

RSM KUWAIT

SUSTAINABILITY REPORT 2019



The Power of Being Sustainable

ABOUT THIS REPORT

(102-3, 102-4, 102-46, 102-53, 102-54)

RSM Kuwait Sustainability Report 2019 marks the first of its kind for RSM Albazie & Co. — herein referred to as RSM Kuwait. The scope and boundary of the report covers RSM Albazie & Co. operations in Kuwait. The reporting period is from January 1, 2019 to December 31, 2019. *RSM Kuwait Sustainability Report 2019* has been prepared in accordance with the core option of Global Reporting Initiative (GRI) standards, meaning that core standards have been disclosed.

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“REPORTING OUR SUSTAINABILITY PERFORMANCE IN THIS REPORT IS BRINGING VALUE TO THE OFFICE, AND ENHANCING THE OPERATIONAL EXCELLENCE, AS WELL AS THE CLIENT EXPERIENCE.”

SUSTAINABILITY HIGHLIGHTS



3

ISO Certifications



14 Colleagues

Average number of Kuwaiti nationals employed



36% decrease

Colleague turnover



663,920

Sheets of paper

Paper saving through digitization



37% increase

Female employment



5,728

Training hours for colleagues



0

Occupational injuries



12%

Kuwaitization at managerial level rate



43% increase
Investment into
digitization and
innovation



56 years
Years in operation



10
Insight publications
published



83%
**Local suppliers Vs.
17% foreign suppliers**
Procurement
expenditure rates



53.94 MT CO₂e
Greenhouse (GHG)
emissions – scope I



1,545 MT CO₂e
Greenhouse (GHG)
emissions – scope II



49.48 MT CO₂e
Greenhouse (GHG)
emissions – scope III



12% increase
Workforce compared
with last year

Message from the Chairman

(102-14, 102-26, 102-27, 102-32)



“

Throughout all my years with the firm, I have witnessed the growth in various sustainable development areas, making this report a crucial milestone in evaluating and communicating this performance to our valuable stakeholders.

”

Welcome to RSM Kuwait's first sustainability report. We are excited to start this journey of sustainability reporting from this crucial baseline report, and look forward to continuing this initiative in the future.

Throughout all my years with the Firm, I have witnessed the growth in various sustainable development areas, making this report a crucial milestone in evaluating and communicating this performance to our valuable stakeholders.

Our Firm's mission is "Exceeding client expectations through a team of highly qualified colleagues leveraging our global, regional, and local network". Accordingly, we focus on our impacts on our clients, colleagues, and other concerned stakeholders, and continuously strive to improve in these regards.

In line with our Firm strategy and engagements with our stakeholders, we have also developed 6 focus areas, which are a central platform over which we establish our sustainable performance.

The 6 focus areas are:

- Exhibiting Excellent Governance
- Having a Positive Environmental Impact
- Excelling at the Marketplace
- Caring for our Workplace
- Engaging with Our Community
- Advancing Innovation and Digitization

Additionally, we evaluate our performance and impacts through the perspective of our 5 values: "Respect, Integrity, Teamwork, Excellence, and Stewardship". We respect our stakeholders by ensuring positive impacts on them whenever possible. We ensure integrity by our ethical business practices. We encourage teamwork among our colleagues to be able to perform to their best capabilities. We ensure excellence through adherence to high quality standards in our deliverables. Finally, we foster stewardship by striving for positive impacts on the environment and the community as a whole.

These are only some key performance areas and contributions, among others. For more details, I invite you as stakeholders to look through our report, where you may transparently read about RSM Kuwait's impacts on you.

Dr. Shuaib A. Shuaib
Chairman, RSM Kuwait

Message from the Office Managing Partner

(102-14, 102-26, 102-27, 102-32)



“

RSM Kuwait is constantly striving to build a sustainable operating model in the business environment, based on proper governance, transparency, business continuity, workplace, and community.

”

Firstly, I would like to invite you to look through our first sustainability report for the year 2019, which has been especially tailored to engage with our valuable stakeholders—namely our clients, colleagues, management, government, suppliers, and the rest of the community.

In culmination of our sustainability efforts, RSM Kuwait is constantly striving to build a sustainable operating model in the business environment, based on proper governance, transparency, business continuity, workplace, and community. Specifically, by investing in our robust teams supported by our innovative technology, we are aiming for a seamless workflow that is more sustainable for our Firm and colleagues, in both the short and long term.

We have also built our report upon a foundation of 6 sustainability focus areas that we have deemed to be most important for us, which I will provide in relation to a few highlights from our report.

The first focus area is “Exhibiting Excellent Governance”, and accordingly we have displayed the various ways in which our policies and procedures tie in with other elements like ethics, compliance, quality, among others.

The second focus area is “Having a Positive Environmental Impact”, for which we have reported our impacts and savings in terms of paper, e-waste, greenhouse gas (GHG) emissions, energy, and water.

Next is the third focus area, “Excelling at the Marketplace”, where we provide briefs about our various service lines and our contributions.

For the fourth focus area “Caring for our Workplace”, we have disclosed and analyzed various KPIs related to our human capital management, especially looking at areas of diversity, training and development, Kuwaitization, retention and turnover, colleagues, and engagement, among others.

Our fifth focus area “Engaging with Our Community” demonstrates the various ways that RSM Kuwait communicates with the rest of the community, including social media, events, insight publications, etc.

Last, but not least, is our sixth focus area “Advancing Innovation and Digitization”, wherein we have portrayed our various initiatives in embracing technology for the betterment of both our internal and external stakeholders.

Moreover, I would like to emphasize that we are keen to sustain the business relationship with you as clients and other stakeholders. Therefore, to better sustain this impact, we seek your valuable feedback and comments on our first sustainability report.

In conclusion, we are excited to have joined in the trend of sustainability reporting through the development of this baseline report, and look forward to continuing RSM Kuwait's noble journey in this domain.

Nayef M. Albazie

Office Managing Partner, RSM Kuwait

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Marketplace 36

- Diverse Services
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- Project Governance
- Ethical Business
- Code of Conduct
- Compliance



Anticipating challenges, identifying opportunities



Workplace 58

- Diversity and Equal Opportunities
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01



RSM KUWAIT OVERVIEW

Profile and History

Vision, Mission, Values

Organizational Structure

RSM Kuwait has gone through a long journey ever since its founding in 1963 as Kuwait Auditing Office – Bader Al Bazie & Co. Besides auditing, RSM Kuwait offers a variety of services under the umbrellas of audit, tax, and consulting, catering for clients from a range of sectors. Throughout these operations, RSM Kuwait is aligned and associated with RSM Global, which is the 6th largest network of independent audit, tax, and consulting Firms.



1.1 Profile and History

(102-1, 102-2, 102-6, 102-7)

Profile:

Albazie & Co. (herein referred to as "RSM Kuwait") was established in 1963 and is a member Firm of the RSM Global since 2003. As of 2019, it is staffed with a total of 203 colleagues, comprising 157 professionals and 46 support professionals. Note also that several of our colleagues have been with the Firm for a long time, reaching back to 1982. The Firm offers various audit, tax, and consulting services. Our clients come from a range of sectors / industries, including, but not limited to, financial services, real estate, retail, and healthcare, oil & gas, telecommunications, automotives, among others.

