



SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Makhazen Sustainability Report 2025



1 Introduction and 2025 Context

Makhazen’s businesses support critical sectors of the economy, including trade facilitation, strategic logistics infrastructure, customs digitization and operations, and waste management and recycling. Across our businesses, our sustainability efforts in Kuwait are aligned with national priorities: supporting human capital development, contributing to our communities and reducing our environmental impact.

Our approach to sustainability

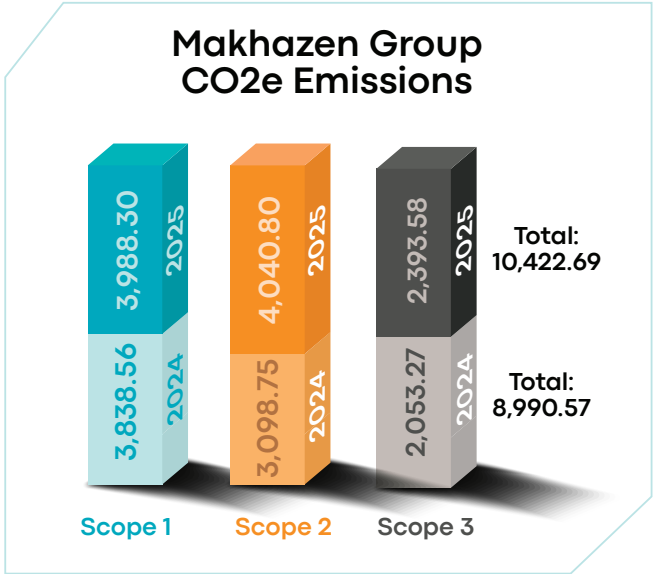
Each of our owned and operated businesses implements its own sustainability strategy, unique to its sector. Our corporate sustainability team develops the group sustainability strategy and monitors overall performance, supporting our subsidiaries as needed. We partner with local NGOs to provide humanitarian support, advance education and human capital development, and accelerate wider sustainability progress..

2025 Performance Highlights

91%
of employees have been trained on Makhazen Fair Labor policies and how to report concerns.

43,000
43,000 people positively reached in the Kuwait community.

+95%
of operational employees received safety training.



Kuwait Community Highlights (FY 2025)

Training Kuwait's future programmers







Makhazen sponsored CODED Academy to run two programs in 2025 — **Kuwait Codes** and **Academy X**. Kuwait Codes taught more than 1,000 students foundational programming skills. Academy X introduced **548 female** students to coding, teaching vital skills such as application building and the use of technology in entrepreneurship. In total, **4,688 young people** (2,719 girls) have been reached since the partnership with CODED began in 2022.



Empowering Kuwait's communities

Makahzen has several long-standing partnerships with local organizations in Kuwait, focused on community education and development projects that align with the Kuwait development plan.

● People impacted in 2025 ● Total people impacted during partnership

<p>Injaz Kuwait (from 2007)</p>  <ul style="list-style-type: none"> ● 535 (62% female) ● 5,000+ (50% female) 	<p>Ramadan Programs (from 2019)</p> <p>Distributing Machla boxes to help feed individuals in Kuwait.</p>  <ul style="list-style-type: none"> ● 5,000 (50% female) ● 42,800 (50% female) 	<p>LOYAC Kuwait (from 2006)</p> <p>Teaching employment and entrepreneurial skills.</p>  <ul style="list-style-type: none"> ● 45 (64% female) ● 595+ (50% female)
<p>CODED Academy (from 2022)</p> <p>Teaching software development skills to high school students.</p>  <ul style="list-style-type: none"> ● 1,912 (62% female) ● 4,958 (58% female) 		<p>Fawzia Sultan Healthcare Network (FSHN) (from 2010)</p> <p>Providing free healthcare services to lower-income children.</p>  <ul style="list-style-type: none"> ● Thousands of lower-income children (50% female)

2 Alignment with Kuwait's National Priorities

Makhazen's sustainability strategy supports the core pillars of Kuwait Vision 2035 through:

1 Economic diversification and competitiveness:
Enabling trade, logistics efficiency, industrial activity, and SME growth.

2 Human capital development:
Equipping young Kuwaitis with digital, technical, and employability skills aligned with future labor market needs.

