, where relevant, are incorporated into the Group's Enterprise Risk Management (ERM) framework, ensuring that such risks are

evaluated alongside other principal risks and are subject to appropriate oversight and mitigation measures.

On the social dimension, the Group's commitments extend to its employees, customers, and the communities in which it operates. The Group places importance on maintaining a safe and supportive working environment, promoting workforce development, adhering to fair labour practices in compliance with Kuwait's Labour Law, and supporting social initiatives.

From a governance standpoint, ALG emphasizes transparency, accountability, and the continuous enhancement of its corporate practices and disclosures, as well as upholding exceptional customer experience. As a company listed on

Bursa Kuwait, the Group operates within an established regulatory and compliance framework.

The Board of Directors retains oversight of key business risks and strategic matters, including those related to sustainability where they are relevant to the Group's operational performance and long-term value creation.

The Group also seeks to maintain consistent standards of customer service and safeguard customer information, in line with its responsibilities as a listed entity and its engagement with a broad customer base.

Through this report, ALG aims to provide a balanced, transparent, and evidence-based overview of its approach

to sustainability and its ESG-related performance. The Group recognizes that the integration of ESG considerations is an evolving process and remains focused on strengthening its frameworks, practices, and disclosures over time, in alignment with regulatory developments and stakeholder expectations.



**Emissions Generated**  
9,520 tCO<sub>2</sub>€



**tCO<sub>2</sub>€ per KD million of revenue**  
32.72



**Energy Consumed**  
80,594 GJ



**Waste Generated**  
355,000 Kgs



**New hires**  
166



**Hours spent on Training**  
21,006



**Work related injury**  
01



**Board members**  
07



**Board Committees**  
03



**Whistleblower complaints**  
0

**Customer complaints received and resolved within SLA**  
100%



# Shaping

A Future that Matters





In our pursuit of transparent disclosure, ALG conducted a robust assessment to define our material focus. Key topics emerging from the automotive and industrial sectors, as well as sustainability best practices, were analyzed and benchmarked against global trends and ALG's own operations.

Our methodology involved a multi-layered benchmarking process, evaluating sectoral shifts in the automotive and industrial sectors, aligned with the GRI framework and guidelines provided by Bursa Kuwait and UN SDGs.

These themes formed the basis of our stakeholder engagement program, which featured a specialized consensus-building session. This collaborative approach ensured that our prioritized material topics accurately represent the intersection of business strategy and stakeholder expectations.

Given the continual nature of ALG's business model and operating environment, and the continuity of the Group's activities, value chain, and regulatory context since the 2023 assessment, the Group determined that the material topic framework established in 2023 remains valid and continues to serve as the basis for this report.

This framework is subject to the Group's ongoing monitoring of its operating environment and stakeholder landscape, ensuring that any developments of relevance are captured and reflected in future reporting cycles.

## E

### Energy Management

Enhancing energy efficiency and transitioning to renewable sources

Focus Area 1: Climate Change

### Waste Management

Implementing sustainable waste reduction and recycling practices

Focus Area 2: Pollution and Waste Management

## S

### Employee Safety and Well Being

Prioritizing health and safety in the workplace

Focus Area 3: Human Capital Development

### Human Capital Development

Investing in employee growth and development

Focus Area 3: Human Capital Development

### Product Safety and Quality

Maintaining high standards for product safety and quality

Focus Area 3: Human Capital Development

### Supporting Local Communities

Engaging and supporting community development

Focus Area 5: Corporate Social Responsibility

### Human Rights and Forced Labour

Upholding human rights and fair Labour practices

Focus Area 3: Human Capital Development

### Diversity and Equal Opportunity

Promoting an inclusive and diverse workplace

Focus Area 3: Human Capital Development

## G

### Customer experience

Enhancing customer satisfaction and loyalty

Focus Area 6: Corporate Governance

### Business Ethics and anti-Corruption

Ensuring ethical practices and combating corruption

Focus Area 6: Corporate Governance

### ESG Governance

Strengthening governance frameworks for ESG initiatives

Focus Area 6: Corporate Governance

#### Rating

Very Important

Important

Contributing toward

# Our Planet





## Our environmental performance is shaped by our decisions at the facility, fleet, and product lifecycle level.



### Responsible Environmental Footprint

The automotive sector globally is navigating a meaningful shift in how environmental performance is understood, measured, and disclosed, encompassing not only vehicle emissions, but also the resource consumption and waste generation associated with distribution, retail, and aftersales operations.

As a group whose business model is centered on the import, sale, and ongoing maintenance of vehicles across the passenger and commercial segments in Kuwait, our environmental performance is shaped by our decisions at the facility, fleet and the product lifecycle level.

As a publicly listed company on Boursa Kuwait, we recognize our role in contributing to the national effort and in providing our stakeholders with a transparent account of how we manage the environmental dimensions of our operations.

### Material Environmental Topics and their Operational Basis

Environmental materiality for the Group has been assessed with reference to the Boursa Kuwait ESG Reporting Guidelines and informed by the operational characteristics of each business line. Energy Management and Waste Management represent our key material topics covering critical areas such as energy consumption, emissions, and waste generation. These topics are primarily influenced by the scale of our built facilities and the continuous nature of aftersales operations.

Workshop environments require sustained mechanical ventilation, compressed air systems, vehicle lift equipment, and diagnostic infrastructure.

Showroom environments are held to OEM-specified lighting and climate standards. These requirements generate a consistent and quantifiable electricity demand across our

locations, supplemented by direct fuel consumption from our operational vehicle fleet.

Waste materiality is a function of the aftersales business model. Workshop operations produce a defined set of waste streams including used lubricating oil, oil filters, end-of-life tires, lead-acid batteries, and chemical containers, several of which undergo careful handling under Kuwait's environmental regulations and require disposal through licensed contractors.

This is further reinforced by our role as authorized distributor of lubricants and batteries, which positions us within the product lifecycle of two waste-generating categories at a commercial scale.

In addition to energy and waste management, water consumption, is assessed as relevant to our resource footprint, given Kuwait's position

in terms of water availability and its dependence on desalination for fresh water supply. Our water use is concentrated in vehicle washing and workshop operations across our service network.



# Our Impact

## Alignment with National and Global Vision

In Kuwait, this broader global context intersects with a national imperative.

The State of Kuwait's structural profile of key natural resources, including hydrocarbons and water, and its commitments under the Paris Agreement, including a nationally determined contribution targeting a carbon neutrality by 2060, collectively create a policy environment in which private sector environmental performance is increasingly relevant to regulators, investors, and the public.

Bursa Kuwait's environmental disclosure guidelines for listed entities reflect a growing recognition that the transition to a more sustainable economy requires measurable, comparable data on corporate resource consumption and emissions performance.

By establishing standardized environmental reporting expectations, the Group aims to enable investors and stakeholders to assess environmental risk and performance across listed

companies on a consistent basis, contributing to a more transparent and sustainability-oriented market.

At the national level, Kuwait's commitment to net-zero emissions by 2060 and the New Kuwait Vision 2035 position environmental sustainability as a cross-cutting pillar of the country's economic diversification agenda, one that connects directly to the transition away from hydrocarbon dependence, the responsible stewardship of natural resources, and the long-term resilience of Kuwait's urban environment.

The national target to derive 30% of electricity from renewable sources by 2030 carries direct implications for the emissions profile of purchased electricity over time. Our environmental commitments, while operationally grounded, are aligned with and contribute to this broader national trajectory.

Our material environmental topics, energy, emissions, water, and waste, also map to SDG 12 (Responsible Consumption and Production) reflecting recognition of environmental impact directly related to our operations.

## Environmental - Oversight & Authorities

Oversight of the Group's environmental performance operates at the executive and operational level. At the executive level, energy consumption and waste management are monitored within the broader operational efficiency considerations, given its direct bearing on facilities across the Group's service locations including showroom, aftersales and warehousing facilities.

Energy costs, driven primarily by electricity consumption in the workshop and climate-controlled retail environments represent a recurring and quantifiable component of facilities overhead, and are subject to periodic review as part of the Group's operational control processes.

At the operational level, Facilities department within each entity, carries day-to-day responsibility for monitoring resource consumption, coordinating with licensed waste contractors, and maintaining site-level compliance with applicable Kuwaiti environmental regulations.

Data collection for environmental reporting purposes is coordinated through the Facilities department, with consolidation at the Group level for the purposes of this disclosure.

**Kuwait's commitment to net-zero emissions by 2060 positions environmental sustainability as a cross-cutting pillar of the country's economic diversification agenda.**





# Going Further

## Policy Framework

The Group's environmental management practices are governed by a formal Environmental Management System (EMS) certified to ISO 14001:2015, an internationally recognized standard for environmental management systems.

The standard requires organizations to systematically identify environmental aspects and assess their associated impacts, implement operational controls to manage significant aspects, establish objectives that support continual improvement and maintain documented procedures for monitoring and measurement.

Within this framework, the Group manages key environmental aspects arising from its operations, such as resource consumption, waste generation, and emissions, through defined processes and controls.

This structured approach supports the consistent management of environmental risks and enables ongoing evaluation and improvement of environmental performance.

## Key Environmental Initiatives

### 01

**Energy Efficiency Upgrades:** As part of energy efficiency measures, a key priority project has been ongoing retrofit of HVAC systems to high-efficiency models, including preventive maintenance of chillers, AHUs, and FCUs air leakage sealing to reduce cooling loss; and replacement of conventional lighting with energy-efficient LED fixtures across facilities.

### 03

**Recycling Programme:** A recycling system was initiated at our Main Showroom in June 2025, under which approximately 28,304Kgs of general waste was diverted from disposal between June and December 2025.

### 05

**Paper Reduction and Document Management:** Paper shredding, archiving, and digitization was undertaken through archive storage and management solution providers, covering documents older than 10 years, reducing physical storage footprint and paper waste.

### 02

**Waste Segregation and Safe Disposal:** Approximately 5,000Kgs of waste is managed monthly through licensed disposal partners; Al Mina Al Kuwait, Tanzifco, and Bremen, in accordance with standard disposal practices.

### 04

**Used Oil Recycling:** As part of our efforts to recycle used oil (primarily generated from aftersales operations), 1,820 barrels of used oil was recycled in 2024, followed by 1,978 barrels in 2025, carried out in coordination with sustainable industrial oil solution providers, including safe collection and recycling of used lubricating and industrial oils.

### 06

**Scrap Material Reuse:** As part of our routine operations, scrap materials generated from maintenance and service center activities, was sold to traders on a best-quotation basis, ensuring materials are either reused or responsibly disposed of instead of being directed to landfill.

## Looking Ahead

The transition to lower-emission mobility is reshaping the automotive sector at a structural level. As an authorized distributor for manufacturers whose product portfolio includes a growing range of new energy vehicles, we are already participating in that transition at the point of sale.

In the near term, our focus is on improving the energy efficiency of our workshop and showroom infrastructure. Over the medium term, we intend to evaluate the feasibility of incorporating renewable energy sources, including rooftop photovoltaic installations, across selected facilities within our service network, subject to technical and regulatory assessment.

# GHG Emissions Methodology



GHG emissions are quantified across three scopes in accordance with the GHG Protocol.

## Scope 1

Direct emissions are calculated from measured fuel consumption data for the Group's operational vehicle fleet and stationary sources, applying DEFRA 2024 Greenhouse Gas Conversion Factors.

## Scope 2

Indirect emissions from purchased electricity are calculated on a location-based basis using the Kuwait-specific grid emission factor, sourced from the IEA Emission Factors 2025 (latest data available for 2023).

This factor reflects the composition of Kuwait's national electricity grid, generated predominantly through heavy fuel oil and natural gas-fired assets.

## Scope 3

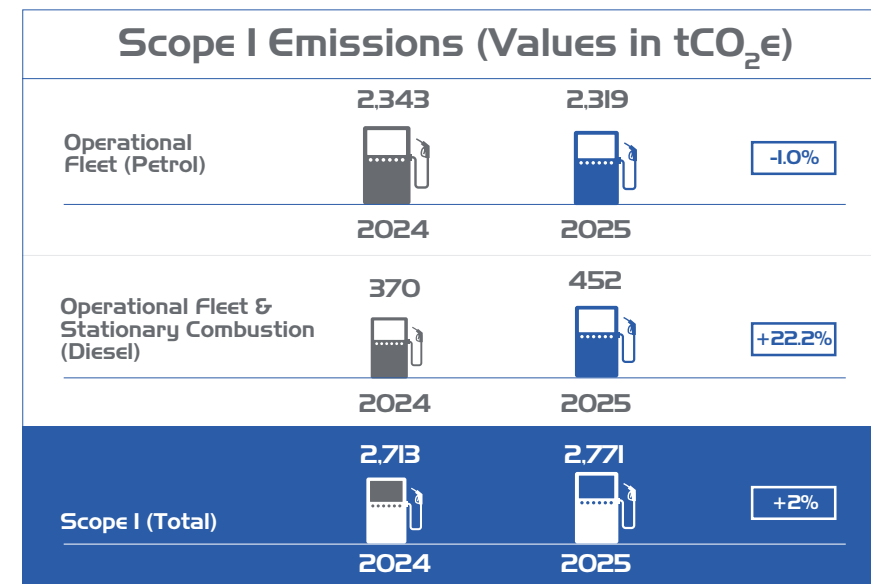
Emissions are reported for GHG Protocol Category 6 (Business Air Travel), representing the first year in which systematic travel data has been captured for GHG calculation purposes.

Emissions are calculated by multiplying total air kilometers traveled by the average passenger emissions factor, sourced from the DEFRA 2024. All quantities are expressed in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

## GHG Emissions - Scope 1

The Group's Scope 1 emissions arise from the combustion of petrol and diesel across the operational vehicle fleets of AAS, MAKFM, and Al Ahlia, as well as from diesel consumed by standby generators at Group facilities. The fleet encompasses test drive and replacement vehicles, delivery vehicles, staff transport and inter-facility logistics assets distributed across the Group's service locations, however, the calculation of emissions also include emissions from petrol used to fuel vehicles prior to customer delivery.

In aggregate, Scope 1 emissions increased by 2.1% year-on-year. This reflects marginal decline in the petrol fleet consumption of approximately 1%, partially attributable to route and dispatch efficiencies across the service network, while diesel fleet consumption increased by 22.2%, consistent with the expansion of heavy vehicle and commercial logistics activity during the year.



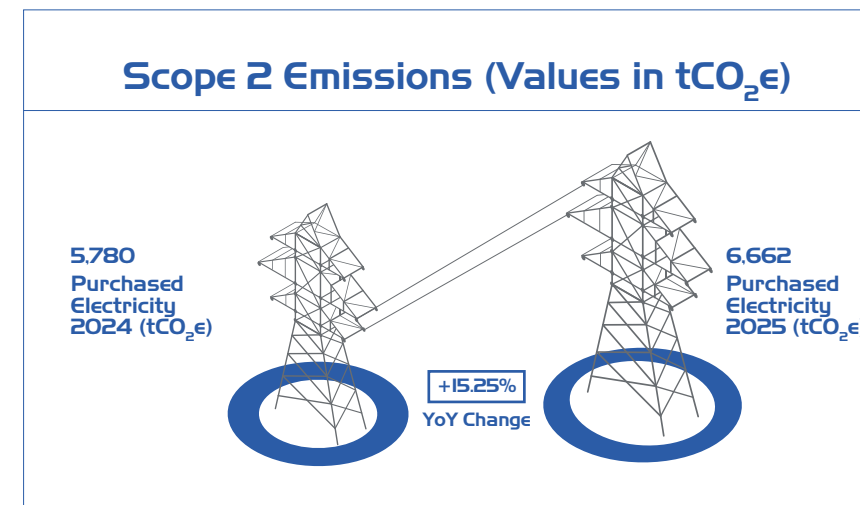
Graphic 1: Scope 1 Emissions (Boursa Kuwait Guidelines Ref: E1.1.)