Association:

(102-13)

Presently, we are associated with RSM Global, the 6th largest network of independent audit, tax and consulting Firms, encompassing over 120 countries and in each of the top 40 major business centers throughout the world. We have combined staff of over 43,000 in over 810 offices across the Americas, Europe, MENA, Africa and Asia Pacific. The network's total fee income is US \$5.74 billion.

RSM Global actively engages in promoting and celebrating the very best in entrepreneurship and business leadership, championing the role of the entrepreneur in today's world economy. RSM Global is the lead sponsor and corporate champion of the European Business Awards promoting commercial excellence and recognition of entrepreneurial brilliance.

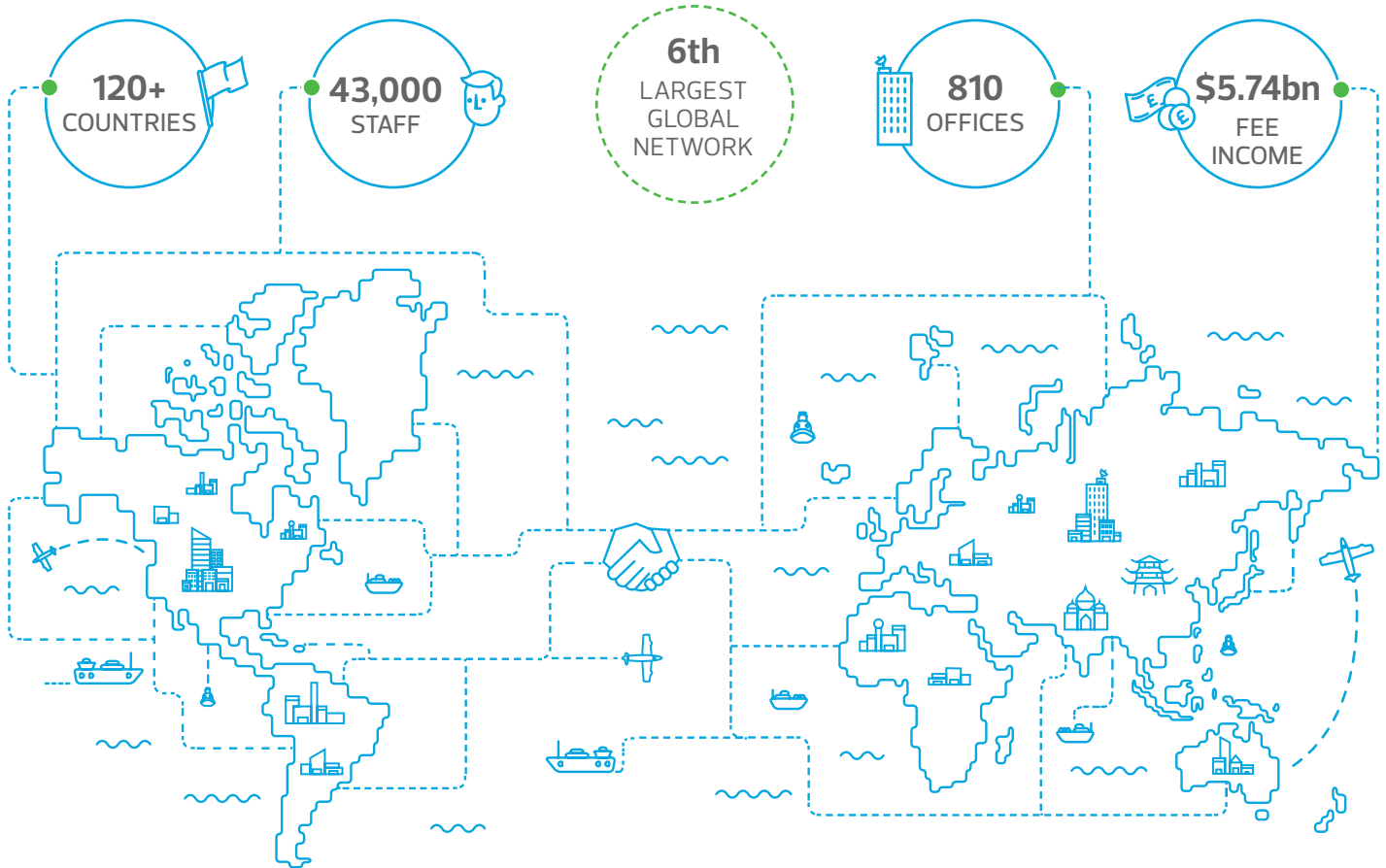
RSM Global is a member of the Forum of Firms, with the shared objective to promote consistent and high quality standards of financial and auditing practices worldwide.

"RSM" is the brand used by a network of independent accounting and consulting Firm each of which practices in its own right. RSM Global Limited does not itself provide any accounting and consulting services. Member Firms are driven by a common vision of providing high quality professional services, both in their domestic markets and in serving the international professional service needs of their client base. More on RSM Global is provided in

Figure 1.1a.



Figure 1.1a: RSM Global – Highlights



RSM Kuwait Highlights





Value Added

As a client of a member Firm in the RSM Network, one of the largest consulting networks in the world, you will benefit from a large pool of information specifically designed to meet your demands in an increasingly global and competitive world.

How will we measure the success of our 7 core elements in providing you with the highest quality service?

We will measure this by using financial and non-financial indicators, such as an increase in turnover, levels of outbound and inbound referral, client satisfaction programs, and using our recognized independent KPI's.

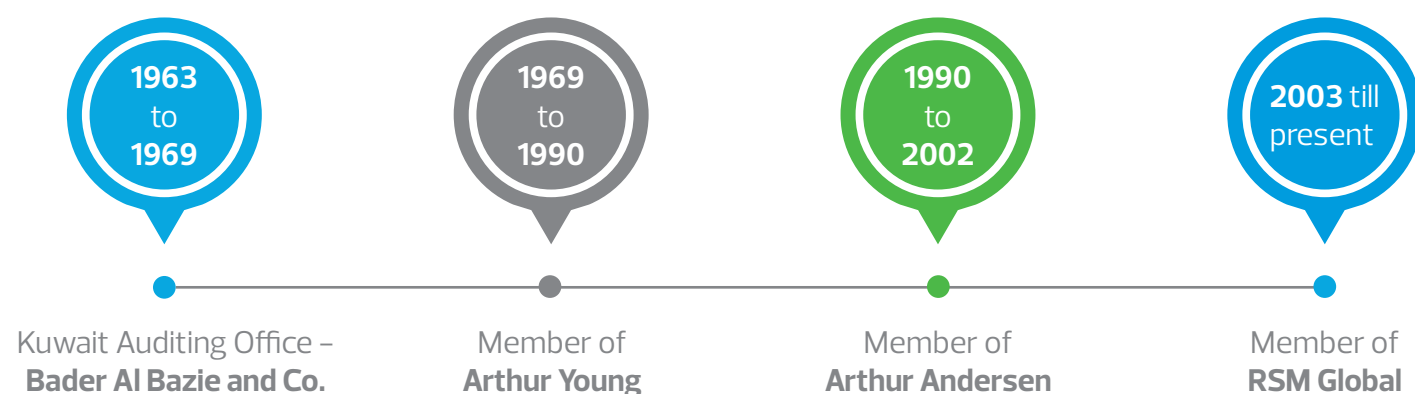


History – RSM Kuwait

1963 saw the birth of a new Firm: Kuwait Auditing Office – Bader Al Bazie & Co. The assignment of Registration number 1A to the founder of the Firm, Bader Al Bazie, was a testimony of the trust that the State of Kuwait had in the founder to develop the auditing profession and he fully met the expectations.