3 Social wellbeing:
Supporting healthcare access and community resilience.

4 Sustainable infrastructure:
Developing efficient, low-impact industrial and logistics assets that strengthen national resilience.

Our approach prioritizes measurable outcomes and long-term value creation, reinforcing the role of the private sector as a key enabler of national development.

Economic Diversification

Makhazen's main businesses include Metal Recycling Company, Global Clearinghouse Systems and Kuwait Logistics Parks:



Metal Recycling Company provides sustainable waste management, recycling and industrial solutions to government, oil and gas, petrochemicals, manufacturing and commercial clients. The company recycles steel, non-ferrous metals and plastics; and also manages medical waste at four facilities in Kuwait.



Global Clearinghouse Systems comprehensive modernization and trade facilitation solutions help countries deploy the systems and technology they need to improve management control, increase revenues, and comply with their obligations under multinational (WTO, WCO, and GATT) and bilateral trade agreements.



Kuwait Logistics Parks (KLP) operates Kuwait's most modern logistics parks and industrial infrastructure. It provides warehousing, processing, assembly, office and retail space for multinational brands, regional leaders, local champions and small enterprises. It provides a variety of sustainable warehouse capabilities and services.

Each business incorporates social responsibility and environmental stewardship to ensure we can operate today, and into the future in a changing world.

3 Developing Human Capital for a Knowledge-Based Economy

Investing in human capital is a national imperative. Makhazen supports initiatives that equip young Kuwaitis with skills relevant to the private sector and emerging industries.

Digital Skills and Technology Education CODED Academy

Through our partnership with CODED Academy, Makhazen supports digital literacy and advanced coding education for Kuwaiti youth. The two programs supported in 2025 include the Academy X tech and leadership skills program for girls, and the Kuwait Codes program for boys and girls. These programs implemented in 2025 continued to focus on foundational programming, application development, and technology-enabled entrepreneurship, with a strong emphasis on increasing female participation. These initiatives directly support Kuwait's ambitions to grow its digital economy and innovation ecosystem.



Academy X & Kuwait Codes 2025 Impact:
1,912 boys and girls, **62%** girls

Academy X & Kuwait Codes 2021-2025 Impact:
4,958 boys and girls, approximately **58%** girls

Employment and Entrepreneurship Skills LOYAC and Injaz Kuwait

Makhazen is one of LOYAC's longest-standing corporate partners, supporting employment readiness, leadership development, and entrepreneurship training for young Kuwaitis. We support the Loyac KON social entrepreneurship program that teaches youth how to identify and solve social problems using entrepreneurial skills, creativity, leadership and collaboration. Through Injaz Kuwait, we provide mentorship, internships, and exposure to private-sector career pathways, strengthening employability and encouraging entrepreneurship as a driver of economic diversification.



Loyac

2025 Impact: **45** boys and girls, **64%** girls

2006-2025 Impact: **>600** boys and girls, approximately **50%** girls

Injaz Kuwait

2025 Impact: **535** boys and girls, **60%** girls

2006-2025 Impact: **>5,000** boys and girls, approximately **50%** girls

Watheefti career & employment fair
Ministry of State for Youth Affairs

Makhazen sponsored the Watheefti 2025 Career Fair. The fair drew more than 30,000 candidates for three days of interviews and networking. The event provided a key platform for recent graduates and job seekers to meet prospective employers and learn about career opportunities across diverse businesses. The program has provided Kuwaiti engineering graduates with hands-on experience and industry-recognized skills via engagement with Makhazen. This initiative supported national employment objectives and the building of local technical capacity.



2025 Impact: **30,000** young people, approximately **50%** women

4 Supporting Social Wellbeing and Inclusive Growth

Makhazen has made long-term commitments to community well-being and inclusive societies:

Community Support
Ramadan Programs

Makhazen continues to support food distribution initiatives during the Holy month of Ramadan, helping families and individuals in need across Kuwait. These programs reinforce social solidarity and community resilience. In 2025, Makhazen partnered with the Kuwait Association for Needy Families and provided Machla boxes for 1,000 families, which provides assistance to about 6,000 people.



Through KNAF: reached **6,000** people, about **50%** women and girls in 2025.