## GHG Emissions - Scope 2

Scope 2 emissions represent the dominant component of the Group's overall GHG footprint.

This reflects the energy profile of the Group's business model, with showroom and workshop facilities operating continuously across multiple service locations generating a sustained and significant electricity demand, met entirely through Kuwait's national grid.

In alignment with the increase in total electricity consumed across the Group's facilities, Scope 2 emissions increased by 15.3% year-on-year. This increase is primarily due to the Group's operational footprint during the period and an increase in throughput volumes across aftersales operations. Electricity consumption also increased due to expansion of facilities, including the growth of showroom area and number of service stations, and increases in air-conditioning equipment.

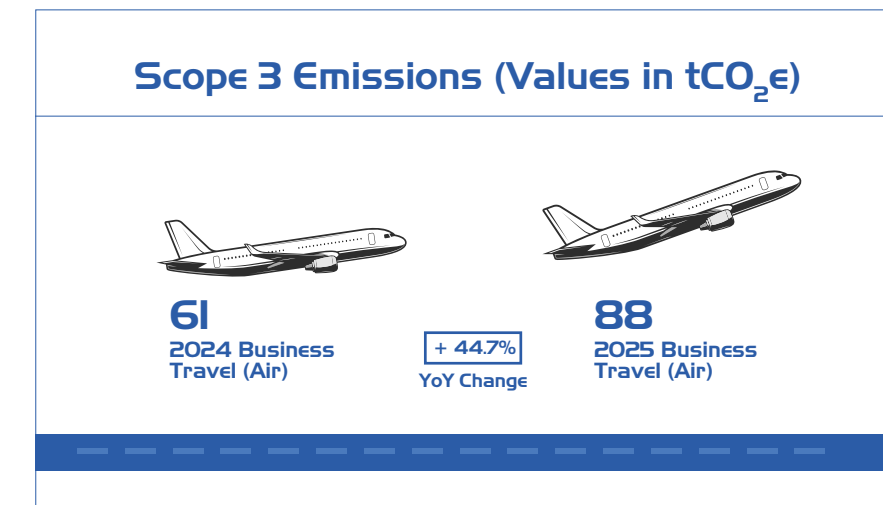


Graphic 2: Scope 2 Emissions (Boursa Kuwait Guidelines Ref: E1.2)

## GHG Emissions - Scope 3

In 2025, the Group initiated Scope 3 emissions measurement and reporting. Disclosure has been made for GHG Protocol Category 6 (Business Air Travel), covering commercial air travel undertaken by employees for business purposes including OEM principal visits, regional commercial engagements, and inter company meetings and trainings across the Group's operating markets. Travel data was sourced from the Group's centralized travel records for both reporting years.

Scope 3 emissions increased by 44.7% year-on-year reflecting a more active program of OEM engagement and regional business development activity in 2025 relative to the prior year. Notwithstanding this growth, Scope 3 business travel emissions constitute approximately 0.3% of the Group's total reported GHG footprint in both years, thereby not adversely affecting the total emission footprint of the Group.



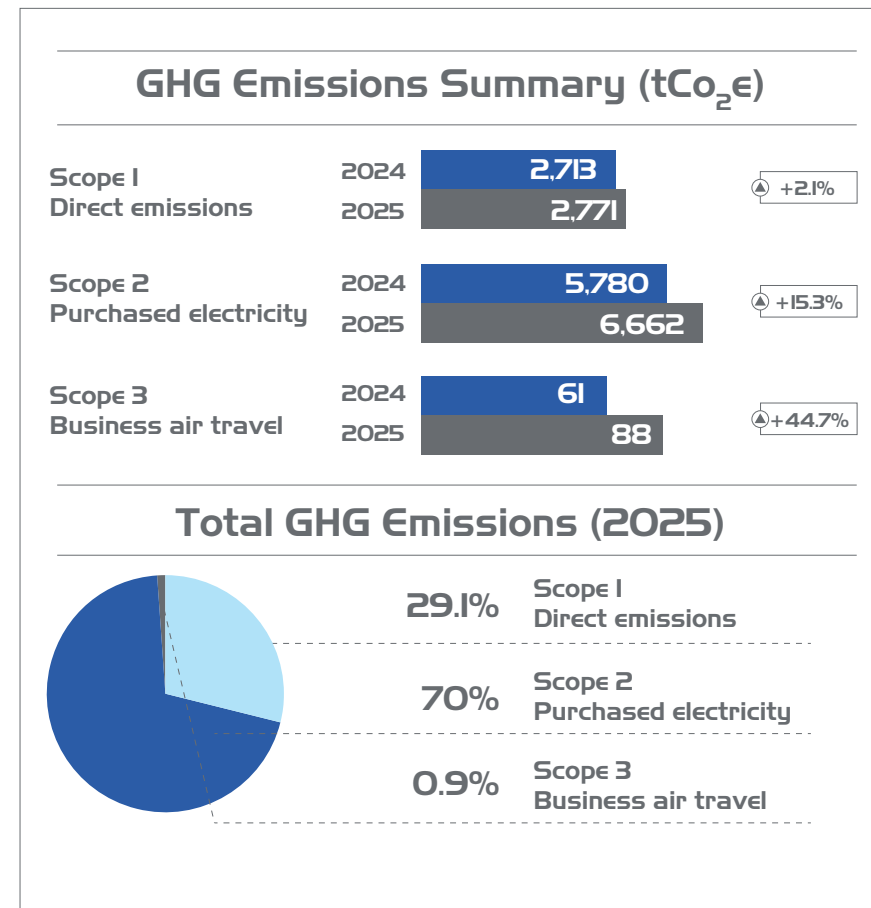
Graphic 3: Scope 3 Emissions (Boursa Kuwait Guidelines Ref: E1.3)

**E1. GHG Emissions** | GRI 305: Emissions 2016 | Kuwait Vision 2035 – Sustainable Living Environment

# GHG Emissions Summary

The overall emissions profile is heavily concentrated in the Group's electricity consumption, which reflects the structural reality of operating energy-intensive showroom and workshop facilities continuously across a network of this scale in Kuwait.

With 2024 as the comparative baseline, and 2025 as the current reporting year, the GHG emissions disclosure establishes a quantified emissions foundation from which the Group can define reduction targets, measure progress, and evaluate the impact of its environmental initiatives over successive reporting cycles.



Graphic 4: Total GHG Emissions (Borsa Kuwait Guidelines Ref: E1)

**E1. GHG Emissions** | GRI 305: Emissions 2016 | Kuwait Vision 2035 – Sustainable Living Environment

# GHG Emissions Intensity

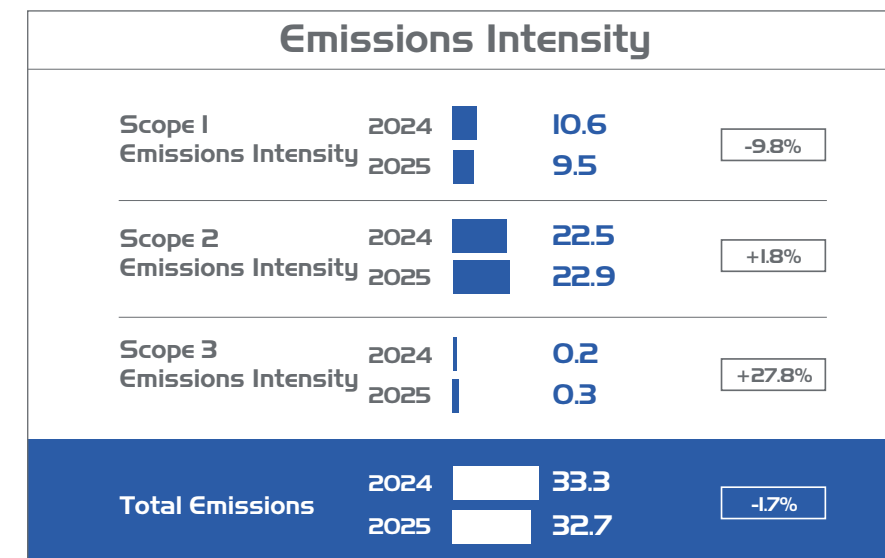
GHG emissions intensity, normalize total emissions across Scope 1, 2 and 3, against a meaningful scaling factor, in this case, the Group's total revenues, enabling a more precise assessment of whether the Group is managing its emissions footprint relative to the scale of its operations.

GHG emissions intensity per unit of revenue (KWD million) is calculated by dividing total reported GHG emissions across Scopes 1, 2 and 3 by the Group's total revenue in KWD (million) for the corresponding reporting year.

In 2025, emissions intensity trends indicate that emissions grew slower than the Group's revenue over the period (for reporting entities), primarily attributable to reduction in Scope 1 intensity, related to consumption of fuel.

- Scope 1 intensity declined from 10.0 to 9.5 tCO<sub>2</sub>e per unit revenue (-9.8%), reflecting improvement in fleet efficiency relative to revenue growth.
- Scope 2 intensity increased marginally from 22.5 to 22.9 tCO<sub>2</sub>e per unit revenue (+1.8%), consistent with the operations at the Group's facilities.
- Scope 3 intensity increased from 0.2 to 0.3 tCO<sub>2</sub>e per unit revenue (+27.8%), though this remains operationally immaterial in absolute terms.

**E2. - Emissions Intensity** | GRI 305: Emissions 2016 | Kuwait Vision 2035 - Sustainable Living Environment



Graphic 5: GHG Emission Intensity (Borsa Kuwait Guidelines Ref: E2.1)

Note: Emission intensity is calculated as total emissions per unit of revenue (KWD millions). The revenue number corresponds to the in-scope entities for which the absolute consumption is being reported.



# Energy Consumption



## Direct Energy

Direct energy consumption covers petrol and diesel used across the Group's operational vehicle fleet, fueling of vehicles prior to customer delivery and combusted in stationary generator assets across all four reporting entities. Fuel consumption data is converted to gigajoules (GJ) using net calorific values.

Total direct energy consumption increased by 2.0% year-on-year, from 38,222 GJ in 2024 to 38,988 GJ in 2025.

Petrol accounts for 84.4% of direct energy in 2025 and declined marginally by 1.0% reflecting more efficient consumption, Diesel grew by 22.3% on the other hand, reflecting in alignment with the operational activities during the year, primarily from increased inter-facility vehicle and staff transportation.

**E3. - Energy Usage** | GRI 302 – Energy | Kuwait Vision 2035 – Sustainable Living Environment

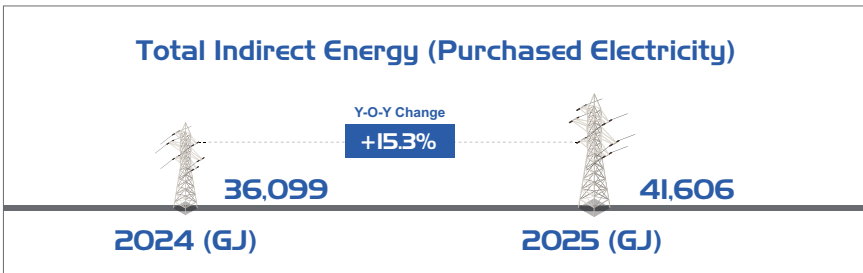
Direct Energy Consumption				
<b>Petrol (Operational Fleet)</b> 	2024 (GJ)	<b>33,246</b>	-1.0%	
	2025 (GJ)	<b>32,901</b>		
<b>Diesel (Fleet and Stationary Combustion)</b> 	2024 (GJ)	<b>4,977</b>	+22.3%	
	2025 (GJ)	<b>6,087</b>		
<b>Total Direct Energy</b>	2024 (GJ)	<b>38,223</b>	+2.0%	
	2025 (GJ)	<b>38,988</b>		

Graphic 6: Direct Energy Consumption (Boursa Kuwait Guidelines Ref: E3.1)

## Indirect Energy

Indirect energy covers electricity purchased from Kuwait's national grid across the Group's showroom, workshops and service centers, warehousing, and administrative facilities, converted to gigajoules. Indirect energy consumption grew by 15.3% in 2025, being the primary driver of total energy growth.

The increase in indirect energy consumption is attributable to a notable increase in vehicle throughput in aftersales facilities, and an expanded scope of operations through increased showroom area, increased servicing facilities, and addition of air-conditioning equipment.



Graphic 7: Indirect Energy Consumption (Boursa Kuwait Guidelines Ref: E3.2)

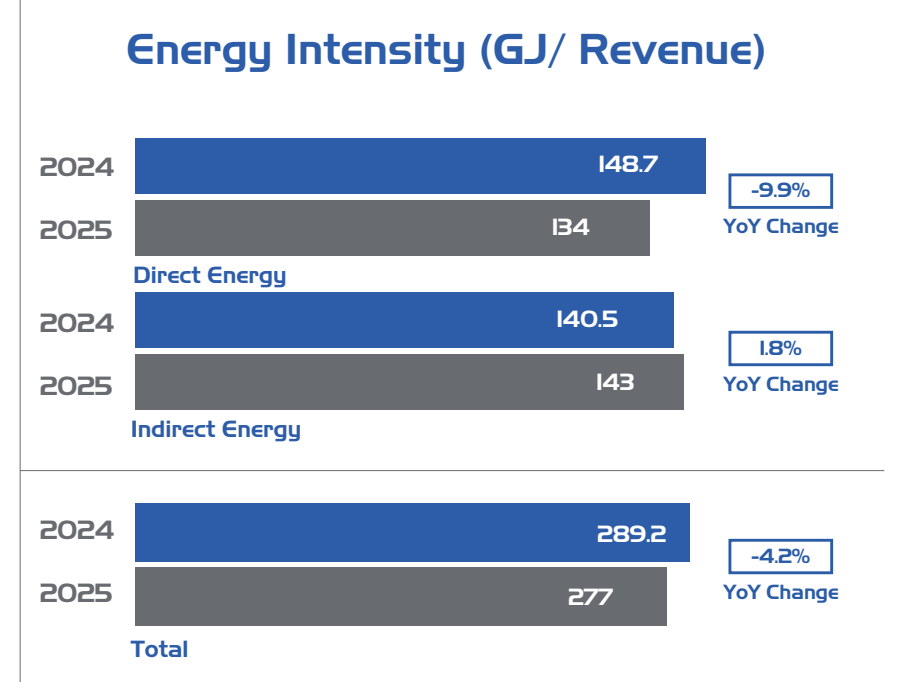


## Energy Intensity

Energy intensity is calculated as total energy consumption (in GJ) divided by revenue in KWD millions. This ratio normalizes energy use against business output and enables year-on-year comparability independent of operational scale. Total energy intensity decreased by 4.2% on a year-on-year basis.

The improvement was driven primarily by a 9.9% decline in direct energy intensity, reflecting better management of fuel consumption relative to operational expansion. Indirect energy intensity rose marginally by 1.8%, largely attributable to electricity consumption linked to expanded operations.