Over the years, the Firm has associated with international Firms from time to time, as illustrated in **Figure 1.1b**. During 1969 – 1990, the Firm was an associate of Arthur Young. During 1990 – 2002 it was a member Firm of Arthur Andersen. The Firm joined as a member of RSM Global in 2003.

Figure 1.1b: RSM Albazie & Co. Timeline



1.2 Vision, Mission, Values

(102–16)

RSM Kuwait operates according to set strategic elements composed of RSM Kuwait's vision, mission, and values, which are provided in **Figure 1.2a**, and **1.2b**, respectively. RSM Kuwait's mission, vision, and values are reflective of RSM Global's strategic directions. The values are shared between the two. This alignment emphasizes that RSM

Kuwait operates in accordance with RSM Global strategy as well, especially in market directions. Furthermore, the elements of RSM Kuwait mission, vision, and values are reflected throughout the sustainability report as they relate to the focus areas and chapters of the report.

Figure 1.2a: Vision and Mission



RSM Kuwait Mission

Exceeding client expectations through a team of highly qualified colleagues leveraging our global, regional, and local network

RSM Global Purpose

To deliver The Power of Being Understood to our clients, colleagues and communities

Figure 1.2b: RSM values

RESPECT

TREAT OTHERS AS WE WOULD LIKE TO BE TREATED

We display respect in each interaction with:

- clients
- colleagues
- partners

INTEGRITY

DO THE RIGHT THING

We stay true to our beliefs:

- in decisions
- in negotiations
- in communications

TEAMWORK

WORK TOGETHER EFFECTIVELY

We cultivate genuine collaboration:

- in our work groups
- across member Firms
- across functions
- amongst leaders

EXCELLENCE

BE THE BEST IN EVERYTHING WE DO

We achieve distinction through:

- our standards
- our operations
- the work we deliver

STEWARDSHIP

BETTER OUR NETWORK, MEMBERS AND OUR PEOPLE

We make RSM a better place by:

- developing our people
- building our brand
- supporting our communities

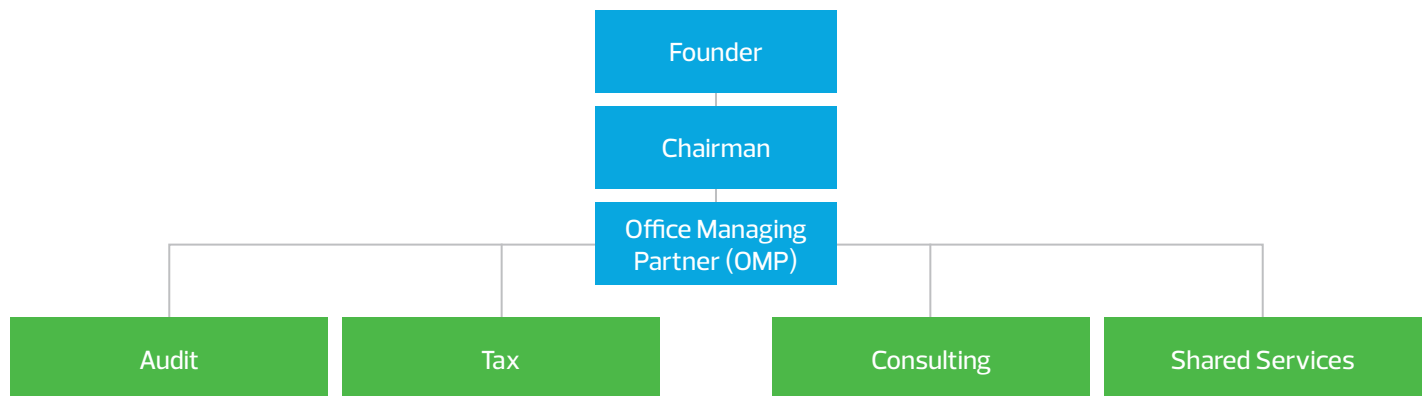
1.3 Organizational Structure

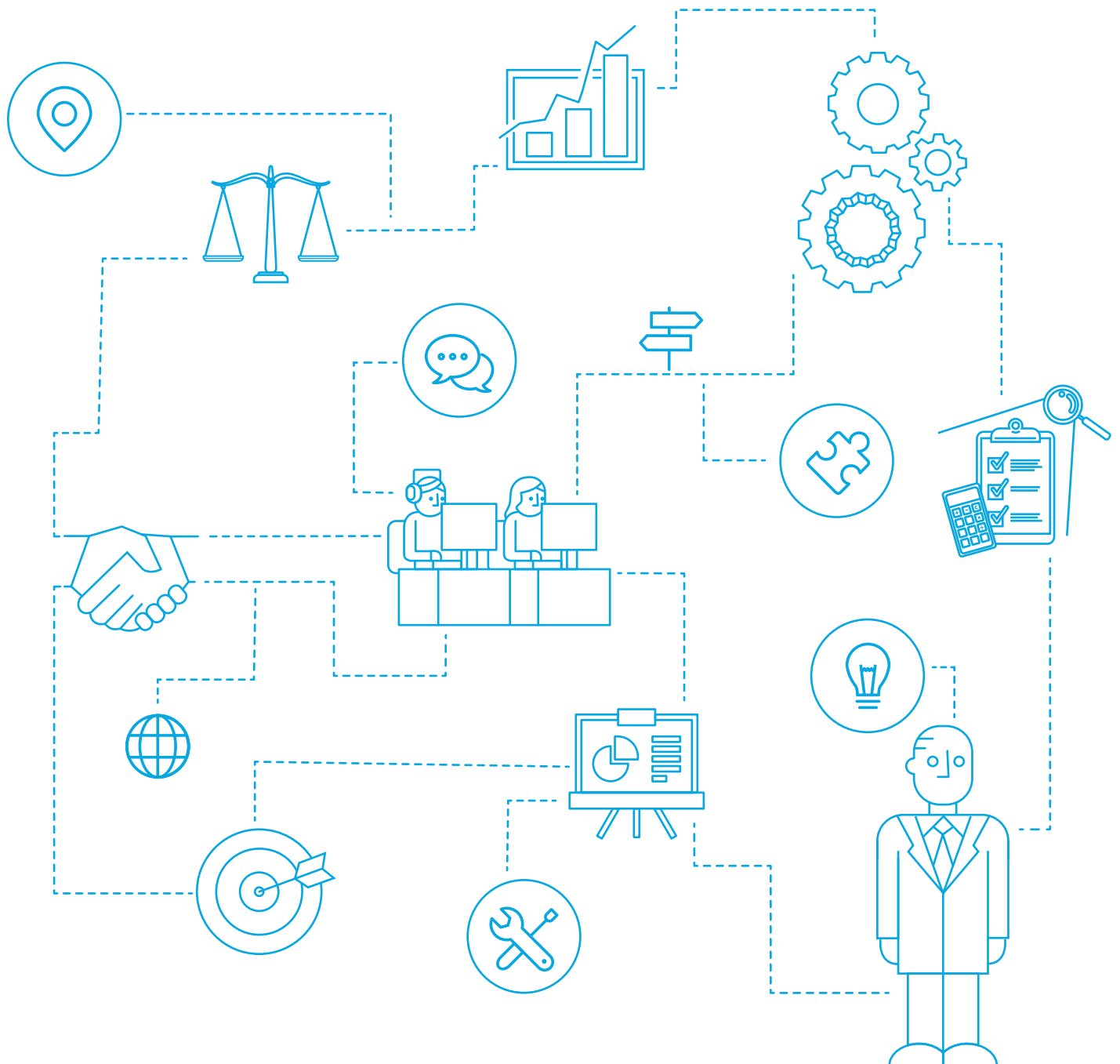
(102-5)