Ramadan Machla Program
Impact 2019-2025:
Close to **30,000** people, about **50%** women and girls

Healthcare Access
Fawzia Sultan Healthcare Network

Through our long-standing partnership with the Fawzia Sultan Healthcare Network, Makhazen supports access to free, high-quality healthcare for lower-income children in Kuwait. This initiative contributes to improved health outcomes, early intervention, and long-term human development.



FSHN Impact 2010 – 2025:
About **160** people

Fair Labour Program

Makhazen has implemented a rigorous fair labor program for two decades, with high standards for human rights compliance, management training, and employee training to build awareness so that all employees know their rights, how to exercise them, and how to raise concerns. 100% of our employees must be trained on our Human Rights policies and how to raise concerns; and each Makhazen business must annually complete a Fair Labor Self-Assessment as part of this program.

Our Human Rights Promise

 <p>Protection for complainants</p> <p>Makhazen investigates all reported ethics grievances while protecting complainants. Makhazen forbids any retaliatory action toward anyone raising a grievance in good faith.</p>	 <p>No child labor</p> <p>Makhazen does not employ anyone under legal working age, and ensures no one under 18 works in hazardous conditions.</p>	 <p>Health, safety & the environment</p> <p>Makhazen ensures all employees have the right training and equipment to perform their jobs safely and healthily. Accommodations, when provided, are clean, safe and secure.</p>	 <p>Freedom of association</p> <p>Makhazen takes an open attitude towards collective bargaining, where permitted by law, and will not hinder the development of means for independent and free association.</p>
 <p>No forced labor</p> <p>We prohibit the use of forced labor, including labor demanded of employees because of their debt. We don't tolerate agencies charging prospective employees illegal recruitment 'fees' or bribes, and will not hold passports without voluntary consent.</p>	 <p>Fair work hours & wages</p> <p>Makhazen strives to compensate employees fairly, and comply with all minimum or living wage requirements, overtime and benefit laws, we do not allow disciplinary measures that cause an employee to work without pay.</p>	 <p>No discrimination & harassment</p> <p>Makhazen does not discriminate on the basis of race, color, religion, gender, age, nationality, sexual preference, disability, or any other factors prohibited by applicable laws. Makhazen is committed to providing a work environment that is free from all types of harassment.</p>	 <p>Community & stakeholder engagement</p> <p>Establishing open dialogue with the communities in which we work is essential to identify and collaboratively address any fair labor issues in our supply chain.</p>

2025 Fair Labor Impact

In 2025, **91.5%** of all employees had completed required Fair Labour training

(2,744 employees), and **100%** of all worksites completed the required Fair Labor Self-Assessment.



5

Responsible Infrastructure and Long-Term Resilience

Makhazen plays a critical role in developing and operating infrastructure that supports Kuwait's trade and industrial activity.

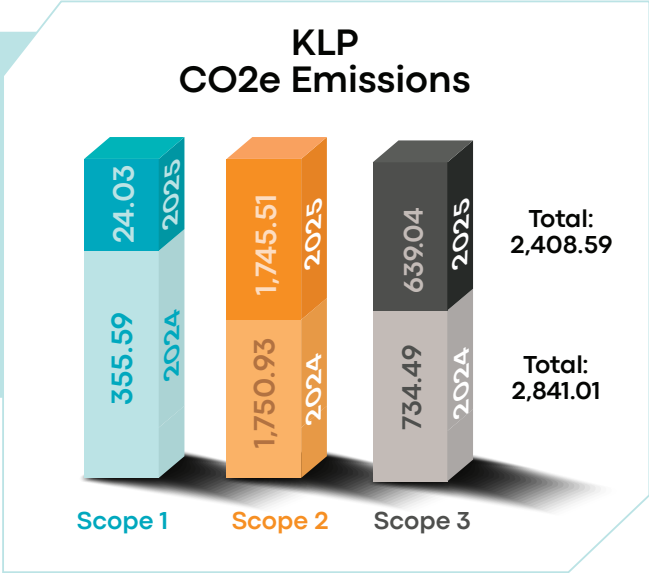
Our logistics parks and mixed-use developments are designed to prioritize operational efficiency, resource conservation, and reduced environmental impact. Projects such as S2's South Village enable trade, support SMEs, and reduce emissions through district cooling, water reuse, and energy-efficient design.