**E4. – Energy Intensity** | GRI 302 - Energy | Kuwait Vision 2035 - Sustainable Living Environment



Graphic 8: Energy Intensity (Boursa Kuwait Guidelines Ref: E4.1)

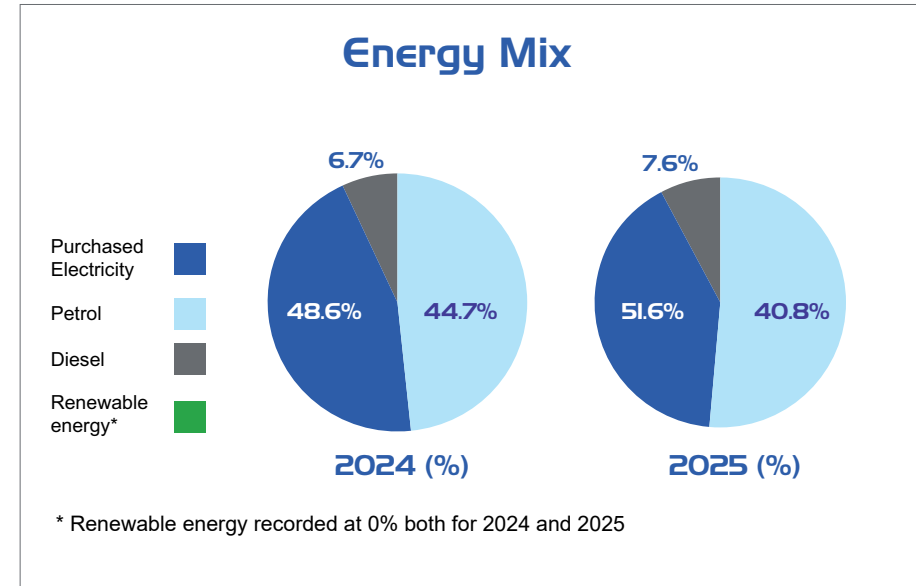
## Energy Mix

The Group's energy consumption is drawn from two source categories: purchased electricity supplied through Kuwait's national grid, and fuels, petrol and diesel, combusted directly across the operational fleet.

No renewable energy sources were consumed within the reporting boundary in either year, and no on-site generation capacity was in operation during the reporting period.

Energy mix reflects consumption within the Group's operational boundary in Kuwait. Purchased electricity and petrol constituted a major proportion of the total energy profile.

**E5. – Energy Mix** | GRI 302-1 | Kuwait Vision 2035 - Living Environment



Graphic 9: Energy Mix (Boursa Kuwait Guidelines Ref: E5)

# Water

## Water Consumption

Water consumption across the Group's operations arises primarily from vehicle washing, workshop cooling, maintenance activities, and facility sanitation.

AAS, which operates the largest share of the Group's service center network, accounts for 82% of total water consumption in 2025. This includes the water consumption by ALG and MAKFM, located in the same premises. Al Ahlia accounts for the remaining 18%, reflecting the water demands of its heavy vehicle workshop operations.

Total water consumption increased by 57.8% year-on-year, in 2025, broadly consistent with the service center capacity and notable increase in vehicle throughput volumes during the period. The feasibility of water-efficient washing systems and closed-loop water reclamation at high-throughput service locations is an identified consideration for future operational planning.

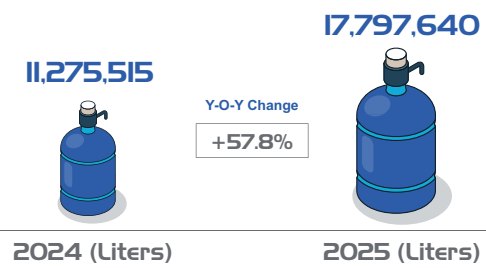
## Water Reclamation

No water reclamation or recycling systems were in operation within the Group's reporting boundary during the 2024 or 2025 reporting periods.

All wastewater generated through vehicle washing and workshop operations is discharged through the municipal sewerage network in accordance with applicable local regulations.

**E6. – Water Usage** | GRI 303: Water and Effluents | Kuwait Vision 2035 - Living Environment

### Water Consumption



Graphic 10: Water Consumption (Boursa Kuwait Guidelines Ref: E6.1)



# Sustainable Operations

## Environmental Policy

The Group is ISO 14001:2015 certified for Environment Management Systems, which requires the organization to integrate environmental considerations into strategic planning and day-to-day operations.

This is a globally recognized standard that embeds structured environmental governance across operations, including systematic identification and management of environmental aspects and impacts, defined objectives and targets with performance monitoring, a continual improvement mandate, and clear accountability for environmental compliance.

Complementing this, the Facilities function plays an active operational role through ongoing monitoring and measurement of energy consumption, emissions, and resource usage across sites, ensuring that environmental performance is tracked, reviewed, and acted upon at the operational level on a continuous basis. Together, these mechanisms provide a functional and rigorous foundation for environmental oversight, as a dedicated policy instrument.

**E7. – Environmental Operations** | GRI 2: General Disclosures | Kuwait Vision 2035 - Sustainable Living Environment





## Waste, Water, Energy, and Recycling Policies

The Group maintains a set of defined operational practices to manage its material environmental impact categories, implemented through its Environmental Management System (EMS) certified to ISO 14001:2015. This framework supports the identification, control, and monitoring of environmental aspects across its operations.

In relation to waste management, workshop waste streams, including used engine oil, lubricants, filters, tires, and lead-acid batteries, are segregated at source and handled through licensed contractors in accordance with Kuwait's regulatory requirements for hazardous waste.

Used oil is directed to a dedicated recycling facility as part of the Group's waste handling practices. In addition, a general waste recycling program was initiated at principal showroom facilities in June 2025, aimed at diverting operational waste from landfills toward recycling processes. This initiative forms part of the Group's broader approach to managing waste streams in line with its EMS requirements.

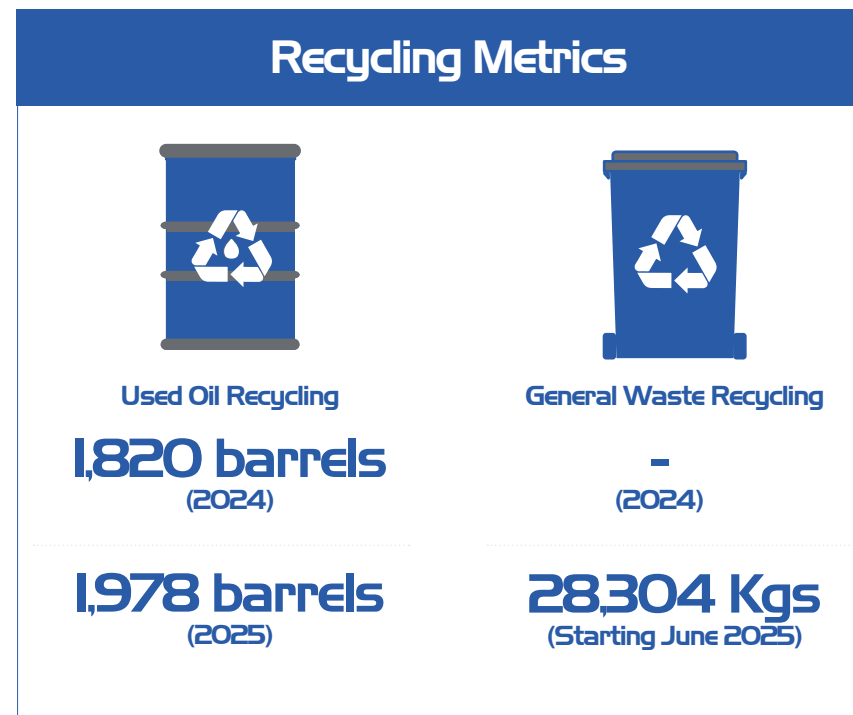
In relation to energy management, the Group is actively implementing an efficiency program across its facilities, encompassing the upgrade of climate control and air handling equipment, air leakage sealing, and the progressive replacement of conventional lighting with energy-efficient alternatives.

These practices are embedded within the Group's broader environmental governance framework and are subject to the oversight and continuous improvement requirements of a certified Environmental Management System, reflecting the Group's commitment to structured and accountable environmental stewardship.

**E7. – Environmental Operations** | GRI 306: Waste | Kuwait Vision 2035 - Sustainable Living Environment

Waste	2024 (Kgs)	2025 (Kgs)
Waste Generation	325,000	355,000

Table 11: Waste (Boursa Kuwait Guidelines Ref: E7.2)



## Recognised Energy Management System

Energy management is addressed within the scope of the Group's Environmental Management System (EMS), certified to ISO 14001:2015. Energy consumption is treated as a key environmental aspect within the EMS framework.

By virtue of this certification, a structured approach is in place, encompassing the following elements:

- **Environmental Aspect Identification:** Systematic identification and assessment of significant environmental aspects and impacts across operations, including energy consumption as a key input.
- **Legal and Regulatory Compliance:** Ongoing monitoring of applicable environmental laws and regulatory requirements to support compliance.
- **Operational Controls:** Documented procedures governing activities associated with significant environmental aspects, supporting consistency and accountability in execution.
- **Monitoring and Measurement:** Structured tracking of resource consumption, including energy use, as well as emissions and waste data, enabling performance review and supporting continual improvement.

# Oversight: Climate Issues

## Board/ Management level oversight on climate-related risks

The Group considers climate-related matters within its broader inventory of operational and regulatory risks, to the extent that they are material to its business activities and operating environment. Given Kuwait's geographic and climatic context, including heat, water, and energy considerations, physical climate factors are monitored as part of the Group's ongoing environmental management process.

Climate-related considerations are assessed within the Group's existing risk framework but do not currently constitute a separately defined risk category. Where climate-related factors intersect with regulatory obligations, including developments arising from Kuwait's nationally determined contributions under the Paris Agreement and requirements under Kuwait's Environmental Protection Law, these are tracked through the Group's compliance monitoring processes.

At the Board level, climate-related risks are considered within the broader purview of operational risk oversight and long-term value creation. The Group recognises the growing expectation among investors, regulators, and reporting frameworks for more formalized climate risk disclosure, and acknowledges that developing a structured approach to climate risk identification and reporting represents an area of progressive development for future reporting cycles.

**E8. – Climate Oversight** | GRI 102: General Disclosures | Kuwait Vision 2035 — Living Environment



# Oversight: Sustainability Issues

## Board/ Management level oversight on sustainability-related risks

The Group's management team holds operational responsibility for the identification, monitoring, and management of sustainability-related issues within the scope of its business activities. This includes the integration of environmental considerations into operational decision-making and risk management processes. This approach is supported by the Group's EMS, which provides a structured framework for identifying environmental aspects, assessing associated impacts, establishing environmental objectives, and monitoring performance across the entities within the reporting boundary.

While the EMS supports the management of environmental risks at the operational level, overall oversight of sustainability-related risks remains within the Group's broader governance and risk management structure.

Facilities management functions within each operating entity; ALG, AAS, MAKFM, and Al Ahlia, carry day-to-day accountability for environmental compliance and resource consumption monitoring, with data consolidated at the Group level for the purposes of this disclosure.

Material environmental performance matters, including significant deviations from operational targets or compliance obligations, are subject to escalation through the management review process required under ISO 14001:2015.

At the Board level, environmental sustainability is considered as a component of the Group's broader governance responsibilities, particularly in the context of the Group's obligations as a publicly listed company on Boursa Kuwait and its commitment to progressive improvement in ESG disclosure quality.

While a dedicated Board-level sustainability committee has not been established in the current reporting period, environmental performance is within the purview of the Board's oversight of operational risk and long-term value creation, particularly as part of the Board Risk Management Committee's mandate.

The Group recognizes that strengthening Board-level environmental oversight, including defined responsibilities and structured reporting mechanisms, represents an area of governance development for future reporting cycles.





**Empowering  
everyone**



**As one of Kuwait's largest automotive groups, employing over 1,300 people across four operating entities and multiple service locations, the Group occupies a position of meaningful social consequence.**



#### **Towards An Inclusive Society**

The relationship between a business and the society in which it operates is fundamental to sustainable growth. This spans, including the safety conditions maintained across operations, in the technical capabilities developed through structured workforce training, and a workforce composition that reflects national labour market priorities.

For the Group, the workforce composition and well-being is closely integrated with our operational performance. As one of Kuwait's largest automotive groups, employing over 1,300 people across four operating entities and multiple service locations, the Group occupies a position of meaningful social consequence. Key decisions about recruitment, workforce learning and development, occupational safety, and economic conduct as a responsible commercial entity in Kuwait's economy, are important considerations for driving an inclusive and comprehensive social impact.

Underpinning each of these decisions is a governance structure built around three formal policy frameworks: an HR

Policy governing the full employment lifecycle, a Health and Safety Policy establishing the Group's obligations to its technical workforce, and a Kuwaitization Policy formalizing the Group's commitment to national employment development. Together, these instruments provide the common standard against which all our operational entities are held.

#### **Our Workforce – A Central Pillar**

The Group's commercial performance is closely linked to the talent and caliber of our people. Workshop technicians certified to OEM standards, sales and support personnel fluent in the technical and experiential distinctions between the brands they represent, and aftersales coordinators managing Kuwait's prestigious automotive clientele represent a niche talent pool, that drives the growth of our business.

In this context, our human capital requires investment, retention, and structured development to sustain. Human resources management across the Group is governed by a comprehensive HR Policy framework that covers the full employment

lifecycle from recruitment and onboarding through attendance and leave management, business travel, talent development, compensation and benefits, and employee separation. This framework ensures that the terms and conditions of employment are applied consistently across all four operating entities, and that employees at all levels have access to clearly defined benefits and processes.

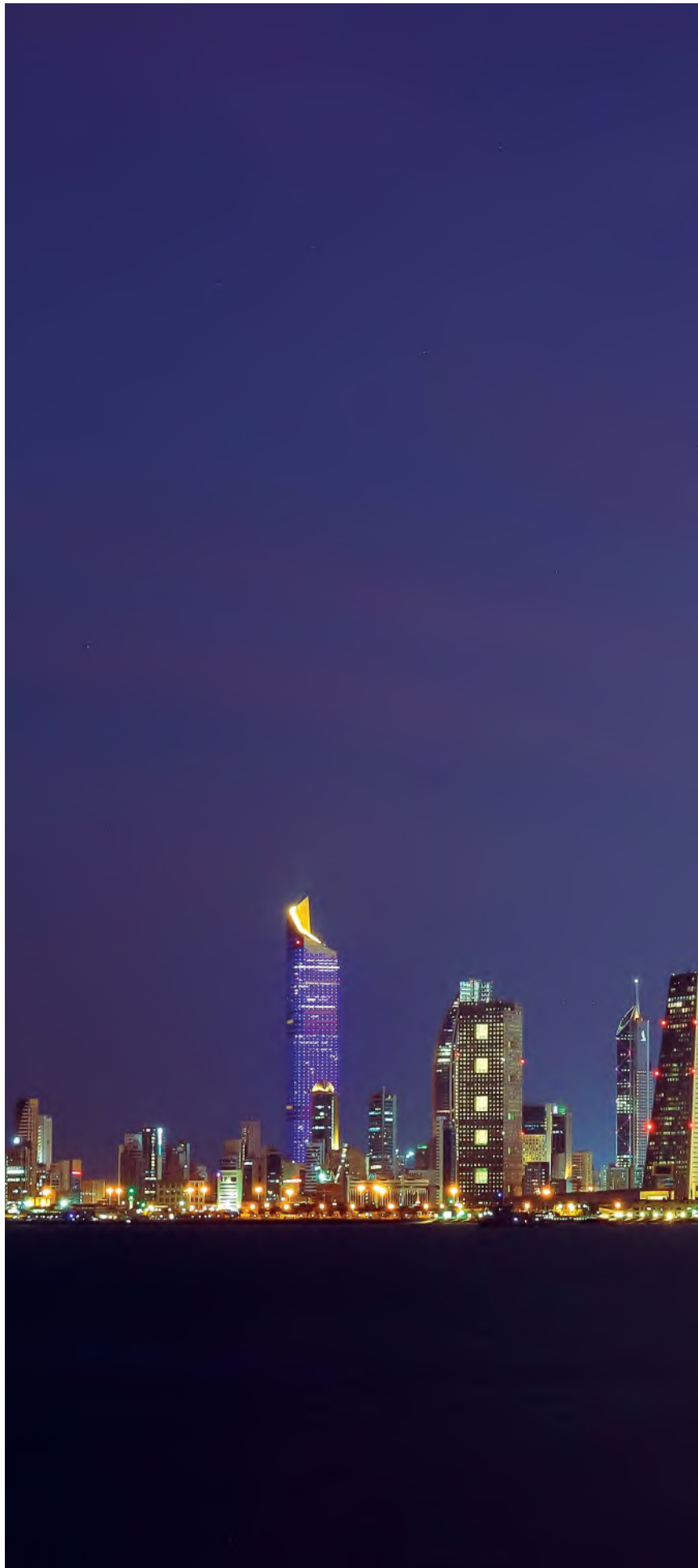
#### **Operating Responsibly**

Workshop and service center environments carry inherent occupational risk. Chemical exposure, heavy equipment operation, vehicle movement within confined service bays, and manual handling are important considerations for the Group's technical workforce.