Figure 1.3 below illustrates the organizational structure of RSM Kuwait. It shows that RSM Kuwait's top governance positions comprise of the founder, chairman, and office managing partner (OMP).

These positions oversee 4 main divisions: Audit, Tax, Consulting, and Shared Services (support). Each of these are further managed operationally by a number of leaders.

Figure 1.3: RSM Kuwait Organizational Chart





02



SUSTAINABILITY APPROACH

Stakeholder Engagement

Sustainability Focus Areas

Materiality Assessment

Mapping Material Topics with GRI, SDGs, and KNDP

Sustainability Return on Investment (SROI)

One of the primary stages of sustainability directions and reporting is outlining the Firm's approach to sustainability. Throughout this section of the report, we emphasize the pivotal role of stakeholders and their engagement, both throughout RSM Kuwait business practices and the development of this report.



2. Sustainability Approach











(102–21)

As a first step, stakeholder engagement was conducted through the materiality assessment, to assess the most significant topics to be reported on. Then the material topics were aligned to sustainability frameworks, including the Global Reporting Initiative (GRI) standards, UN Sustainable Development Goals (SDGs), and the Kuwait National Development Plan (KNDP). Moreover, sustainability return on investment (SROI) is also an important part of our sustainability approach, specifically

as a means to quantitatively measure and evaluate our sustainability performance in terms of non-financial returns.

Specifically, the Global Reporting Initiative (GRI) standards framework plays a central role throughout the sustainability report, as it is in accordance with the disclosure of the core standards. The report is also in line with the GRI reporting principles of defining report content, and the reporting principles for defining report quality, as explained in **Figure 2**.

Figure 2: RSM Kuwait Adherence to GRI Principles

GRI Principles Category	GRI Principles	RSM Kuwait Adherence
Report Content	 Stakeholder Inclusiveness	Included stakeholder inputs, which is most visible through the materiality assessment resulting in appropriately rated material topics.
	 Sustainability Context	Considered RSM Kuwait sustainability context in determining the sustainability performance.
	 Materiality	Considered and reporting on the most material topics for stakeholders.
	 Completeness	Completely reported on the core GRI disclosures.
Report Quality	 Accuracy	Accurately reporting information concerning its sustainability performance.
	 Balance	Reported its information in a relatively balanced way throughout the chapters, while in accordance with materiality assessments results.
	 Clarity	Clearly reported sustainability related information.
	 Comparability	Communicated sustainability information in a way that is comparable to other companies / sustainability reports, which is supplemented by the adherence to GRI standards disclosures.
	 Reliability	Communicated reliable data concerning its sustainability performance.
	 Timeliness	Communicated timely sustainability information pertaining to its 2019 reporting period.



2.1 Stakeholder Engagement

(102–33, 102–40, 102–42, 102–43)

Central to sustainable business practice is the proper engagement of concerned stakeholders, including internal stakeholders within our Firm, as well as external stakeholders outside of our Firm. While non-sustainable Firms strive for bottom-line results no matter the toll on stakeholders, RSM Kuwait instead takes a sustainable approach by striving for business outcomes while

simultaneously engaging with and caring for the internal and external stakeholders involved.

To illustrate this, the **Table 2.1** describes RSM Kuwait's stakeholder engagement approach, which lists the stakeholders in categorization of external or internal, provides the engagement mechanisms (tools to engage with them), stakeholders' expectations of RSM Kuwait, and the frequency of RSM Kuwait's engagement with stakeholders.

Table 2.1: RSM Kuwait Stakeholder Engagement


Stakeholder Category	Stakeholder	Engagement Mechanism	Stakeholder Expectations	Frequency of Engagement
External	Clients 	<ul style="list-style-type: none"> Meetings Emails Phone calls Engagement letters Website Proposals, pricing / quotes, invoices Client satisfaction and feedback Brochures, presentations, and other business development material RSM Kuwait Engage (Upcoming) Social media Insights Events 	<ul style="list-style-type: none"> Client privacy and confidentiality Responsive services Efficiency meeting deadlines Innovative solutions Data disclosure Quality of delivery 	High
	Government 	<ul style="list-style-type: none"> Correspondence letters Compliance/ governmental report Direct meetings Emails Phone calls 	<ul style="list-style-type: none"> Compliance with policies, legal & regulatory requirements Transparency Business ethics, integrity and code of conduct Management of risks Support governmental plans 	Low
	Suppliers and Vendors 	<ul style="list-style-type: none"> Emails Contracts and invoices Meetings Phone calls 	<ul style="list-style-type: none"> Economic value Ongoing relationship management Resources efficiency Transparency 	Medium
	Community 	<ul style="list-style-type: none"> Website Social media Events 	<ul style="list-style-type: none"> Awareness and volunteering Environmental and social welfare support Human rights Social development 	Low

Table 2.1: RSM Kuwait Stakeholder Engagement

Stakeholder Category	Stakeholder	Engagement Mechanism	Stakeholder Expectations	Frequency of Engagement
Internal	Colleagues 	<ul style="list-style-type: none"> · Training · HC announcements · MenaMe · HC system · Staff orientation and workshops · Reports including sustainability report · RSM Kuwait portal – Intranet · Evaluations · Policies on intranet · Meetings · Daily interactions (Emails, WhatsApp and phone calls) · Code of conduct · Customer Relationship Management (CRM) system Insights · Colleagues engagement events · Social media 	<ul style="list-style-type: none"> · Compliance with labor law rights · Equal opportunities · Human rights consideration · Diversified career development · Work-life balance · Occupational health & safety · Work ethics · Recognition & rewards · Kuwaitization · Compensation 	High
	Management 	<ul style="list-style-type: none"> · HC announcements · MenaMe HC system · Reports including sustainability report · Evaluation · Policies on Intranet · Meetings · Emails · Phone calls · Customer Relationship Management (CRM) system · Client satisfaction and feedback results 	<ul style="list-style-type: none"> · Clear policies and guidelines · Corporate governance · Compliance · Compensation 	High

Table Legend

Low

Rarely during the year

Medium

Periodically throughout the year

High

Several times during the month



2.2 Sustainability Focus Areas

With the importance of stakeholder engagement established, it is next imperative for RSM Kuwait to outline the key sustainability focus areas that would be the key drivers / emphasis of its directions. **Table 2.2** lists and describes the 6 sustainability focus areas selected by RSM Kuwait, which are also the fundamental skeleton of this sustainability report, as highlighted by the chapters that they pertain to.