In parallel, Metal Recycling Company's (MRC) waste management and recycling operations support Kuwait's transition toward improved waste management, lower energy consumption, reduced environmental impact from greater supply chain circularity, and a cleaner and safer environment from its medical waste treatment services.

Kuwait Logistics Parks: KLP designs infrastructure with sustainability at its heart, implementing features such as energy-efficient lighting and water recycling systems to reduce both environmental footprint and operational costs. Evaluation of sustainability performance at existing facilities enables continuous improvement of new designs.

KLP's Quality, Health, Safety and Environment (QHSE) framework is a core part of the company's sustainability approach and is supported by three ISO certifications: 9001 (Quality Management System), 14001 (Environmental Management System), and 45001 (Occupational Health & Safety Management System).

In 2025 KLP had **zero** reportable workplace safety incidents and **92%** of KLP employees completed required Fair Labor training. **100%** of KLP worksites completed the 2025 Fair Labor Self-Assessment.



KLP's Scope 1 emissions decreased due to changes in fleet operations, while Scopes 2 & 3 emissions remained consistent.

SUSTAINABILITY FEATURES OF KLP'S WAREHOUSING

1

Recycling zone

Support customers' efforts to minimize impact on the environment.

2

Recycled materials

Building with recycled construction materials.

3

Xeriscaping and drought-tolerant plants

Reduce use of water in landscaping.

4

Skylights

Reduce electricity usage for daytime lighting.

5

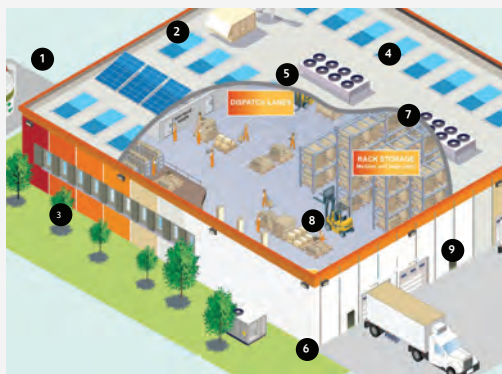
Roofing and walls

Selected to ensure the greatest efficiency for the local climate. Dust-free indoor storage space. Repels heat, lowers indoor air temperature.

6

Low-emitting paint

Reduces heat risks associated with emissions from conventional paint products.



9

Heat resistant building envelopes

Utilizing highly insulating recycled construction materials.

8

Regionally sourced building materials

Reduce transportation-related greenhouse gas (GHG) emissions and boost local economy.

7

LED lighting (interior/exterior)

Lowers environmental impact and reduces energy costs for customers.

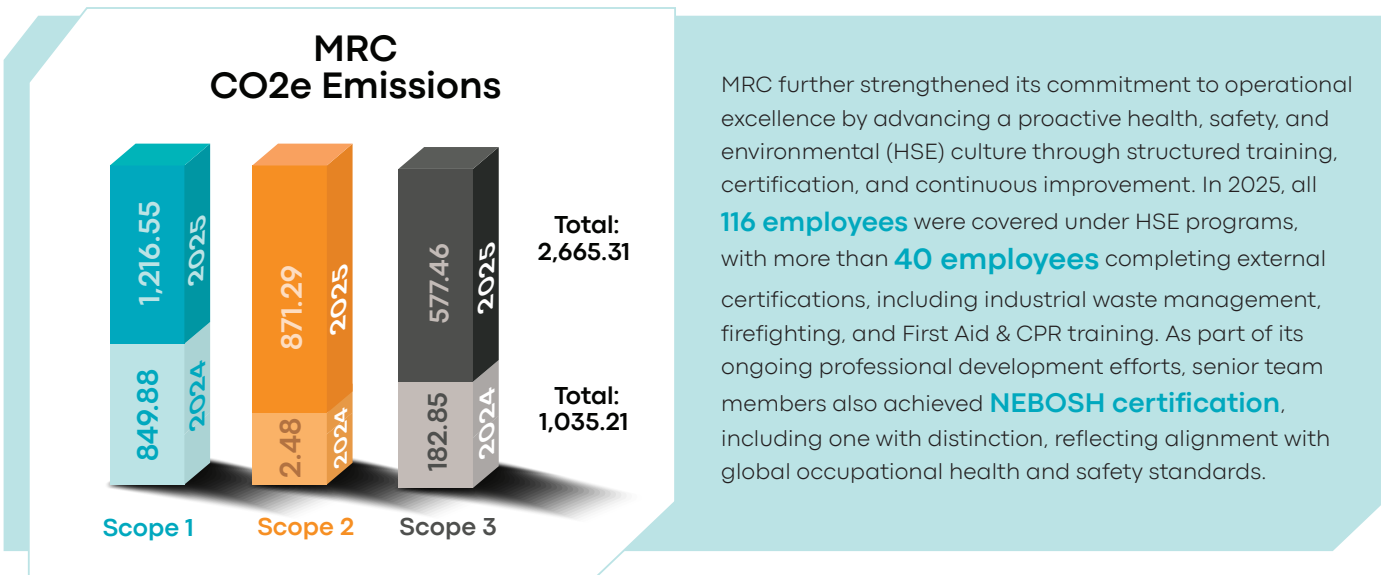
S2: S2 is developing South Village, a 1.3 million SQM multi-purpose commercial and logistics zone with a focus on sustainability and advanced technology. South Village includes warehousing, crafts workshops, retail and commercial areas. It is gated and provides 24/7 security and maintenance.