Managing these conditions responsibly is both a legal obligation and a core management responsibility, addressed through a dedicated Health and Safety Policy establishing consistent standards across all workshop and service operations.

The Group considers occupational safety within its operational design, addressed through facility protocols, equipment maintenance standards, personal protective equipment requirements, and the externally imposed safety rules of OEM principals.

Routine safety oversight sits with operational management at each entity, with defined escalation pathways for significant incidents or systemic concerns.



### Investing in Kuwait

The Group's most direct contribution to Kuwaiti society is economic. As a significant private sector employer and authorized representative of major automotive brands, the Group generates employment, income, and commercial activity that extends across supply chains, communities, and the broader consumer economy.

National employment is a priority, formalized through a dedicated Kuwaitization Policy governing targeted recruitment, structured onboarding, and career development pathways for Kuwaiti nationals.

This commitment aligns directly with Kuwait Vision 2035, which identifies human capital development, private sector employment growth, and the advancement of Kuwaitization as central pillars of the country's economic transition, and to which the Group's workforce practices, training programs, and employment policies contribute in a tangible and measurable way.

At the international level, the Group's social performance is aligned with four Sustainable Development Goals most directly relevant to its scale and operational context: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities).

### Social - Oversight & Authorities

Key matters under the Group's Social pillar are managed through a layered oversight structure connecting Board-level accountability with executive responsibility at the management level.

The Board's role is grounded in its responsibility for long-term value creation, a mandate that is closely linked to the quality, safety, and development of the Group's product profile and its workforce. The effective oversight of social topics ensures that the Group's initiatives are subject to appropriate prioritization, scrutiny, and validation at the highest level of governance.

The Board is supported by dedicated Board Committees to deliver oversight in relation to specific matters. ESG matters are overseen by the Risk Management Committee. This encompasses workforce composition, human capital strategy, occupational safety, labour practices, and community-related considerations, to the extent that these carry implications for the Group's overall risk profile and long-term sustainability.

### Functional Management – A Group-Wide Approach

The Group manages its social responsibilities through a set of functions that operate at Group-level while interfacing directly with each of the four operating entities; ALG, AAS, MAKFM, and Al Ahlia. This structure ensures that common standards are applied consistently across business lines with materially different operational profiles, while preserving the flexibility for each entity to address the specific workforce and safety conditions of its operations.

The HR function carries primary responsibility for workforce management across the Group, overseeing recruitment, onboarding, talent development, compensation and benefits, attendance and leave administration, and employee separation.

HR operates as the institutional custodian of the Group's employment framework, translating policy commitments into consistent day-to-day practice across a workforce of over 1,300 employees.

Occupational health and safety oversight is embedded within operational management at each entity. This reflects the nature of the Group's

business, where safety is an important priority within workshop and service center operations.

This is further strengthened by the externally imposed safety requirements of OEM principals.

Customer service quality, while primarily a commercial function, carries social relevance in the context of the Group's product safety and customer experience obligations.

Customer-facing standards are managed within each entity's commercial operations, guided by OEM brand requirements that define minimum service quality, technical competence, and customer handling standards across all authorized dealership and service environments.



## Policy Framework

The Group maintains a comprehensive policy framework that governs various aspects of its Social considerations including workforce, health & safety and nationalization.

### QHSE Policy - The Operational Backbone

The Group's Quality, Health, Safety and Environment Policy is the primary instrument governing operational standards across its workshop, showroom, and service center environments. It establishes the Group's commitments across four interrelated priorities - product and service quality, health and well-being, operational safety, and environmental responsibility.

### HR Policy - Governing the Employment Lifecycle

The HR Policy provides the governance framework for the full employment lifecycle, covering recruitment and onboarding, attendance and leave, business travel, talent management, compensation and benefits, and employee separation. It ensures consistent application of employment standards across all the entities, grounded in Kuwait's Labour Law requirements.

### Kuwaitization Policy - A National Commitment

The Kuwaitization Policy formalizes the Group's commitment to the employment and development of Kuwaiti national talent, designed to make private sector automotive careers a viable and attractive proposition for Kuwaiti nationals, in support of Kuwait Vision 2035's private sector employment objectives.

# Social Snapshot

## Remuneration

### Gender Pay Ratio

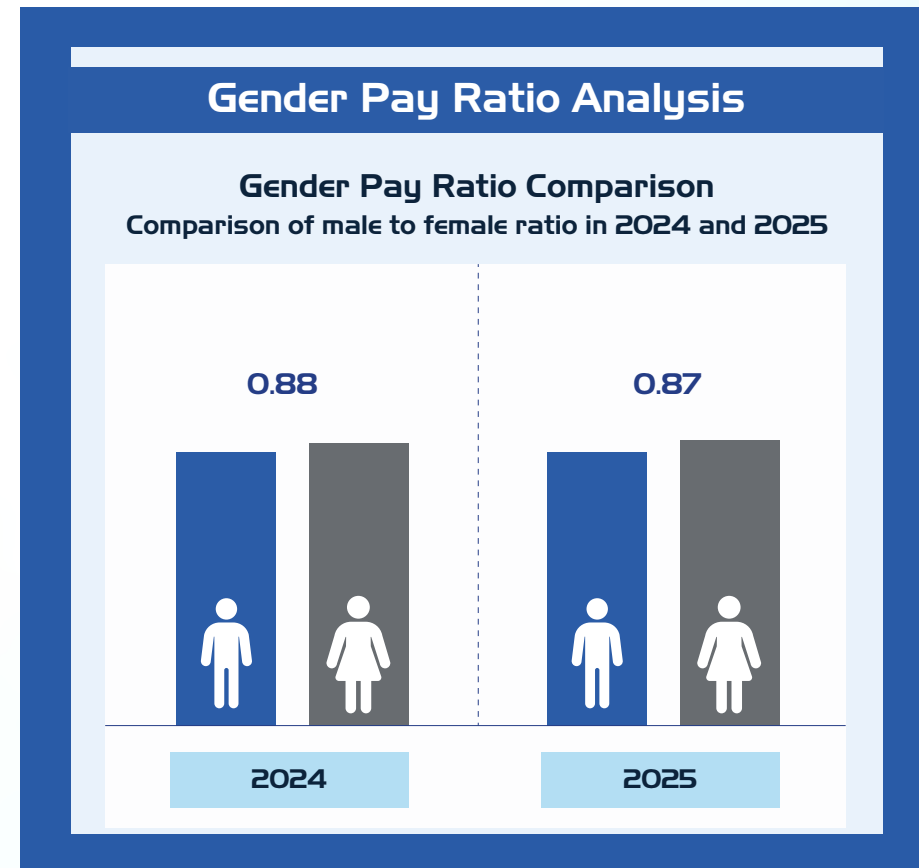
The gender pay ratio is calculated as the median compensation of male employees relative to the median compensation of female employees. Compensation figures are expressed in Kuwaiti Dinars (KWD) and reflect total monthly remuneration.

The Group's gender pay ratio stood at 0.87 in 2025, compared to 0.88 in 2024 representing a marginal shift within the period.

Variations in the gender pay ratio across the Group primarily reflect differences in workforce composition and the distribution of employees across job families. Male employees are more commonly represented in workshop and technical functions, while female employees are predominantly employed in administrative, customer service, and corporate support service roles. These functions are associated with different job grading structures and market-aligned compensation ranges, which influence median pay outcomes at the entity level.

The Group uses the gender pay ratio as an analytical indicator to support workforce planning and to identify areas where occupational distribution by gender is more pronounced, informing future initiatives to broaden representation across functions and job levels.

**S1. Gender Pay Ratio** | GRI 405: Diversity & Equal Opportunity 2016 | Kuwait Vision 2035 — Human Capital



Graphic 12: Gender Pay Ratio (Boursa Kuwait Guidelines Ref: S1)

**Note:** Gender pay ratio expressed as median male monthly compensation divided by median female monthly compensation. The aggregate number includes all the reporting entities.





### Employee Turnover (Full-Time Employees)

Employee turnover is calculated as the number of employee departures during the reporting period divided by total FTE headcount, expressed as a percentage. The Group's workforce is composed entirely of full-time employees; part-time employment and contractor arrangements do not form a material component of the Group's workforce structure.

The Group's overall turnover rate declined marginally from 10.3% in 2024 to 9.9% in 2025, a directionally positive trend that reflects improving workforce stability across the Group's operating entities. In the context of Kuwait's private sector labour market, where employee mobility across the automotive and services sectors is a structural characteristic, a turnover rate at this level does not indicate systemic retention challenges.

#### S2. Employee Turnover | GRI 401: Employment 2016

The Group added 178 new employees in 2024 and 166 in 2025, generating net workforce growth of 47 and 36 employees respectively, confirming that hiring activity outpaced attrition in both years.

The gender profile of turnover is heavily weighted toward male employees at 87.8% of total leavers in 2024 and 93.8% in 2025, a direct reflection of the male-majority composition of the Group's technical and workshop workforce, which constitutes the largest occupational category by headcount. Female attrition declined from 16 to 8 employees year-on-year, indicating improving retention among the Group's female workforce.

By age group, the 30-50 cohort accounts for the majority of departures in both years at approximately 65%, consistent with its representation as the largest segment of the workforce. The marginal increase in under-30 turnover

from 20.6% to 23.8% is an area the Group will monitor, as early-career retention is particularly relevant to the sustainability of the OEM certification pipeline.

New hire activity reflects a consistent profile across both years, 93% male, with the 30-50 age group representing the largest share of recruitment activity. Under-30 hiring remained stable at 75 employees in both years, supporting the Group's entry-level talent pipeline.

Employee Turnover	2024	2025
Net Workforce Change	+47	+36
Turnover Rate	10.3%	9.9%

Employee Turnover	2024	2025
Total New Hires	178	166
<b>By Gender</b>		
Male	166	154
Female	12	12

Employee Turnover	2024	2025
Total New Hires	178	166
<b>By Age-Group</b>		
Under 30	75	75
30 - 50	95	88
Above 50	8	3

Employee Turnover	2024	2025
Total Leavers	131	130
<b>By Gender</b>		
Male	115	122
Female	16	8

Employee Turnover	2024	2025
Total Leavers	131	130
<b>By Age-Group</b>		
Under 30	27	31
30 - 50	89	85
Above 50	15	14

Table 13: Employee Turnover (Boursa Kuwait Guidelines Ref: S2.1)

Note: Turnover rate calculated as total leavers divided by total FTE headcount as at 31 December of each reporting year.



## Workforce and Gender Diversity

### Overall Composition by Gender

The Group's workforce composition is presented by gender and age, for an effective assessment of the operational realities, and sectoral relevance. The Group's workforce includes a higher representation of male employees for workshop and technical roles, which constitute the largest occupational category.

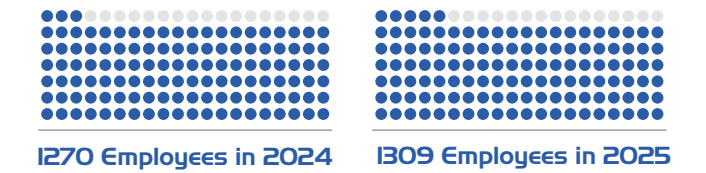
The Group's overall gender split of 91.3% male and 8.7% female has remained stable across both reporting years. Female headcount grew in absolute terms from 110 to 114 employees year-on-year, while the overall workforce expanded by 36 employees, meaning female representation was maintained at constant proportions even as the Group grew.

AAS accounts for the largest share of female employment, reflecting the broader range of commercial, customer service, and administrative roles within its operations relative to the more technically concentrated profiles of AI Ahlia and MAKFM.

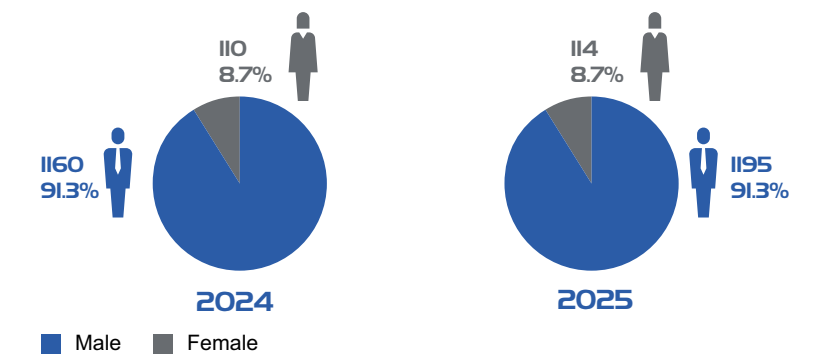
By age group, the workforce profile is broadly stable, The 30-50 cohort represents approximately 68% of total headcount in both years, the under-30 cohort 18.3%, and the over-50 cohort declining marginally from 13.9% to 13.5%, reflecting natural workforce evolution.