Additionally, these focus areas are in line with certain principles from RSM Global, as also emphasized through the alignment. The sustainability 6 focus areas also derive from the 3 environmental, social, and governance (ESG) elements, as many Firms are using the ESG perspective to assess and rate their sustainability performance. This ESG alignment is also shown in the table..

Table 2.2: Sustainability Focus Areas

	1 Exhibiting Excellent Governance	2 Having a Positive Environmental Impact	3 Excelling at the Marketplace	4 Caring for our Workplace	5 Engaging with Our Community	6 Advancing Innovation and Digitization
Description	Emphasizes the importance of governance elements for RSM Kuwait, including policies, procedures, compliance, management, etc.	Portrays our dedication to measuring and evaluating our environmental impact, including matters like greenhouse gas (GHG) emissions, water management, waste management, energy efficiency, etc.	Represents our economic / business performance, mainly the services we provide to our clients.	Illustrates our commitment to managing our colleagues, measuring and evaluating various elements like diversity, retention, turnover, Kuwaitization, among others.	Reports on how we engage with the community, including aspects like social media, events, publications, etc.	Pertains to our dedication to use innovative technology to digitize and enhance both our internal operations as well as automation elements in our work practices for our clients.
Associated Chapter	<ul style="list-style-type: none"> Chapter 4: Governance Chapter 2: Sustainability Approach 	<ul style="list-style-type: none"> Chapter 7: Environment Chapter 2: Sustainability Approach 	<ul style="list-style-type: none"> Chapter 3: Marketplace Chapter 2: Sustainability Approach 	<ul style="list-style-type: none"> Chapter 5: Workplace Chapter 2: Sustainability Approach 	<ul style="list-style-type: none"> Chapter 8: Community Chapter 2: Sustainability Approach 	<ul style="list-style-type: none"> Chapter 6: Innovation and Digitization Chapter 2: Sustainability Approach
RSM Global Principles	<ul style="list-style-type: none"> Common Methods and Processes People 	<ul style="list-style-type: none"> Common Methods and Processes 	<ul style="list-style-type: none"> Market Position Accelerated Growth Target Sectors Service Lines Target Markets 	<ul style="list-style-type: none"> People 	<ul style="list-style-type: none"> People 	<ul style="list-style-type: none"> Common Methods and Practices Accelerated Growth Market Position Service Lines
ESG Alignment	<ul style="list-style-type: none"> Governance (G) 	<ul style="list-style-type: none"> Environment (E) 	<ul style="list-style-type: none"> Governance (G) 	<ul style="list-style-type: none"> Governance (G) Social (S) 	<ul style="list-style-type: none"> Social (S) 	<ul style="list-style-type: none"> Governance (G) Environment (E)

2.3 Materiality Assessment

(102-31, 102-33, 102-34, 102-44, 102-47, 103)

Materiality assessment is a crucial step in sustainability reporting, and especially for compliance with the Global Reporting Initiative (GRI) reporting framework. Materiality assessment consists of steps to derive and rate "material topics", which are topics most relevant for stakeholders to be reported on.

The assessment consists of a mix of stakeholder ratings, as well as benchmarking analysis with other international Firms in the industry. The result was a list of 27 material topics, with assigned materiality levels from low to high. These 27 material topics are in line with the 6 sustainability focus areas identified for RSM Kuwait.

The materiality matrix in **Figure 2.3** illustrates the result of the assessment, and **Table 2.3** lists the material topics with their assigned materiality levels as per the matrix results.