South Village is designed for sustainability in both construction and operation. Features include:

- Local Materials:** Prioritization of local materials as well as using concrete recycled from previous constructions.
- Energy-Efficient Lighting:** Use of energy-efficient lighting and natural light.
- Solar Electricity:** Five percent of all electricity supply will be solar.
- Water Treatment:** A waste-free water treatment and district cooling system. Treated water is re-used in the central cooling facility before eventually being discharged for agriculture, meeting around 60% of operational and nearby agricultural water needs.
- Insulating Materials:** Highly insulating materials in building envelopes to reduce power needs.

South Village provides strategic logistics and commercial infrastructure supporting Sabah Al-Ahmad City, The South Village development continued in 2025 with the completion of most of the civil infrastructure. In the first three quarters of 2026 the project is expected to deliver two multi-tenant retail facilities, three light industry, multi-tenant workshop facilities, three warehouses, and a central IT/tech facility.

MRC: In 2025, Metal Recycling Company (MRC) delivered strong environmental and operational performance, recycling **2,243 tons of plastics** and **10,012 tons of ferrous and non-ferrous metals**, while safely disposing of more than **12,000 tons of solid medical waste** in accordance with the highest international standards. The company also successfully renewed its **ISO 9001, ISO 14001, and ISO 45001 certifications**, reinforcing its commitment to quality, environmental responsibility, and occupational health and safety.



These efforts were further supported by ongoing monthly internal training programs tailored to departmental and site-specific operations, particularly during the commissioning phase, ensuring consistent awareness and effective implementation of safety management systems. To reinforce emergency preparedness, **two full-scale fire drills** were conducted during the year, contributing to the company's achievement of **zero safety incidents** during the reporting period.

In parallel, MRC continued to strengthen its social responsibility commitments, with

79% of MRC line employees completing Fair Labor training

& **100%** of worksites completing the 2025 Fair Labor Self-Assessment

underscoring its dedication to ethical practices, workforce wellbeing, and operational excellence.

MRC's emissions saw an increase in line with significant operational and business growth, driven by the launch of its new metals and plastics recycling facility in Mina Abdullah. The facility has the capacity to recycle approximately **60,000 tons of scrap metal annually**, with the potential to avoid between **20,000 and 90,000 tons of CO₂e emissions each year**. Looking ahead to 2026, MRC anticipates recycling **30,000 tons of scrap metals** and **5,000 tons of plastics**, further reinforcing its contribution to reducing environmental impact and advancing circular economy practices.



Beyond compliance, MRC continues to actively advance environmental protection through sustainability initiatives and partnerships, supporting circular economy practices by transforming waste into reusable resources. The company's transition to its new operational location was completed seamlessly, ensuring full compliance and uninterrupted service, while enabling expansion across government, oil & gas, industrial, and commercial sectors—further reinforcing its position as a trusted sustainability partner in Kuwait.

In 2024, MRC was awarded a Letter of Award from Kuwait National Petroleum Company (KNPC) to develop a new spent catalyst metal reclamation facility in Kuwait. Construction commenced in 2025, with the facility set to utilize a **zero-waste process** to recover valuable metals from spent catalysts. This initiative is expected to significantly reduce cross-border transportation of hazardous waste, lowering associated carbon emissions and environmental risks, and further strengthening MRC's role in advancing sustainable industrial practices.