**S3. Gender Diversity** | GRI 102: General Disclosures 2016; GRI 405: Diversity and Equal Opportunity 2016 | Kuwait Vision 2035 — Human Capital

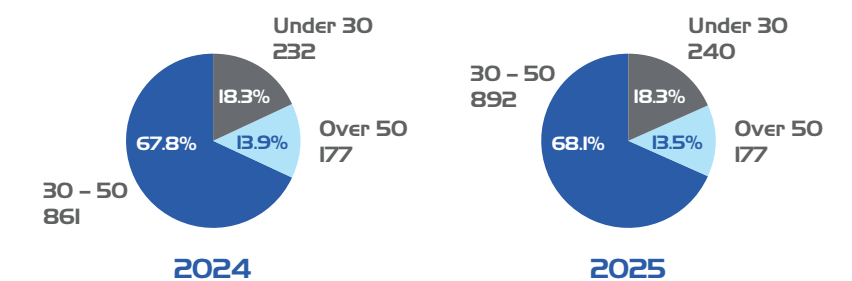
### Employee Composition



### Employee Composition - Gender



### Employee Composition - Age Group



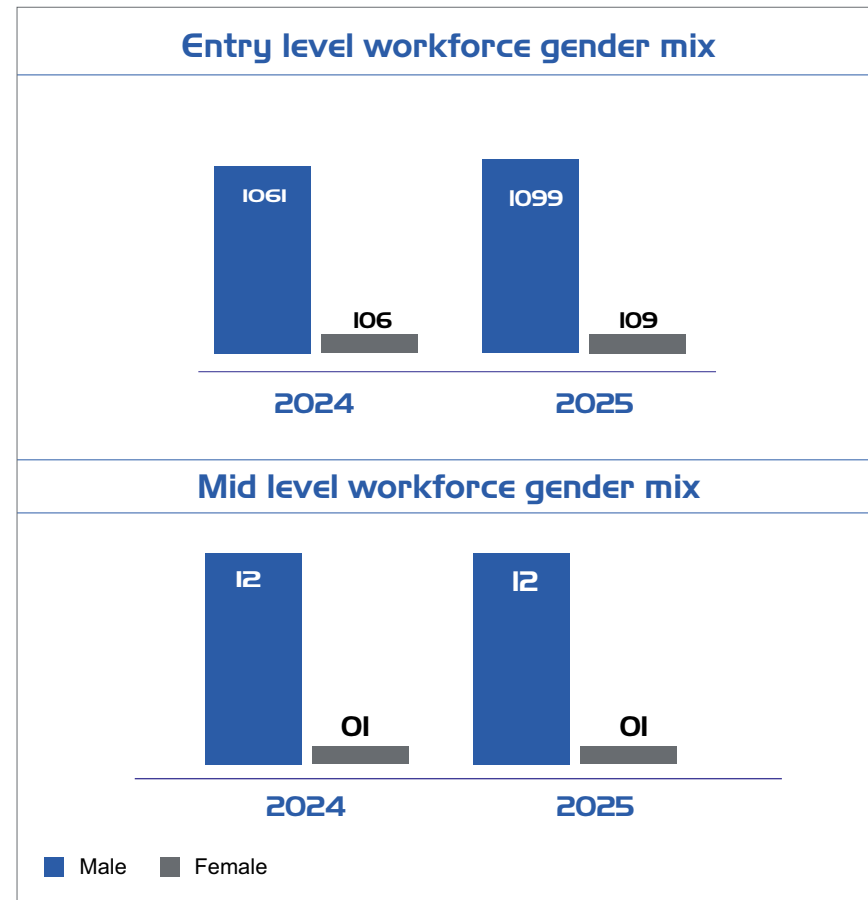
Graphic 14: Total Enterprise Headcount by Gender (Bursa Kuwait Guidelines Ref: S3.1)

**S3. Gender Diversity** | GRI 102: General Disclosures 2016; GRI 405: Diversity and Equal Opportunity 2016 | Kuwait Vision 2035 — Human Capital

### Entry & Mid-Level Workforce Composition by Gender

Entry and mid-level roles constitute 93.3% of the Group's total workforce in 2025, reflecting the operational nature of the business, where the majority of employees are engaged in technical, customer-facing, and administrative functions rather than management.

Female headcount in entry-level roles increased from 106 to 109, a positive retention signal at the early career levels in the organization.



Graphic 15: Entry- and Mid- Level Enterprise Headcount by Gender (Boursa Kuwait Guidelines Ref: S3.2)

### Senior and Executive-Level Positions by Gender

Senior and executive-level roles combined represent 6.8% of the Group's total workforce. Female representation at the executive level, while modest in absolute terms, improved in 2025, where female headcount doubled from one to two individuals. While the absolute numbers remain small, the directional trend is positive and reflects the Group's commitment to creating pathways for female advancement into senior roles.

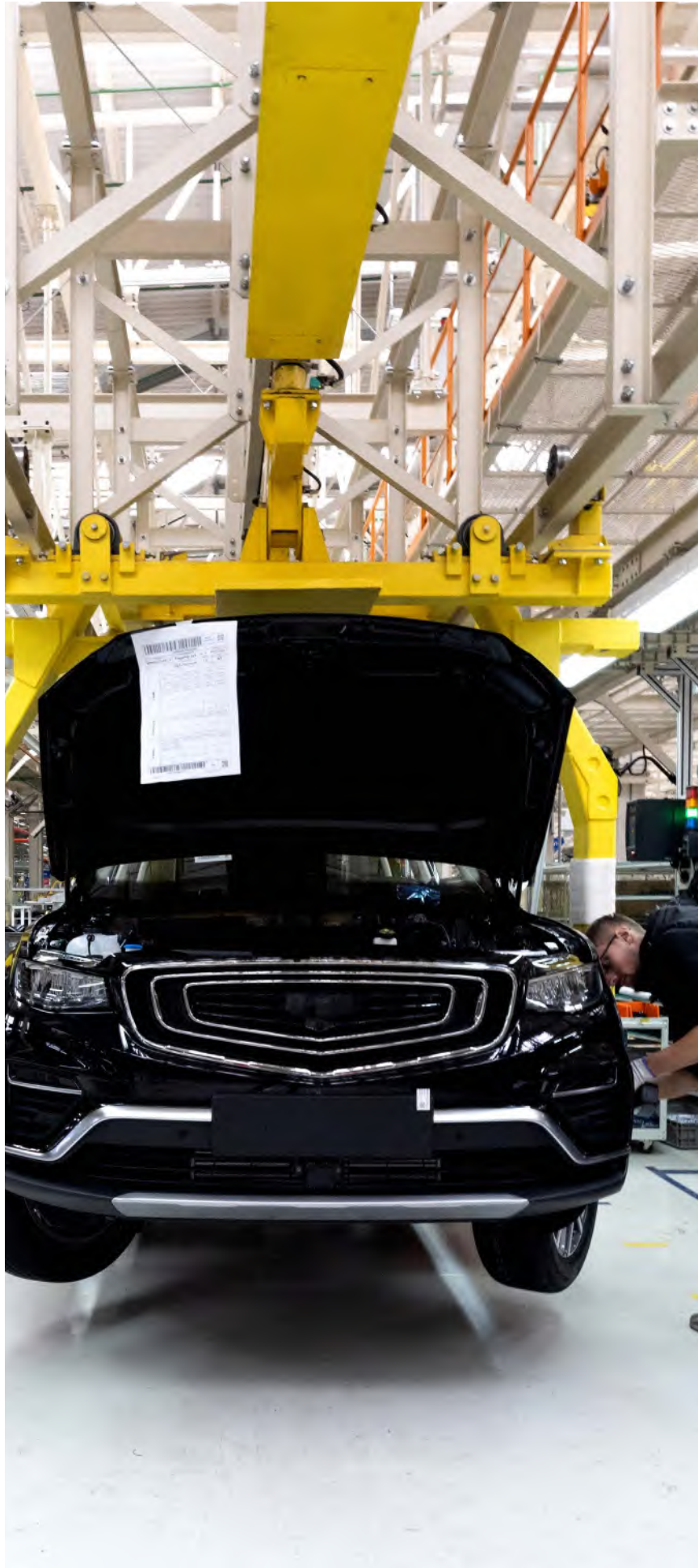
The Group acknowledges that meaningful progress on senior-level gender diversity is a medium to long-term endeavour in the context of the automotive sector's structural workforce composition, and one that requires sustained effort in talent identification, development, and retention.

*Note: Leadership is not considered as a part of the total workforce and has not been included as part of the calculation.*

Gender	2024	2024 (%)	2025	2025 (%)
Leadership - Male	17	1.3%	16	1.2%
Leadership - Female	1	0.1%	1	0.1%
Leadership - Total	18	1.4%	18	1.3%
Senior Level - Male	72	5.7%	70	5.3%
Senior Level - Female	2	0.2%	2	0.2%
Senior Level - Total	74	5.9%	72	5.5%
Executive Level - Male	15	1.2%	14	1.1%
Executive Level - Female	1	0.1%	2	0.2%
<b>Executive level - Total</b>	<b>16</b>	<b>1.3%</b>	<b>16</b>	<b>1.3%</b>

Table 16: Leadership, Senior and Executive Level Enterprise Headcount by Gender (Boursa Kuwait Guidelines Ref: S3.3)





## Workplace Equality

### Non-Discrimination

The Group does not maintain a standalone non-discrimination or sexual harassment policy in the current reporting period, however, non-discrimination principles are embedded within the Group's HR Policy, which governs recruitment, selection, employment terms, and workplace conduct across all four operating entities.

The HR Policy establishes consistent standards for fair treatment across the workforce, ensuring that employment decisions, including hiring, promotion, compensation, and separation, are made on the basis of merit, qualifications, and operational requirements rather than personal characteristics. The Policy also prohibits instances of misconduct including sexual harassment, and bullying. The Group's non-discrimination commitments are further aligned with Kuwait's Labour Law No. 6 of 2010 and its amendments, which provide the statutory framework governing employment rights and workplace conduct in the private sector.

The Group's employment practices are designed to comply fully with applicable legal requirements and to uphold the dignity and equal treatment of all employees regardless of gender, nationality, or background, consistent with the diverse, multinational composition of its workforce. The Policy includes appropriate remediation measures to ensure that any instance of discrimination is reported and thoroughly investigated. No incidents of discrimination were recorded or reported across the Group's operations during the current (FY 2025) and prior (FY 2024) reporting periods.

**S5. Non-Discrimination** | GRI 405: Diversity and Equal Opportunity 2016 | Kuwait Vision 2035 — Human Capital

## Workforce Health and Safety

### Injury Rate

The Group's workshop and service center environments present a defined occupational risk profile, encompassing chemical exposure, operation of hydraulic vehicle lifts, manual handling of heavy components, and vehicle movement within confined service bays.

Managing these risks responsibly is a core operational responsibility, governed by the Group's QHSE Policy and reinforced by the safety standards imposed by OEM principals, as a condition of authorized distributor status. Occupational safety is also considered within the ISO 45001: 2018 framework (Occupational Health and Safety) to ensure a robust operational health and safety framework.

The Group maintains defined incident reporting and response procedures to ensure that workplace injuries and near-miss events are promptly recorded, investigated, and reviewed. Corrective and preventive actions are implemented where required, with a focus on addressing root causes and reducing the likelihood of recurrence.

Findings from incident investigations are used to reinforce existing controls, enhance training where relevant, and support continuous improvement in workplace safety practices.

Total Recordable Injuries	2024	02
	2025	01

Table 17: Injury Rate (Boursa Kuwait Guidelines Ref: S6)

*Note: Workplace health and safety incidents are reported on an absolute basis in this Report. Where the nature and scale of operations across reporting entities vary, incident rate calculations expressed per million working hours may not provide a consistent or meaningful basis for comparison. Absolute figures are considered the more appropriate disclosure methodology in this context, providing a transparent and directly interpretable account of incident occurrence across the reporting period.*

**S6. Injury Rate** | GRI 403: Occupational Health and Safety 2018 | Kuwait Vision 2035 — Human Capital

## Global Health and Safety

The Group's health and safety responsibilities span two distinct but interconnected dimensions, the occupational safety of its workforce and the product safety and service quality experience of its customers.

### Workforce Safety

The Group maintains a formal occupational health and safety framework governing its showroom and aftersales operations across all four operating entities. The QHSE Policy establishes the foundational obligations of the Group toward the physical well-being of its workforce, applying consistently across ALG, AAS, MAKFM, and Al Ahlia.

Personal protective equipment requirements, incident reporting mechanisms, and site-level operational procedures are maintained across the Group's service locations, ensuring that employees operating in technically demanding environments are protected by a defined and consistently applied safety framework.

The overall management of workforce health and safety is governed by the principles of ISO 45001:2018, to ensure standardized occupational health and safety practices across the Group.

**S7. Global Health & Safety** | GRI 403: Occupational Health and Safety  
2018 | Kuwait Vision 2035 — Human Capital

### Product Safety and Customer Experience

As an authorized dealer and aftersales service provider, the Group carries a direct responsibility for the safety and quality of the services it delivers to customers, independent of the manufacturing standards of the brands it represents.

Vehicle maintenance, repair, and inspection services carried out across the Group's workshop network must meet defined technical standards. This responsibility is taken seriously as a matter of both customer duty of care and commercial integrity.

The Group's service quality framework is embedded within its QHSE Policy, which establishes quality standards for service delivery alongside health and safety requirements, reinforcing the principle that customer safety and operational quality are inseparable. Technician competency, correct use of diagnostic equipment, adherence to service procedures, and parts quality management are the operational levers through which the Group gives effect to its product safety obligations at the dealership level.





## Ethical Workforce Principles

### Child and Forced Labour

The Group is unequivocally committed to the elimination of child and forced labour across its operations and supply chain. Employment practices across the Group are governed by the Group's HR Policy and are fully compliant with Kuwait's Labour Law No. 6 of 2010, which prohibits the employment of individuals under the age of 15 and establishes clear protections against forced or compulsory labour.

All employment within the Group is entered into voluntarily, on the basis of documented contracts that set out terms, remuneration, and working conditions in accordance with applicable legal requirements. The Group employs individuals who are above 18 years of age, which is above the permissible regulatory threshold.

The Group's supplier and contractor relationships are expected to uphold equivalent standards. Licensed contractors engaged for waste management, facility maintenance, and other operational services are required to operate in compliance with Kuwait's labour regulations, and the Group's procurement and vendor management practices incorporate this expectation as a baseline condition of engagement.

**S8. Child and Forced Labour** | GRI 408: Child Labour 2016 | Kuwait Vision 2035 — Human Capital

## Human Rights

### Human Rights

The Group's commitment to human rights is embedded within its broader employment governance framework. The HR Policy establishes the terms under which all employees are engaged, ensuring voluntary employment, documented contractual arrangements, fair remuneration, and access to clearly defined entitlements including leave, dispute resolution, and separation procedures.

These practices give operational effect to the Group's human rights obligations as an employer, grounded in Kuwait's Labour Law and the broader principles of the United Nations Global Compact to which Bursa Kuwait's ESG reporting guidelines are aligned.

The Group's human rights commitment extends to its engagement with third-party vendors and contractors, whose compliance with Kuwait's Labour Law, including protections for expatriate workers, is expected as a baseline condition of commercial engagement.

The expatriate workforce, which constitutes a significant proportion of the Group's total headcount, is afforded the same contractual protections and employment entitlements as all other employees, consistent with both legal requirements and the Group's internal standards. Grievance redressal is covered through a robust Whistleblowing mechanism, available for all employees.

**S9. Human Rights** | GRI 412: Human Rights Assessment 2016 | Kuwait Vision 2035 — Human Capital

## Supporting Local Economy

### Kuwaitization and Local Economic Contribution

The Group's contribution to Kuwait's economy extends well beyond the boundaries of its direct workforce. As one of Kuwait's largest and longest-established automotive groups with a commercial presence spanning more than six decades, the Group is a sustained and meaningful participant in the private sector economy that Kuwait Vision 2035 seeks to build and diversify.

The salaries, benefits, and career development opportunities provided to over 1,300 employees circulate directly into Kuwait's domestic economy. Procurement from local suppliers, licensed contractors, and service providers generates further economic activity across the supply chain.

The Group's position as the authorized distributor of globally recognized premium brands, means that the commercial value it creates in Kuwait is anchored in local operational capability rather than imported through intermediaries.