Figure 2.3: RSM Kuwait Materiality Matrix

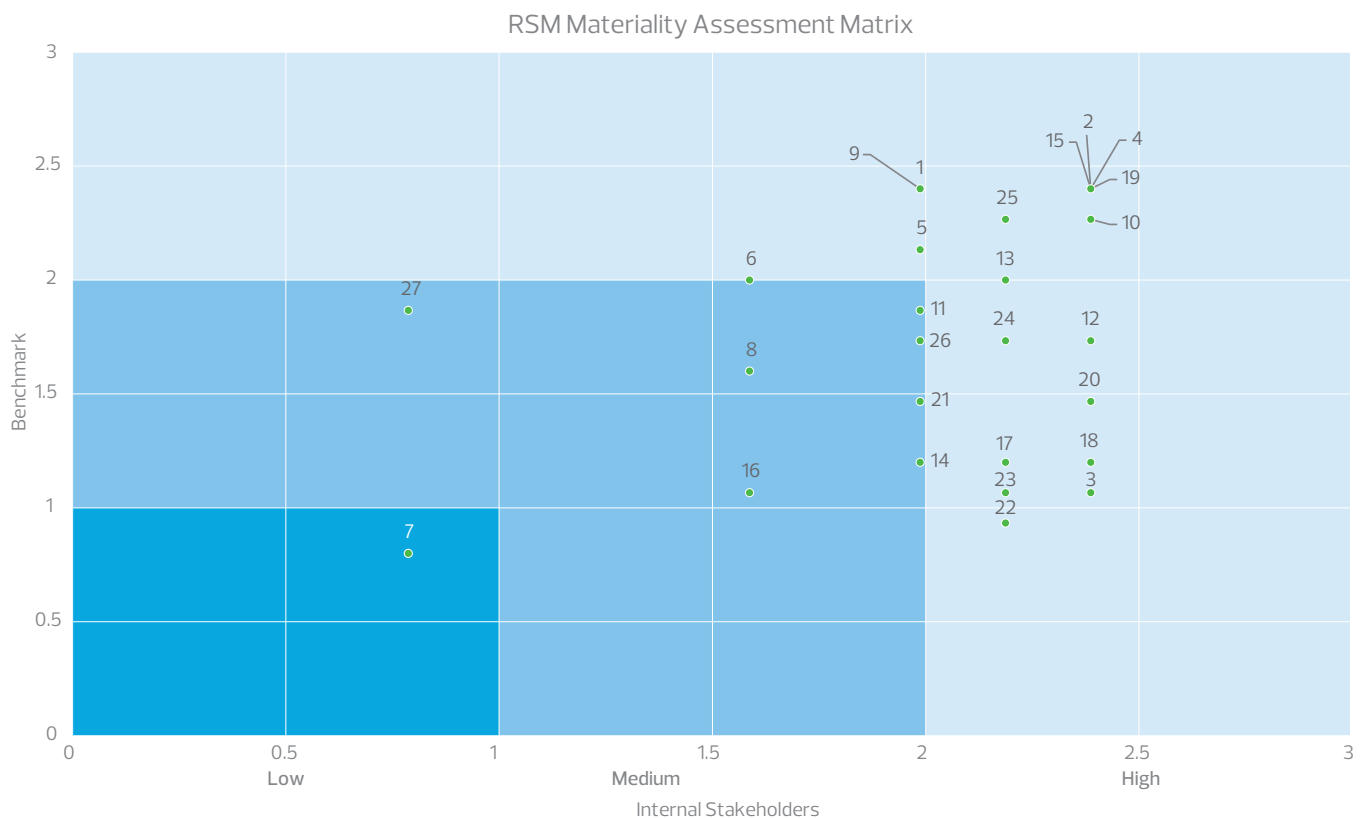







Table 2.3: RSM Kuwait Material Topics and Rating

Category / Theme	#	Material Topic	Materiality Level
 Governance	1	Policies & procedures	High
	2	Risk & opportunity management	High
	3	Project governance	High
	4	Ethical business	Medium-High
 Environment	5	Environmental awareness	High
	6	Waste management	High
	7	Water management	High
	8	Energy efficiency	High
	9	Greenhouse gas (GHG) emissions	High
 Marketplace	10	Client satisfaction & engagement	Medium-High
	11	Economic performance & growth	Medium
	12	Diverse services	High
	13	Innovation & digitization	High
	14	Efficiency	High
 Workplace	15	Diversity & equal opportunities	Low
	16	Succession planning & mobility	High
	17	Performance management	High
	18	Retention & turnover	Medium-High
	19	Training & development	High
	20	Health & safety	High
	21	Workforce engagement	High
	22	Kuwaitization / nationalization	High
 Community	23	Internships	High
	24	Community engagement tools	High
	25	Social activities	High
	26	Events & knowledge sharing	High
	27	Responsible procurement	High

2.4 Mapping Material Topics with GRI, SDGs and KNDP

With the identification and rating of material topics established, the next step in a sustainability reporting approach is to illustrate RSM Kuwait's alignment with international and national sustainability frameworks and enablers. Specifically, the international ones chosen are the Global Reporting Initiative (GRI) standards and

the UN Sustainable Development Goals (SDGs), while the national one is the Kuwait National Development Plan (KNDP).

Table 2.4 illustrates this alignment by linking the SDG and KNDP relations to each of RSM Kuwait's material topics. Furthermore, material topics alignment to GRI is provided in the annex.

Table 2.4: Material Topics Alignment

#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
1	Policies & procedures	 8: Decent work & economic growth	Global positioning	
		 10: Reduced inequalities	Effective government administration	
		 16: Peace, justice & strong institutions		
		 17: Partnerships for the goals		
2	Risk & opportunity management	 8: Decent work & economic growth	Global positioning	
		 16: Peace, justice & strong institutions	Effective government administration	
		 17: Partnerships for the goals		
3	Project governance	 8: Decent work & economic growth	Global positioning	
		 9: Industry, innovation & infrastructure	Sustainable diversified economy	
		 17: Partnerships for the goals	Effective government administration	
4	Ethical business	 5: Gender equality	Global positioning	
		 8: Decent work & economic growth	Creative human capital	
		 10: Reduced inequalities	Effective government administration	
		 16: Peace, justice & strong institutions		
		 17: Partnerships for the goals		






























#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
5	Environmental awareness	 3: Good health & well-being	Global positioning	
		 6: Clean water & sanitation	Sustainable living environment	
		 7: Affordable & clean energy	Sustainable diversified economy	
		 11: Sustainable cities & communities		
		 12: Responsible consumption & production		
		 13: Climate action		
		 14: Life below water		
		 15: Life on land		
6	Waste management	 17: Partnerships for the goals		
		 3: Good health & well-being	Global positioning	
		 6: Clean water & sanitation	Sustainable living environment	
		 7: Affordable & clean energy	Sustainable diversified economy	
		 11: Sustainable cities & communities		
		 12: Responsible consumption & production		
		 13: Climate action		
		 14: Life below water		
		 15: Life on land		
		 17: Partnerships for the goals		

#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
7	Water management	 3: Good health & well-being	Global positioning	
		 6: Clean water & sanitation	Sustainable living environment	
		 11: Sustainable cities & communities		
		 12: Responsible consumption & production		
		 17: Partnerships for the goals		
8	Energy efficiency	 3: Good health & well-being	Global positioning	
		 7: Affordable & clean energy	Sustainable living environment	
		 9: Industry, innovation & infrastructure	Developed infrastructure	
		 11: Sustainable cities and communities	Sustainable diversified economy	
		 12: Responsible consumption & production		
		 13: Climate action		
		 17: Partnerships for the goals		
9	Greenhouse gas (GHG) emissions	 3: Good health & well-being	Global positioning	
		 7: Affordable & clean energy	Sustainable living environment	
		 11: Sustainable cities & communities	Sustainable diversified economy	
		 12: Responsible consumption & production		
		 13: Climate action		
		 17: Partnerships for the goals		



#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
10	Client satisfaction & engagement	 8: Decent work & economic growth	Global positioning	
		 9: Industry, innovation & infrastructure	Sustainable diversified economy	
		 17: Partnerships for the goals	Effective government administration	
11	Economic performance & growth	 8: Decent work & economic growth	Global positioning	
		 9: Industry innovation & infrastructure	Developed infrastructure	
		 11: Sustainable cities & communities	Sustainable diversified economy	
		 17: Partnership for the goals		
12	Diverse services	 8: Decent work & economic growth	Global positioning	
		 11: Sustainable cities & communities	Sustainable diversified economy	
		 17: Partnerships for the goals		
13	Innovation & digitization	 8: Decent work & economic growth	Global positioning	
		 9: Industry innovation & infrastructure	Sustainable living environment	
		 11: Sustainable cities & communities		
		 12: Responsible consumption & production		
		 13: Climate action		
		 17: Partnerships for the goals		

#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
14	Efficiency	 8: Decent work & economic growth	Effective government administration	
		 9: Industry innovation & infrastructure	Creative human capital	
		 17: Partnerships for the goals		
15	Diversity & equal opportunities	 5: Gender equality	Global positioning	
		 10: Reduced inequalities	Effective government administration	
		 16: Peace, justice & strong institutions		
		 17: Partnerships for the goals		
16	Succession planning & mobility	 8: Decent work & economic growth	Creative human capital	
		 16: Peace, justice & strong institutions	Effective government administration	
		 17: Partnerships for the goals		
17	Performance management	 8: Decent work & economic growth	Creative human capital	
		 10: Reduced inequalities	Effective government administration	
		 16: Peace, justice & strong institutions		
		 17: Partnerships for the goals		
18	Retention & turnover	 10: Reduced Inequalities		
		 16: Peace, justice & strong institutions	Effective government administration	
		 17: Partnerships for the goals	Creative human capital	