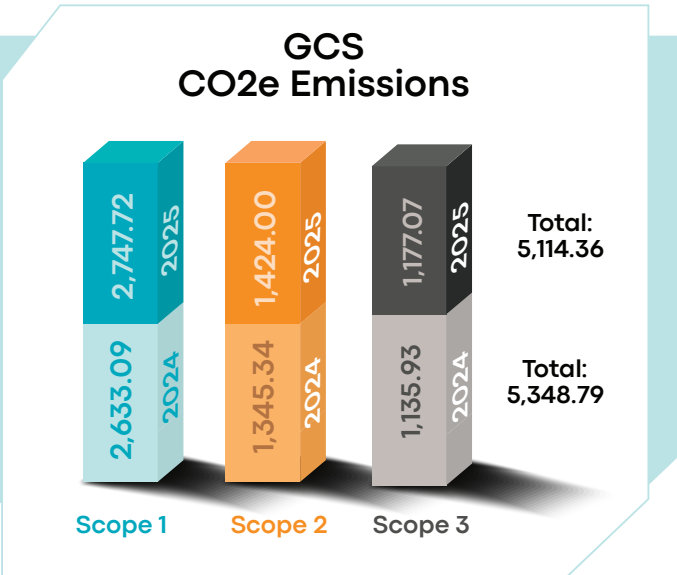


Global Clearinghouse Systems (GCS) provides customs operations and digitization services, as well as stevedoring and port services in Kuwait. It offers comprehensive customs modernization and trade facilitation solutions. The company enables deployment of the systems and technologies needed to improve management control, increase revenues, and comply with obligations under multinational and bilateral trade agreements. GCS works across 10+ border stations and trade locations including at air, sea and land ports and in trade zones. The company provides port and stevedoring services at Shuaiba port, including for both containerized and bulk cargo.

The company is committed to integrating sustainability throughout its operational sites, prioritizing progress on emissions monitoring, employee training programs, and health and safety.

The GCS team engaged **1,712 employees** (68% of the GCS workforce) in health and safety training and talks. **99%** of GCS employees completed required Fair Labor training, and **100%** of its worksites completed the 2025 Fair Labor Self-Assessment.

GCS emissions increased slightly due to operational growth.



In 2025, GCS trained people working in Customs, K9 activities, and the Kuwait National Guard through contracts with Kuwaiti authorities represented in the General Administration of Customs and Kuwait Ports Authority.

The company has improved customs clearance time for businesses to be slashed by 4x (from an average of 21+ days to 72 hours); and it has reduced shipment documentation requirements from 15 to 4 documents (11 documents eliminated per shipment). GCS has helped the Kuwait General Authority of Customs to eliminate 19 million pages of paper per year through using Micro Clear, the GCS customs clearance software solution.

GCS enables customs approvals in 30 minutes and physical inspections in under 2 hours. GCS speeds trades and lowers costs for business – and consumers, for products and materials imported into Kuwait.



6

Investment in Agility Global

Makhazen holds a 25% stake in Agility Global PLC (“Agility”). You can learn more about Agility’s sustainability performance in its integrated annual and sustainability report.

Highlights reported by the company include:

- 96% of Agility’s workforce is covered by greenhouse gas reduction targets.
- Menzies continues progressing toward net-zero.
- Tristar is advancing fuel-efficiency initiatives.
- Agility’s Logistics Parks business EDGE Advanced certification standards, demonstrating at least 40% greater energy efficiency than the market.

Approximately **84% of employees** completed human rights training during the year.

Agility’s community investments reached more than **212,000 people** in need in 2025

7

Looking Ahead

As Makhazen advances under its new brand identity, our sustainability focus remains on responsible growth, long-term partnerships, and meaningful impact in Kuwait. Our priorities for the coming period include:



Continued investment in Kuwaiti youth and workforce readiness.



Expansion of sustainable infrastructure and circular economy solutions.



Enhanced measurement, data quality, and transparency across sustainability performance.



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We remain committed to supporting Kuwait Vision 2035 and contributing to a prosperous, resilient, and inclusive future for the country.