The Group's Kuwaitization Policy formalizes its commitment to the employment and advancement of Kuwaiti national talent, establishing targeted recruitment, structured onboarding, and career development pathways designed to make private sector automotive careers an attractive and sustainable proposition for Kuwaiti nationals.

This commitment reflects a genuine recognition that a workforce invested in Kuwait's national talent is both a social obligation and a long-term commercial asset.

Private sector employment of Kuwaiti nationals, career progression within technically demanding and globally respected organizations, and the transfer of specialized automotive knowledge to a Kuwaiti workforce are contributions to Kuwait's human capital development that carry value well beyond the reporting period in which they occur.

The Group also contributes to local economic activity through its engagement with Kuwait's broader business community, including partnerships with local fuel distributors, maintenance contractors, cleaning and facilities service providers, and logistics operators, creating and sustaining commercial relationships that support economic activity across multiple sectors of Kuwait's private economy.

**S10. Nationalization** | GRI 202: Market Presence 2016 | Kuwait Vision 2035  
— Human Capital





# Talent and Skill Development

## Workforce Training and Performance Management

The Group conducts comprehensive training activity spanning four thematic areas. The largest share was directed toward brand-specific technical and customer experience development, covering key manufacturer led programs, reflecting the Group's commitment to maintaining certified, brand-aligned service and sales competencies across its portfolio.

Health, safety, and emergency preparedness represented a second significant area, with First Aid and Safety training delivered across multiple cohorts. Leadership and strategic capability was addressed through the KFAS Strategic Leadership Programme and Simplified Strategic Training, targeting managerial and senior-level participants.

Rounding out the portfolio, emerging technology literacy was introduced through an Artificial Intelligence training program, signaling the Group's early-stage investment in future workforce readiness.

The Group maintains a structured performance review process applicable across all levels of the organization, reflecting its commitment to talent development, accountability, and continuous improvement in workforce capability.

For entry-level, mid-level, and senior management employees, the Group achieved a performance review completion rate of 100% in the reporting period, ensuring that all employees within these categories received a formal evaluation of their performance against defined objectives.

GRI 404: Training and Education | Kuwait Vision 2035 — Human Capital

Employee Training 2025	
Number of Participants	602

Average Training Hours	
Overall	16.0
Male Employees	16.6
Female Employees	10.1

Table 18: Training and Development

# Supporting Employee Well-Being

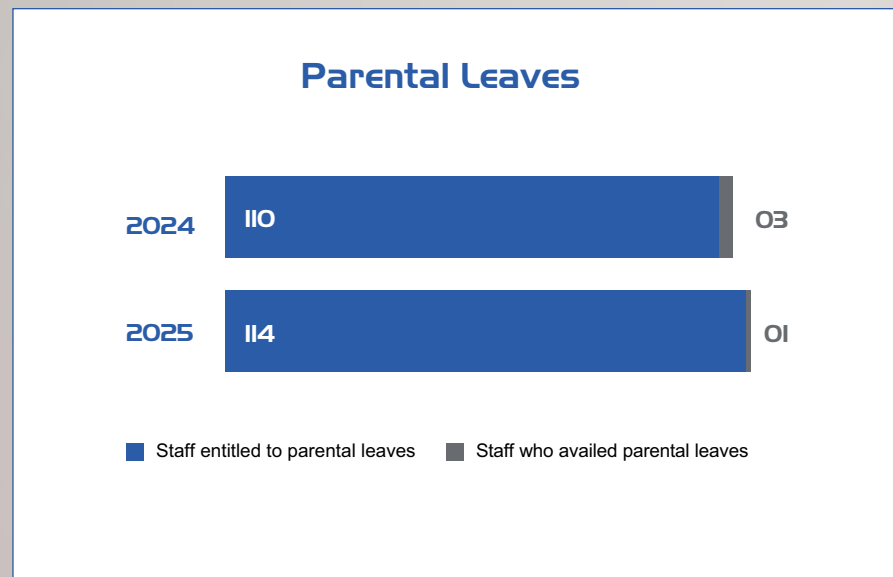
## Maternity Leave

In accordance with Kuwait's Labour Law, the Group provides maternity leave entitlements to eligible female employees, reflecting its commitment to supporting working mothers and promoting an inclusive workplace.

All female employees who meet the eligibility criteria under applicable legislation are entitled to parental leave, ensuring that the Group's practices remain fully compliant with Kuwait's statutory requirements. The Group remains committed to ensuring that all eligible employees are aware of and able to exercise their statutory entitlements in relation to paternity benefits.

In 2025, 114 female employees were entitled to parental leave. Of those entitled, 1 employee availed parental leave in 2025.

Additionally, two (2) hours of paid time is allowed for breastfeeding mothers, upon their return, for a duration mandated by the Kuwait Labour Law.



Graphic 19: Supporting Employee Well-Being – Parental Leave

Parental Leave | - GRI 405: Diversity and Equal Opportunity 2016 | Kuwait Vision 2035 — Human Capital



## Supporting Social Initiatives

The Group recognizes that its responsibilities extend beyond the immediate employment relationship to the broader communities in which it operates. In 2025, the Group's Corporate Social Responsibility (CSR) initiatives were driven with a considered obligation to direct a portion of its resources, capabilities, and organizational reach toward initiatives that create meaningful community value.

The Group's CSR initiatives in 2025 were primarily focused on three priorities: empowering youth, advancing inclusion and public health, and supporting the transition from education to employment.

Youth development initiatives included the Alghanim Padel Tournament providing a competitive sporting platform for young athletes, reinforcing the value of organized physical activity and healthy lifestyles within the local community. Alongside this, the FPL E-Sports Tournament ran on a sustained weekly cadence from September through May.

The Geely Graduation Campaign supported graduates transitioning from academic life into the workforce. The initiative supports the education-to-employment transition for youth and aligns with national priorities under Kuwait Vision 2035 around developing local talent. The accompanying Educational Support activity reinforces this commitment, contributing to learning access for beneficiaries within the community.

Health and inclusion also formed a critical component of the CSR initiatives.

**Supporting Social Initiatives** - GRI 413: Community | Kuwait Vision 2035 — Human Capital

The World Heart Day Initiative supported cardiovascular health awareness, contributing to preventive health education at a time when non-communicable diseases remain a leading public health concern across the GCC. A blood donation camp was also conducted to support emergency and preventive medical efforts.

The Group's engagement supporting People of Determination advanced its commitment to inclusion, ensuring that individuals with disabilities are recognized, and supported, within the community, in line with Kuwait's national inclusion agenda.

### Community Investments

Community Investment	2025
Monetary contribution (KWD)	29,147
Employee Volunteering	2025
Total volunteering hours	2,680

Table 20: Community Investments

Note: Employee volunteering hours are calculated based on the total number of employees engaged in volunteering and the number of hours engaged.



Geely Graduation Campaign



Geely Graduation Campaign



Blood Donation Day



Alghanim Padel Tournament



Blood Donation Day



Supporting People of Determination



Supporting People of Determination





World Heart Day



Alghanim Padel Tournament

A close-up photograph of a hand with dark skin placing a wooden block on top of a stack of seven other wooden blocks. The blocks are arranged in a staircase pattern, with each block being slightly shorter than the one below it. The background is a dark, solid color.

**Built on  
Integrity**



### Governance Philosophy

The Group places effective corporate governance at the heart of its operations, viewing it as an essential foundation for sustainable success and long-term value creation.

The Group's approach to governance is guided by a strong belief in integrity, accountability, transparency, and responsible decision-making, which together shape how the business is led and how decisions are approached across all levels of the organization.

Rather than being limited to formal processes, governance is understood as a shared responsibility and a way of thinking that influences everyday actions and long-term strategic direction.

This philosophy reflects the Group's commitment to balancing commercial objectives with responsible business conduct, ensuring that decisions are made with due consideration for shareholders, employees, customers, partners, and the wider community.

By emphasizing ethical behavior and sound judgment, the Group seeks to foster trust, credibility, and consistency

in its relationships with stakeholders, while supporting business resilience in an increasingly complex, competitive, and regulated environment.

Robust governance practices play an important role in reinforcing these principles across the organization.

Through an emphasis on clarity, oversight, and responsible conduct, the Group promotes a culture where accountability and risk awareness are embedded into daily operations rather than treated as separate considerations.

This governance-led mindset supports informed decision-making, encourages transparency, and strengthens operational discipline across financial, operational, and sustainability-related matters.

### Continuous Progress and Oversight

As a market leader in Kuwait's automotive sector and a prominent regional player, the Group operates within a comprehensive and well-defined governance framework designed to promote ethical conduct,

regulatory compliance, and effective oversight.

This framework establishes clear roles, responsibilities, and lines of accountability across the organization, supporting prudent decision-making, internal control effectiveness, and enterprise risk management. Governance structures are designed to adapt to regulatory developments and industry trends, ensuring continuous alignment with best practices.

Oversight of the governance framework is provided by ALG's Board of Directors, which plays a central role in setting strategic direction, approving policies, reviewing performance, and overseeing risk management and compliance matters. The Board ensures that management actions align with the Group's strategic objectives and governance principles, while also promoting transparency, ethical leadership, and accountability throughout the organization.

Through regular evaluations and reviews, the Group supports continuous improvement and reinforces a strong tone from the top. Through ongoing assessment and enhancement of

its governance practices, the Group remains committed to fostering a culture of responsibility, transparency, and continuous improvement.

This strong governance foundation enables the Group to anticipate and respond effectively to emerging risks, regulatory changes, and stakeholder expectations.

Ultimately, it supports sustainable value creation, strengthens organizational resilience, and enables the Group to contribute positively to the long-term economic and social development of the markets in which it operates, while reinforcing its position as a responsible and forward-looking industry leader.

### Advancements

In 2025, the Group further strengthened its governance framework through continued measurement and monitoring mechanisms to track integration of ESG principles across business functions, guiding the structured and systematic integration of environmental, social, and governance principles across all business functions.

This initiative reflects the Group's commitment to aligning governance practices with evolving global expectations and stakeholder priorities. In parallel, the alignment with the ISO certification forms a key milestone in formalizing governance processes and aligning internal systems with internationally recognized standards and best practices.

These advancements significantly enhance the quality, consistency, and credibility of the Group's ESG disclosures, ensuring that performance metrics, risk assessments, and sustainability initiatives are governed by clear methodologies and robust controls. They also reinforce the integration of sustainability considerations into strategic planning, capital allocation, operational execution, and performance evaluation, enabling ESG factors to be systematically assessed alongside financial and operational priorities.



# اجتماع الجمعية العامة العادية وغير العادية Ordinary and Extraordinary General Assembly Meeting

Financial Year Ended December 31, 2025

للسنة المالية المنتهية في ٣١ ديسمبر ٢٠٢٥



شركة ابي علي للسيارات  
Ali Alghanim Sons Automotive Company K.S.C.P.



From left to right: Mr. Mohammad Khaled Alghanim, Mr. Ali Abduljaleel Behbehani, Mr. Jehad Mohammad Ahmed Al-Qabandi, Eng. Fahad Ali Alghanim, Mr. Yousef Abdullah Al Qatani, Eng. Ali Marzouq Alghanim and Mr. Ahmed Meshari Al-Fares.

# Governance Snapshot

## Board Composition

The governance model adopted by the Group is characterized by a corporate culture oriented towards the highest standards of professionalism, ethical values, transparency, and integrity. The Group is committed to conducting its business in a responsible manner, recognizing that strong governance practices are essential to sustaining stakeholder confidence and long-term value creation.

The Board of Directors of the Group follow an organizational framework that aligns with the scope of its duties and the responsibilities entrusted to it. All members collectively bring the expertise and competencies necessary to support effective governance and sound judgment. Their extensive knowledge of the Group's activities strengthens their ability to make informed, robust decisions.

### Board Composition By Gender

The Board of Directors of ALG is currently composed of male members, reflecting the current composition of Board appointments during the reporting period. The current Board was elected during the Annual General Assembly held on 28 March 2024 and will serve a three-year term. The board consists of seven (7) members, of these, four (4) members are non-executive. In fulfilling its mandate, the Board provides strategic direction, monitors performance, and oversees the work of the executive management team.

### ALG Governance Structure

Total Members	07
Male Members (%)	100%
Non-executive Members	04
Independent Members	02
Tenure (Years)	03



**G1. Board Diversity** | - GRI-2 General Disclosures 2021 | Kuwait Vision 2035  
— Sustainable Diversified Economy



## Board Committees

ALG has established three dedicated Board-level committees as part of its overall governance structure. These committees are designed to support the Board by deepening oversight in critical areas such as organizational direction, risk exposure, executive oversight, performance stewardship, and compliance with applicable laws and recognized best-practice standards.

### Audit Committee

The Audit Committee of ALG is responsible for ensuring the integrity, transparency, and accuracy of financial reporting. It reviews interim and annual financial statements prior to Board approval, in line with statutory requirements, and oversees matters relating to external auditors, including appointment, independence, and performance.

The Committee also oversees the Internal Audit function, including approval of audit plans, review of findings, and monitoring of corrective actions. Sustainability-related risks are considered within the risk-based audit planning process where material, and are incorporated into the audit universe in line with an established methodology. Relevant findings are reported to the Audit Committee and, where appropriate, escalated to the Board. The Committee also evaluates internal controls, accounting policies, regulatory compliance, and audit-related regulatory reports.

### Nomination and Remuneration Committee

ALG's Nomination and Remuneration Committee is responsible for developing and reviewing the Company's remuneration policy to ensure fairness, competitiveness, and performance alignment. It recommends remuneration for Executive Management and oversees remuneration disclosures in line with regulatory requirements.

The Committee also supports corporate governance through Board and committee performance evaluations and ensures succession planning by identifying and assessing candidates for Board and executive roles, supporting the Group's long-term leadership continuity.

For further information on ALG's corporate governance structure and related policies, please refer to <https://alg.com.kw/en/corporate-governance>

### Risk Management Committee

ALG's risk management framework is based on the COSO Enterprise Risk Management approach, tailored to the nature, complexity, and operating environment of the business. The Company is committed to identifying, assessing, mitigating, and monitoring risks that may impact its operations and reputation.

The Risk Management Committee oversees the Group's risk governance framework and is also responsible for ESG oversight. It ensures that material ESG risks are integrated into the broader enterprise risk management process where applicable.

# Board Independence

## Separation of Board Chairman and CEO

In line with the governance provisions of Article 184 of Kuwait Companies Law No. 1 of 2016, and the relevant rules issued by the Capital Markets Authority, ALG confirms that the positions of Chairman of the Board and Chief Executive Officer are occupied by different individuals.

This separation reflects a purposeful governance approach designed to preserve the objectivity of the Company's decision-making, reduce potential conflicts of interest, and strengthen oversight of executive management. Through this structure, ALG underscores its commitment to strong corporate governance, transparency, accountability, and full regulatory compliance in accordance with recognized best practices.

## Independent Members

Board Members strictly adhere to the independence controls defined in Article 2-3 of Module Fifteen of the Executive Bylaws issued by the Capital Markets Authority of Kuwait. To maintain high standards of corporate governance, our board includes two (2) independent directors, ~28% of the Board, dedicated to upholding the interests of all stakeholders through unbiased oversight.

**G2 : Board Independence** | - GRI-2 General Disclosures 2021 | Kuwait Vision 2035 — Sustainable Diversified Economy



# Supply Chain

## Supplier Compliance with Code of Conduct

The Supplier Code of Conduct outlines the standards that all suppliers across the value chain are expected to follow in order to promote ethical and sustainable business practices. It clearly defines requirements related to regulatory compliance, ethical business behavior, quality assurance standards, and the protection of Labour rights.