#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
19	Training & development	 4: Quality education	Global positioning	
		 8: Decent work & economic growth	Creative human capital	
		 17: Partnerships for the goals	Effective government administration	
20	Health & safety	 3: Good health & well-being	Global positioning	
		 8: Decent work & economic growth	Effective government administration	
		 17: Partnerships for the goals	Creative human capital	
21	Workforce engagement	 8: Decent work & economic growth	Creative human capital	
		 10: Reduced inequalities	Effective government administration	
		 17: Partnerships for the goals		
22	Kuwaitization / nationalization	 4: Quality education	Global positioning	
		 8: Decent work & economic growth	Creative human capital	
		 10: Reduced inequalities		
		 17: Partnerships for the goals		
23	Internships	 4: Quality education	Global positioning	
		 11: Sustainable cities & communities	Creative human capital	
		 17: Partnerships for the goals		
24	Community engagement tools	 11: Sustainable cities & communities	Global positioning	
		 16: Peace, justice & strong institutions	Sustainable living environment	
		 17: Partnerships for the goals		

#	Material Topic	UN Sustainable Development Goals (SDGs)	Kuwait National Development Plan (KNDP)	
25	Social activities	 4: Quality education	Global positioning	
		 11: Sustainable cities & communities	Creative human capital	
		 17: Partnerships for the goals	Sustainable diversified economy	
26	Events & knowledge sharing	 4: Quality education	Global positioning	
		 8: Decent work & economic growth	Creative human capital	
		 9: Industry innovation & infrastructure	Effective government administration	
		 17: Partnerships for the goals		
27	Responsible procurement	 8: Decent work & economic growth	Global positioning	
		 11: Sustainable cities & communities	Sustainable living environment	
		 12: Responsible consumption & production	Sustainable diversified economy	
		 17: Partnerships for the goals		

2.5 Sustainability Return on Investment (SROI)

(102–29)

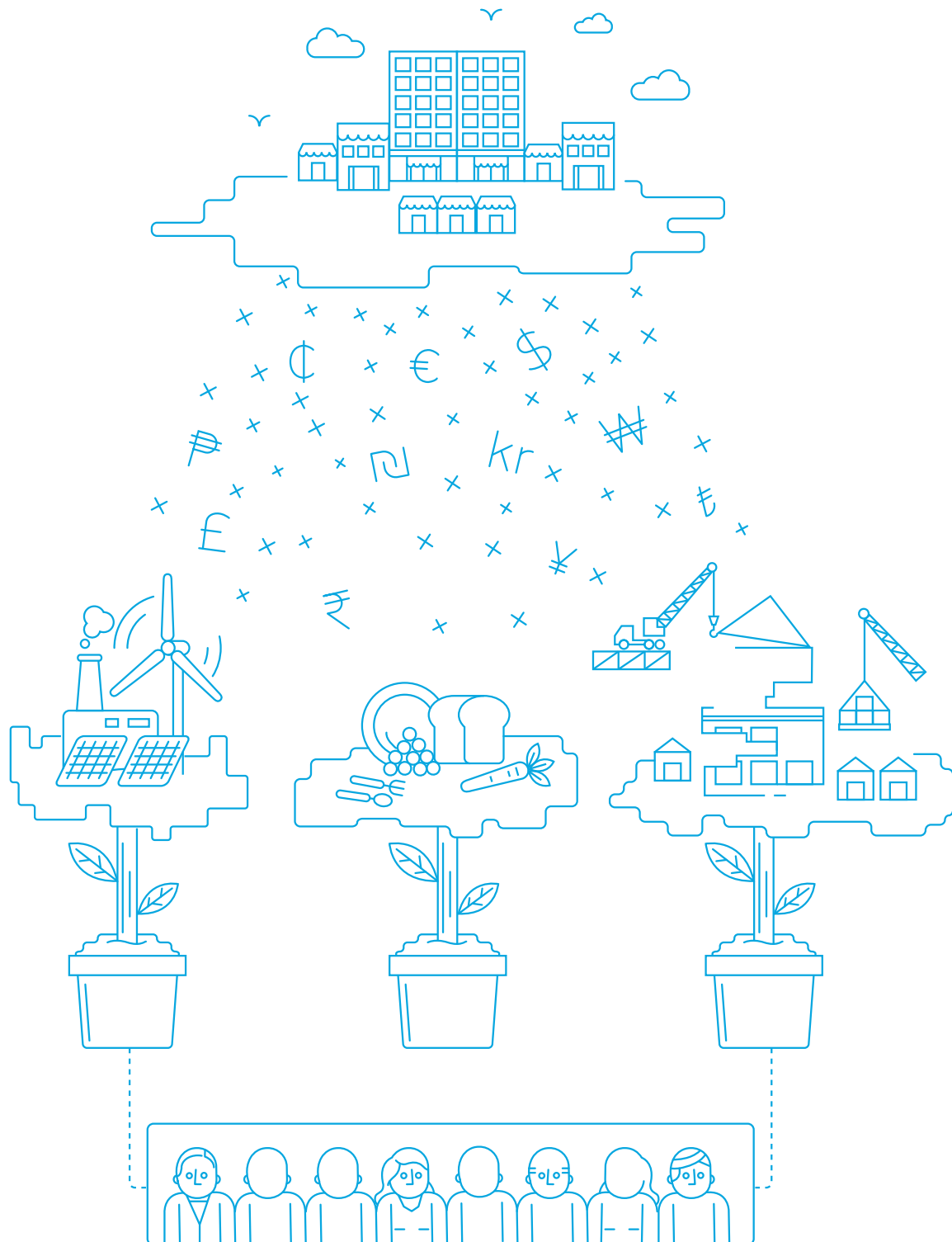
In essence, the domain of sustainability often deals with various intangible aspects, as non-financial performance is considered rather than the purely financial aspects that are traditionally used to assess business performance. Accordingly, it is often challenging to perceive these non-financial sustainability elements through measurable, tangible, and standardized outcomes.

In response to this, sustainability return on investment (SROI) is an effective tool to be able to quantitatively measure and assess the non-financial sustainability value created proportional to the financial value invested. For example, in the case of investments into technology, the sustainability outcomes like positive environmental impact would not be portrayed clearly in a traditional profit and loss (P&L) statement—but instead would be clearly measurable and reportable through SROI.

At RSM Kuwait, we have calculated SROI for 11 sustainability performance areas, which are distributed across the report in their relevant sections. Note that because, generally, impact assessments rely on the boundaries of each SROI element and stakeholders. In the case of SROI, the boundaries chosen to reflect this impact include the following value outcomes.

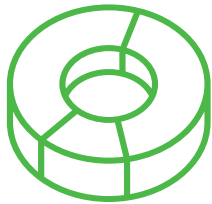
- GHG savings (ie. from paper, fuel, etc.)
- Time savings
- Cost savings
- Economic and quality of life
- Training value







03



MARKETPLACE

Diverse Services

Work Quality

Economic Performance and Growth

Marketplace is a core dimension in assessing companies' sustainability performance. Demonstrating that a Firm provides high quality products and services to clients, and is able to healthily compete with rivals, would all signify optimal sustainability directions.