This policy is broadly communicated to all suppliers and serves as a comprehensive guide to the expectations and standards to which the Group holds its supplier network accountable. To support the effective implementation of the Supplier Code of Conduct, the Group has ensured compliance with ISO 9001:2015 to consistently deliver products and services meeting customer and regulatory requirements.

All potential suppliers are evaluated based on their technical qualifications (including quality benchmarks, delivery reliability, and competitive pricing) and ethical compliance (encompassing Kuwaiti Labour Laws, health and safety regulations, and anti-corruption standards). Contractual agreements with the Group explicitly bind suppliers to these requirements, with specific clauses mandating ethical employment practices and safe working

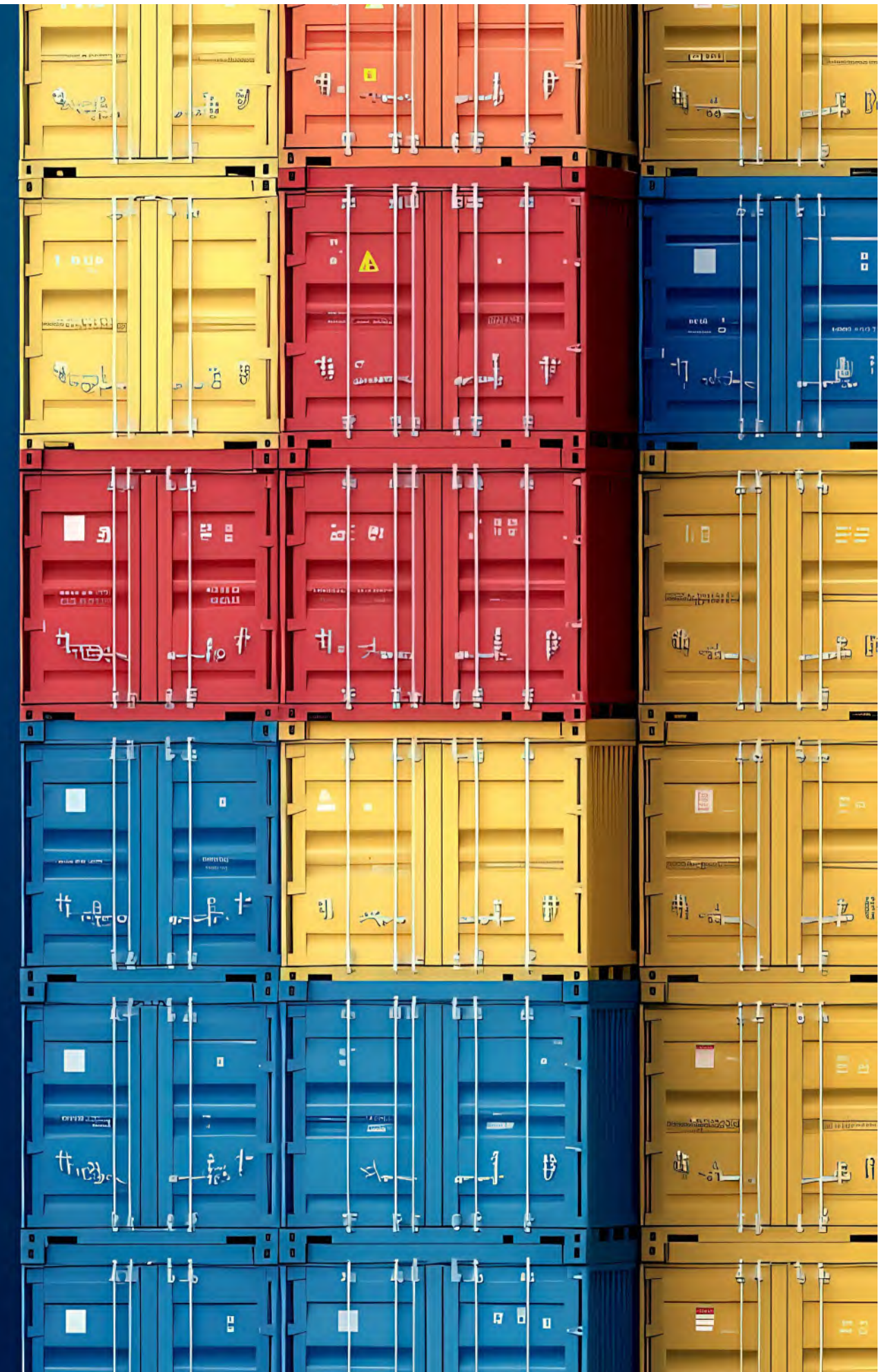
conditions, compliance with all applicable regulations and adherence to good corporate governance principles.

The Group reinforces these commitments through regular performance reviews. This integrated approach ensures the Group's supply chain aligns with established corporate values while meeting Kuwait's regulatory requirements and international best practices.

## Verification and Certification

While the Group does not formally certify compliance with the Supplier Code of Conduct, the Group does conduct a reconciliation of the supplier database, including supplier data verification.

**G5: Supplier Code of Conduct** - GRI-2 General Disclosures 2021 | Kuwait Vision 2035 — Sustainable Diversified Economy



# Safeguarding Against Unethical Practices

## Ethics and Anti-Corruption Policy

The Group's Code of Conduct Policy, which contains the Conflict of Interest and Whistleblowing policies, establishes the ethical and professional standards that govern all operations, requiring the Board, executive management, and employees to act with independence, integrity, and adherence to applicable laws and regulations.

It outlines responsibilities to avoid conflicts of interest, ensures proper communication of expectations, and provides mechanisms, such as the whistleblowing policy, for reporting improper practices confidentially and without fear of retaliation. In addition, the Code incorporates structured procedures designed to identify, manage, and mitigate conflicts of interest in alignment with Capital Markets Authority requirements and the Companies Law No. 1 of 2016, while defining the respective roles of the Board of Directors, executive management, and the General Assembly in overseeing such matters. Anti-bribery and corruption controls are included in the Code of Conduct policy such as political contributions, gifts and gratuities to/by employees, insider trading, etc.

## Compliance with the Ethics and Anti-Corruption Policy

The Code of Conduct policy is widely communicated to all employees and Board members. The Group confirms that no incidents of anti-corruption and conflict of interest violations were reported during the FY 2025.

**G6: Business Ethics and Anti-Corruption** - GRI 205: Anti-corruption | Kuwait Vision 2035 — Sustainable Diversified Economy

# Safeguarding Data

## Data Privacy Policy

The Group follows a Data Privacy Policy that governs the collection, storage, processing, and retention of personal data across its operations. This framework applies to personal information relating to customers, employees, shareholders, and business partners, where relevant to the nature of business activities. The policy defines the principles for lawful and appropriate data handling, including purpose limitation, access restriction, and retention controls.

It also sets requirements for safeguarding personal data processed in the course of vehicle sales, aftersales servicing, financing arrangements, and customer relationship management. This includes customer identification data, contact details, financial information, and vehicle ownership and service records. In addition, as an authorized dealership operating within manufacturer systems, the Group processes customer data shared with or received from OEM partners in connection with warranty registration, service history tracking, recall management, and aftersales programs.

Such data is processed solely for defined operational purposes and in accordance with applicable data-sharing arrangements, contractual obligations, and relevant regulatory requirements in Kuwait.

**G7: Data Privacy** - GRI 418: Customer Privacy | Kuwait Vision 2035 — Sustainable Diversified Economy

## Implementation and Compliance Measures

Access to personal and customer data is restricted on a need-to-know basis and limited to authorized personnel with a legitimate business requirement. Appropriate technical and administrative controls are implemented to prevent unauthorized access, disclosure, or misuse of data. Employees are required to complete mandatory information security training and comply with the Group's Code of Conduct, which defines their legal and ethical responsibilities regarding data confidentiality and information security.

The Group has implemented a defense-in-depth cybersecurity approach to safeguard data systems. This includes encryption of data in transit and at rest, secure server environments, biometric access controls, firewalls and network security measures, continuous monitoring through intrusion detection systems, and periodic penetration testing. Data retention practices are aligned with applicable regulatory requirements and OEM contractual obligations. The Group continuously monitors developments in Kuwait's data protection regulatory environment and assesses the need for enhancements to its controls and disclosures where required. No data privacy incidents or substantiated breaches were recorded during the reporting period.

The Group continues to strengthen its data protection practices, enhance internal awareness, and ensure alignment with evolving regulatory expectations and stakeholder requirements.

## Sustainability Disclosures

The Group issues disclosures through this Sustainability Report (also as part of regulatory submissions), aligned with the recommended Bursa Kuwait methodology.

**G8:** Sustainability Reporting

## Disclosures & Transparency

The Group's sustainability reporting strategy utilizes a unified reporting model. All material ESG information is disclosed through the Sustainability Report, and includes references to the UN SDGs, where relevant, providing stakeholders with standardized and comparable disclosures. No submission is made to any sustainability reporting frameworks. Currently, there are no specific targets set against the UN SDGs.

**G9:** Disclosure Practices | Kuwait Vision 2035 — Corporate Governance



## Customer Experience and Service Quality

Across the reporting period, the Group maintained a strong focus on timely resolution of customer complaints through defined Service Level Agreements (SLAs). The proportion of complaints resolved within SLA remained at 100% across the reporting years.

Overall, the data reflects stable and consistently high SLA adherence across the reporting period, indicating effective complaint management processes and responsiveness within the Group's customer service operations.

As part of our commitment to stakeholder-centric operations and continuous improvement, the Group conducts regular customer satisfaction surveys to gauge the quality of products and services. The Group's Net Promoter Score (NPS) framework serves as a key performance indicator for measuring customer loyalty, advocacy, and overall experience across business units.

Customer feedback is systematically collected through periodic surveys distributed across the customer base, covering aspects such as product quality, service delivery, responsiveness, and post-sales support. Survey results are analyzed to identify trends, pain points, and opportunities for enhancement, feeding directly into operational improvement initiatives and strategic planning processes.

During the year 2025, the Group (AAS and MAKFM) achieved a collective NPS of 88.5 based on the feedback collected from nearly 17,000 survey respondents during the period.

**GRI 2:** General Disclosures | Kuwait Vision 2035 — Sustainable Diversified Economy

The survey conducted by AAS during 2024 achieved a NPS of 86.5 based on feedback collected from nearly 13,900 survey respondents. Survey responses grew 22% during 2025, reflecting the survey rollout by MAKFM, and the general increase in response rates.

The surveys also revealed strong performance in meeting customer expectations and actioning complaints, while also pointing to areas where further improvement is needed.

The Group has also provided approximately 21,000 hours of training during the year 2025, aimed at strengthening employee capabilities, reinforcing service expectations, and enabling more consistent, high-quality customer interactions.

The Group's customer engagement approach aligns with the broader ESG strategy by prioritizing transparency, accountability, and long-term relationship building, and recognizes that sustained customer satisfaction is not only critical to business performance but also reflects the Group's commitment to responsible business practices, quality assurance, and stakeholder value creation.

Moving forward, the Group will continue to enhance the survey methodology, expand coverage across customer segments, and integrate feedback mechanisms into the continuous improvement culture, ensuring that customer voice remains central to decision-making processes.



Graphic 21: Customer Experience



# Appendix 01

## Boursa Kuwait ESG Guidelines Index

## Boursa Kuwait ESG Guidelines Index

Metric	Boursa Kuwait Metric Code	KPIs	Response Format	GRI Reference	Disclosure Status
<b>Environmental*</b>					
GHG Emission	E1.1	Scope 1 GHG Emissions	Quantitative	GRI 305-1	Section 05: Environmental - Detailed Disclosures (Page 30)
GHG Emission	E1.2	Scope 2 GHG Emissions	Quantitative	GRI 305-2	Section 05: Environmental - Detailed Disclosures (Page 30)
GHG Emission	E1.3	Scope 3 GHG Emissions	Quantitative	GRI 305-3	Section 05: Environmental - Detailed Disclosures (Page 30)
Emissions Intensity	E2.1	GHG Emissions Intensity	Quantitative	GRI 305-4	Section 05: Environmental - Detailed Disclosures (Page 21)
Emissions Intensity	E2.2	Non-GHG Emissions Intensity	Quantitative	GRI 305-7	Non-GHG emissions are not material to the Group's operations and are not currently measured or monitored
Energy Usage	E3.1	Direct Energy Consumption	Quantitative	GRI 302-1	Section 05: Environmental - Detailed Disclosures (Page 22)
Energy Usage	E3.2	Indirect Energy Consumption	Quantitative	GRI 302-2	Section 05: Environmental - Detailed Disclosures (Page 22)
Energy Intensity	E4	Energy Intensity Ratio	Quantitative	GRI 302-3	Section 05: Environmental - Detailed Disclosures (Page 23)
Energy Mix	E5	Energy Mix by Generation Type	Percentage (%)	GRI 302-1	Section 05: Environmental - Detailed Disclosures (Page 23)
Water Usage	E6.1	Total Water Consumed	Quantitative	GRI 303-3 GRI 303-5	Section 05: Environmental - Detailed Disclosures (Page 24)
Water Usage	E6.2	Total Water Reclaimed/Recycled	Quantitative	GRI 303-4	Section 05: Environmental - Detailed Disclosures (Page 24)
Environmental Ops	E7.1	Formal Environmental Policy	Yes / No	GRI 2-23 GRI 306-2	Section 05: Environmental - Detailed Disclosures (Page 25)
Environmental Ops	E7.2	Waste, Water, Energy & Recycling Policies	Yes / No	GRI 306-2	Section 05: Environmental - Detailed Disclosures (Page 26)
Environmental Ops	E7.3	Recognised Energy Management System	Yes / No	GRI 302-1	Section 05: Environmental - Detailed Disclosures (Page 26)
Environmental Oversight	E8	Board Oversight of Climate-Related Risks	Yes / No	GRI 2-12	Section 05: Environmental - Detailed Disclosures (Page 27)
Environmental Oversight	E9	Board Oversight of Sustainability Issues	Yes / No	GRI 2-12	Section 05: Environmental - Detailed Disclosures (Page 28)
Climate Risk Mitigation	E10	Annual Investment in Climate Resilience	Quantitative	GRI 201-2	No climate-related capital investment has been made that is directly attributable to dedicated climate resilience initiatives.

\*Due to data availability constraints, certain rented facilities where utilities are managed by landlords have been excluded from this analysis. For service center energy consumption, available data from a subset of locations was used to estimate consumption at locations where direct data was not accessible. Water consumption at service centers is reported as zero, as it is managed externally with no data available for inclusion.

## Boursa Kuwait ESG Guidelines Index (continued)

Metric	Boursa Kuwait Metric Code	KPIs	Response Format	GRI Reference	Disclosure Status
<b>Social</b>					
Gender Pay Ratio	S1	Median Male-to-Female Compensation Ratio	Ratio	GRI 405-2	Section 06: Social - Detailed Disclosures (Page 33)
Employee Turnover	S2.1	Full-Time Employee Turnover Rate	Percentage (%)	GRI 401-1	Section 06: Social - Detailed Disclosures (Page 34)
Employee Turnover	S2.2	Part-Time Employee Turnover Rate	Percentage (%)	GRI 401-1	Not Applicable
Employee Turnover	S2.3	Contractor / Consultant Turnover Rate	Percentage (%)	GRI 401-1	Not Applicable
Gender Diversity	S3.1	Gender Split — Total Workforce	Percentage (%)	GRI 401-1	Section 06: Social - Detailed Disclosures (Page 35)
Gender Diversity	S3.2	Gender Split — Entry & Mid-Level	Percentage (%)	GRI 401-1	Section 06: Social - Detailed Disclosures (Page 36)
Gender Diversity	S3.3	Gender Split — Senior & Executive Level	Percentage (%)	GRI 401-1	Section 06: Social - Detailed Disclosures (Page 36)
Temporary Workers	S4.1	Part-Time Employees as % of Workforce	Percentage (%)	GRI 2-8	Not Applicable
Temporary Workers	S4.2	Contractors / Consultants as % of Workforce	Percentage (%)	GRI 2-8	Not Applicable
Non-Discrimination	S5	Non-Discrimination / Anti-Harassment Policy	Yes / No	GRI 406-1	Section 06: Social - Detailed Disclosures (Page 37)
Injury Rate	S6	Total Incident Rate (TRIR)	Ratio	GRI 403-9	Section 06: Social - Detailed Disclosures (Page 37)
Health & Safety	S7	Occupational Health & Safety Policy	Yes / No	GRI 403-1	Section 06: Social - Detailed Disclosures (Page 38)
Child & Forced Labour	S8.1	Child / Forced Labour Policy	Yes / No	GRI 408-1	Section 06: Social - Detailed Disclosures (Page 39)
Child & Forced Labour	S8.2	Policy Coverage Extends to Suppliers	Yes / No	GRI 409-1	Section 06: Social - Detailed Disclosures (Page 39)
Human Rights	S9.1	Human Rights Policy	Yes / No	GRI 412-1	Section 06: Social - Detailed Disclosures (Page 39)
Human Rights	S9.2	Policy Coverage Extends to Suppliers	Yes / No	GRI 412-1	Section 06: Social - Detailed Disclosures (Page 39)
Nationalization	S10.1	Percentage of Kuwaiti Nationals in Workforce	Percentage (%)	GRI 201-1	
Nationalization	S10.2	Direct & Indirect Local Job Creation	Quantitative	GRI 201-2	Section 06: Social - Detailed Disclosures (Page 40)

## Boursa Kuwait ESG Guidelines Index (continued)

Metric	Boursa Kuwait Metric Code	KPIs	Response Format	GRI Reference	Disclosure Status
<b>Governance</b>					
Board Diversity	G1.1	Gender Split — Board Seats	Percentage (%)	GRI 405-1	Section 07: Governance - Detailed Disclosures (Page 51)
Board Diversity	G1.2	Gender Split — Committee Chair Positions	Percentage (%)	GRI 405-1	Section 07: Governance - Detailed Disclosures (Page 51 and 52)
Board Independence	G2.1	CEO / Board Chair Separation Policy	Yes / No	GRI 2-9	Section 07: Governance - Detailed Disclosures (Page 53)
Board Independence	G2.2	Percentage of Independent Board Directors	Percentage (%)	GRI 2-9	Section 07: Governance - Detailed Disclosures (Page 53)
Incentivized Pay	G3	Executive Sustainability-Linked Remuneration	Yes / No	GRI 2-19	Not Applicable
Collective Bargaining	G4	Workforce Covered by Collective Bargaining	Percentage (%)	GRI 407-1	Not Applicable
Supplier Code of Conduct	G5.1	Supplier Code of Conduct	Yes / No	GRI 2-6 GRI 414-1	Section 07: Governance - Detailed Disclosures (Page 54)
Supplier Code of Conduct	G5.2	Supplier Compliance Certification Rate	Percentage (%)	GRI 414-1	Section 07: Governance - Detailed Disclosures (Page 54)
Ethics & Anti-Corruption	G6.1	Ethics / Anti-Corruption Policy	Yes / No	GRI 205-1	Section 07: Governance - Detailed Disclosures (Page 55)
Ethics & Anti-Corruption	G6.2	Workforce Compliance Certification Rate	Percentage (%)	GRI 205-2	Section 07: Governance - Detailed Disclosures (Page 55)
Data Privacy	G7.1	Data Privacy Policy	Yes / No	GRI 418-1	Section 07: Governance - Detailed Disclosures (Page 55)
Data Privacy	G7.2	Compliance with Applicable Data Protection Regulations	Yes / No	GRI 418-1	Section 07: Governance - Detailed Disclosures (Page 55)
Sustainability Reporting	G8.1	Sustainability Report Published	Yes / No	GRI 2-3	Section 07: Governance - Detailed Disclosures (Page 56)
Sustainability Reporting	G8.2	Sustainability Data in Regulatory Filings	Yes / No	GRI 2-3	Section 07: Governance - Detailed Disclosures (Page 56)
Disclosure Practices	G9.1	Data Submitted to Reporting Frameworks	Yes / No	GRI 2-4	Section 07: Governance - Detailed Disclosures (Page 56)
Disclosure Practices	G9.2	Focus on UN SDGs	Yes / No	GRI 2-23	Section 07: Governance - Detailed Disclosures (Page 56)
Disclosure Practices	G9.3	Targets Set Against UN SDGs	Yes / No	GRI 2-24	Section 07: Governance - Detailed Disclosures (Page 56)
External Assurance	G10	Third-Party Assurance of Sustainability Data	Yes / No	GRI 2-5	Not Applicable



# Appendix 02

## Key Non-Financial Figures

# Key Non-Financial Figures

Table 1: Scope 1 Emissions				
Emission Source	Fuel Type	2024 (tCO <sub>2</sub> e)	2025 (tCO <sub>2</sub> e)	YoY Change
Operational Fleet	Petrol	2,343	2,319	-1.0%
Operational Fleet & Stationary Combustion	Diesel	370	452	+22.2%
Scope 1 (Total)		2,713	2,771	+2.1%

Table 1: Scope 1 Emissions (Boursa Kuwait Guidelines Ref: E1.1.)

Table 2: Scope 2 Emission			
Emission Source	2024 (tCO <sub>2</sub> e)	2025 (tCO <sub>2</sub> e)	YoY Change
Purchased Electricity	5,780	6,662	+15.3%
Scope 2 (Total)	5,780	6,662	+15.3%

Table 2: Scope 2 Emissions (Boursa Kuwait Guidelines Ref: E1.2)

Table 3: Scope 3 Emissions			
Emission Source	2024 (tCO <sub>2</sub> e)	2025 (tCO <sub>2</sub> e)	YoY Change
Business Travel (Air)	61	88	+44.7%
Scope 3 (Total)	61	88	+44.7%

Table 3: Scope 3 Emissions (Boursa Kuwait Guidelines Ref: E1.3)

Table 4: Total GHG Emissions				
GHG Scope	2024 (tCO <sub>2</sub> e)	2025 (tCO <sub>2</sub> e)	YoY Change	% of 2025 Total
Scope 1 Direct Emission	2,713	2,771	+2.1%	29%
Scope 2 Purchased Electricity	5,780	6,662	+15.3%	70%
Scope 3 Business Air Travel	61	88	+44.7%	0.9%
Total GHG Emission	8,554	9,521	+11.3%	100%

Table 4: Total GHG Emissions (Boursa Kuwait Guidelines Ref: E1)

Table 5: GHG Emissions Intensity			
Emission Intensity	2024	2025	YoY Change
Scope 1	10.5	9.5	-9.8%
Scope 2	22.4	22.8	+1.8%
Scope 3	0.2	0.3	+27.8%
Total Emissions	33.2	32.7	-1.7%

Table 5: GHG Emission Intensity (Boursa Kuwait Guidelines Ref: E2.1)

Table 6: Direct Energy Consumption			
Direct Energy	2024 (GJ)	2025 (GJ)	YoY Change
Petrol (Operational Fleet)	33,246	32,900	-1.0%
Diesel (Fleet and Stationary Combustion)	4,976	6,087	+22.3%
Total Direct Energy	38,222	38,988	+2.0%

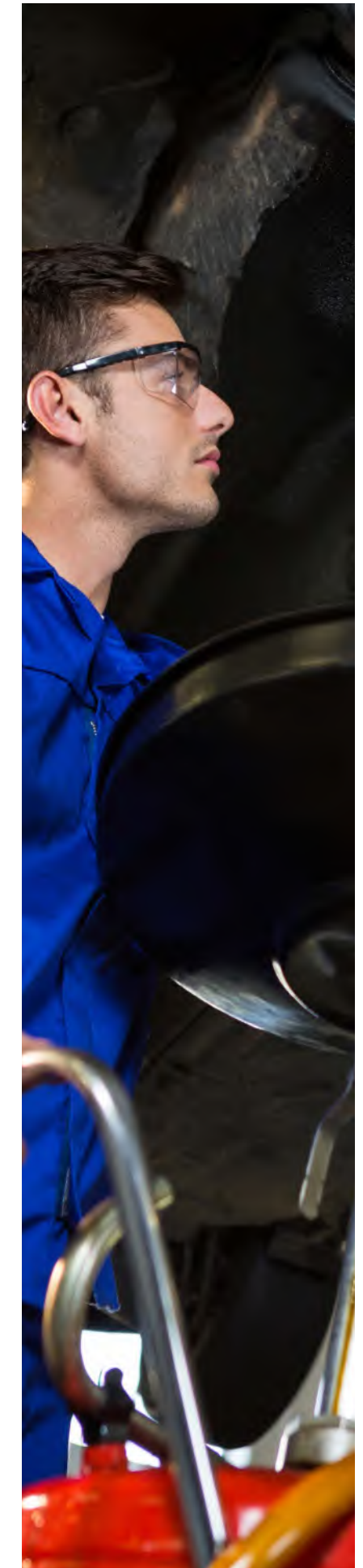
Table 6: Direct Energy Consumption (Boursa Kuwait Guidelines Ref: E3.1)

Table 7: Indirect Energy Consumption			
Indirect Energy	2024 (GJ)	2025 (GJ)	YoY Change
Total Indirect Energy (Purchased Electricity)	36,099	41,606	+15.3%

Table 7: Indirect Energy Consumption (Boursa Kuwait Guidelines Ref: E3.2)

Table 8: Energy Intensity			
Energy Intensity (GJ/Revenue)	2024 (GJ)	2025 (GJ)	YoY Change
Direct Energy	148.7	134.0	-9.9%
Indirect Energy	140.4	143.0	1.8%
Total Energy	289.2	277.0	-4.2%

Table 8: Energy Intensity (Boursa Kuwait Guidelines Ref: E4.1)



## Key Non-Financial Figures (continued)

Table 9: Energy Mix		
Source	2024 (%)	2025 (%)
Purchased Electricity	48.6%	51.6%
Petrol	44.7%	40.8%
Diesel	6.7%	7.6%
Renewable Energy	0%	0%
Total	100%	100%

Table 9: Energy Mix (Boursa Kuwait Guidelines Ref: E5)

Table 10: Water Consumption			
Water Usage	2024 (Liters)	2025 (Liters)	YoY Change
Water Consumption	11,275,515	17,797,640	+57.8%

Table 10: Water Consumption (Boursa Kuwait Guidelines Ref: E6.1)

Table 11: Waste		
Waste	2024 (Kgs)	2025 (Kgs)
Waste Generation	325,000	355,000

Table 11: Waste (Boursa Kuwait Guidelines Ref: E7.2)

Table 12: Gender Pay Ratio		
Fair Remuneration	2024	2025
Gender Pay Ratio ( Male: Female)	0.88	0.87

Table 12: Gender Pay Ratio (Boursa Kuwait Guidelines Ref: S1)

Table 13: Employee Turnover		
Employee Turnover	2024	2025
Total New Hires	178	166
<b>By Gender</b>		
Male	166	154
Female	12	12
<b>By Age-Group</b>		
Under 30	75	75
30 - 50	95	88
Above 50	8	3
<b>Total Leavers</b>	<b>131</b>	<b>130</b>
<b>By Gender</b>		
Male	115	122
Female	16	8
<b>By Age-Group</b>		
Under 30	27	31
30 - 50	89	85
Above 50	15	14
Net Workforce Change	+47	+36
Turnover Rate	10.3%	9.9%

Table 13: Table 13: Employee Turnover (Boursa Kuwait Guidelines Ref: S2.1)

Table 14: Total Enterprise Headcount by Gender				
Employee Composition	2024	%	2025	%
Total	1270	100%	1309	100%
<b>By Gender</b>				
Male	1,160	91.3%	1,195	91.3%
Female	110	8.7%	114	8.7%
<b>By Age-Group</b>				
Under 30	232	18.3%	240	18.3%
30 - 50	861	67.8%	892	68.1%
Over 50	177	13.9%	177	13.5%

Table 14: Total Enterprise Headcount by Gender (Boursa Kuwait Guidelines Ref: S3.1)

Table 15: Entry and Mid Level Enterprise Headcount				
Gender	2024	2024 (%)	2025	2025 (%)
Entry - Male	1,061	83.5%	1,099	84.5%
Entry - Female	106	8.3%	109	8.3%
<b>Entry - Total</b>	<b>1,167</b>	<b>92%</b>	<b>1,208</b>	<b>92%</b>
Mid - Male	12	0.9%	12	0.9%
Mid - Female	1	0.1%	1	0.1%
<b>Mid - Total</b>	<b>13</b>	<b>1%</b>	<b>13</b>	<b>1%</b>

Table 15: Entry- and Mid- Level Enterprise Headcount by Gender (Boursa Kuwait Guidelines Ref: S3.2)



## Key Non-Financial Figures (continued)

Table 16: Leadership, Senior and Executive Level Enterprise				
Gender	2024	2024 (%)	2025	2025 (%)
Leadership - Male	17	1.3%	17	1.3%
Leadership - Female	1	0.1%	1	0.1%
<b>Leadership - Total</b>	<b>18</b>	<b>1.4%</b>	<b>18</b>	<b>1.4%</b>
Senior Level - Male	72	5.7%	70	5.5%
Senior Level - Female	2	0.2%	2	0.2%
<b>Senior Level - Total</b>	<b>74</b>	<b>5.9%</b>	<b>72</b>	<b>5.5%</b>
Executive Level - Male	15	1.2%	14	1.1%
Executive Level - Female	1	0.1%	2	0.2%
<b>Executive level - Total</b>	<b>16</b>	<b>1.3%</b>	<b>16</b>	<b>1.3%</b>

Table 16: Leadership, Senior and Executive Level Enterprise Headcount by Gender (Boursa Kuwait Guidelines Ref: S3.3)

Table 17: Injury Rate		
Health & Safety	2024	2025
Total Recordable Injuries	2	1

Table 17: Injury Rate (Boursa Kuwait Guidelines Ref: S6)

Table 18: Training and Development	
Employee Training	2025
Number of Participants	602
Average Training Hours	
Overall	16.0
Male Employees	16.6
Female Employees	10.1

Table 18: Training and Development

Table 19: Supporting Employee Well-Being - Parental Leave		
Parental Leaves	2024	2025
Staff entitled to parental leaves	110	114
Staff who availed parental leaves	3	1

Table 19: Supporting Employee Well-Being – Parental Leave

Table 20: Community Investments	
Community Investments	2025
Monetary contribution (KWD)	29,147
Employee Volunteering	
Total volunteering hours	2,680

Table 20: Community Investments

Table 21: Customer Experience		
Customer Complaints	2024	2025
Customer complaints received	1,471	1,894
Customer complaints resolved within the SLA	1,471	1,894
Percentage of complaints resolved within the SLA	100%	100%

Table 21: Customer Experience