Sustainability Focus Area: Excelling at the Marketplace

KNDP

- Global positioning
- Sustainable diversified economy



SDGs

- Decent work & economic growth
- Industry, innovation & infrastructure
- Sustainable cities & communities
- Peace, justice & strong institutions
- Partnerships for the goals



3. Marketplace

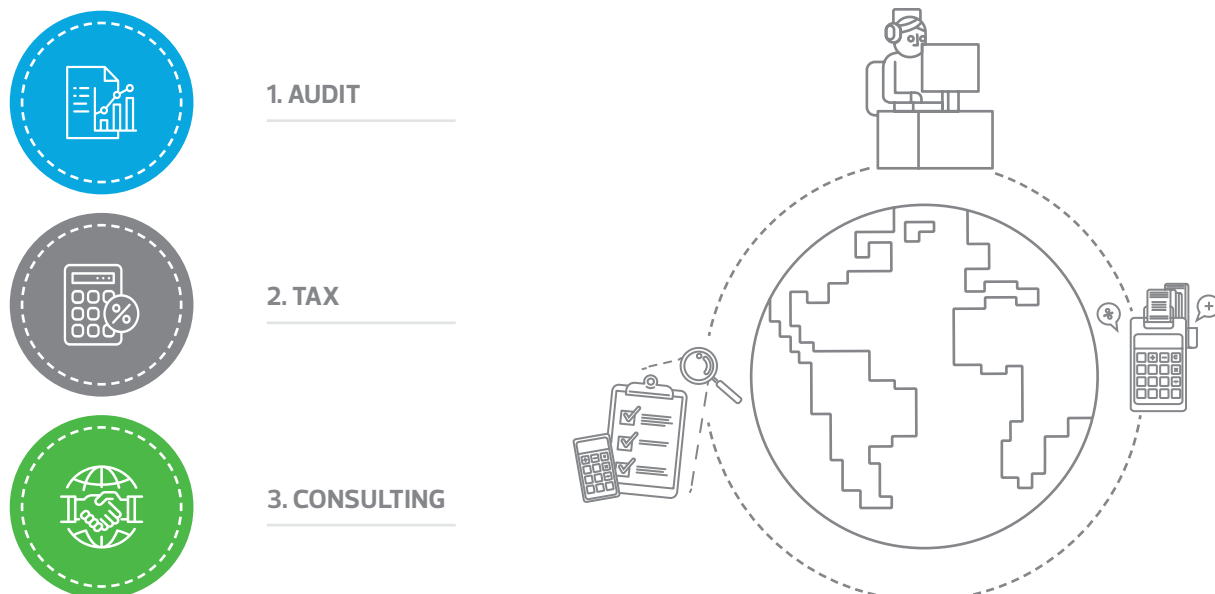
As one of our focus areas is "Excelling at the Marketplace", RSM Kuwait reports in this section the various services offered to clients, as well as other market-related matters, like work quality, client satisfaction and engagement, efficiency, transparency, and direct economic impacts.

3.1. Diverse Services

(103)

To meet clients' needs, RSM Kuwait provides a wide range of diverse services through our 3 main service divisions: Audit, Tax, and Consulting. Each of the service lines are described in **Figure 3.1.a**, grouped into their appropriate divisions:

Figure 3.1. a: RSM Kuwait Services



1: Audit

1.A. Audit

Audit adds credibility to your financial information and provides you the added value of experienced observations and advice. We view the audit process as a vehicle for continuous improvement.



3: Consulting

3.A. IT Consulting

Utilizing industry experience and functional expertise, our IT Consulting team works with you proactively to transform your technology in line with objectives and challenges.



3.B. Corporate Finance

We advise corporate and entrepreneurs on the feasibility of raising finance, on designing the best structures, and on selecting suitable sources of finance for businesses. Furthermore, we undertake enterprise valuations, financial due diligence, advising on mergers and acquisitions, aligning financing decisions with operations and various other important facets of corporate finance.

3.C. Sustainability Consulting

Sustainability matters have been evolving globally, as well as increasingly in the Middle East among public and private entities of different sizes and industries. Therefore, in alignment with various global and national sustainable development frameworks, RSM Kuwait provides this niche service to ensure positive business impacts, including stakeholder engagement, improvement against certain KPIs, and other non-financial aspects.

3.D. Risk Consulting

RSM Kuwait provides a service especially addressing risks for the business, focusing on decisions and controls.

3.E. Data Analytics

RSM Kuwait provides this service to help you with the approach data analyses needed for your businesses, especially for meeting audit needs.

In 2019, we provided 43 financial statement analysis reports to clients for free, as part of our provision of added value services.

3.2 Work Quality

At RSM Kuwait we pride ourselves with the high level of work quality that we provide to our clients. Accordingly, we assess work quality based on 3 main areas, including client satisfaction and engagement, efficiency, and transparency—each of which are described in further detail below. As a professional service provider, the quality of our work is the focal point of our attention. One of the ways we can visibly attest to our work quality includes international standards, specifically listed the following 3 from the International Standards Organization (ISO):

Quality of our work and service is the focal point of our attention



Quality
management
systems



Information
security
management



Information
security service
management

3.2.1 Client Satisfaction and Engagement (103)

RSM Kuwait is a service provider, where the client is one of its most important stakeholders. Therefore, improving client satisfaction and engagement is an essential component of retaining and growing the client base.

It is crucial that this becomes part of our mindset in order to achieve both business and sustainability outcomes. We aim to provide clients with satisfaction by deeply understanding them, and delivering outcomes that meet or exceed their expectations. Concerning engagement, we are constantly communicating with clients via various channels, including emails, phone, meetings, etc.

At RSM Kuwait, we have a dedicated Customer Relationship Management (CRM) that methodologically ensures that our clients are constantly engaged, and their satisfaction is constantly measured and improved.

CASE STUDY: CLIENT SATISFACTION AND FEEDBACK

Department: Customer Relationship Management (CRM)

Overview

As a continuously improving, professional Firm, we are committed to providing and maintaining high quality standards of service and satisfaction levels for all our clients. Accordingly, it is vital to obtain their feedback.

We aim to meet or exceed client expectations, and to be recognized as a leading Firm.

The CRM follows the following process:

1. Collect client feedback in various ways, including online surveys and face-to-face meetings with the clients
2. Discuss the survey results with each service line leader
3. Present the clients' main comments / concerns, and how to address them
4. Agree on the way forward and action plan
5. Conduct quarterly progress meetings
6. Submit the results along with each service line leader's feedback
7. Professional in-client service

Objective

The objectives of the client satisfaction and feedback include:

1. Anticipating the needs of our clients and planning accordingly
2. Listening carefully and considering the concerns of our clients
3. Communicating honestly, courteously, and knowledgeably
4. Providing follow-through for our clients promptly, responsibly, and efficiently
5. Serving with pride, commitment, and with high ethical standards
6. Aiming to understand, improve and exceed client expectations, and being recognized as a leading professional service provider

Outcomes

- Improvement of business relationship with clients
- Retaining our clients through engagement and satisfaction approach, including continuous engagement, being close to our clients, being available to them, prioritizing the voice of clients, adherence to client requirements, etc.
- Enhancement of the quality of our services by troubleshooting any client satisfaction concerns







3.2.2 Efficiency (103)

Besides the improvement of work quality through our approach to client satisfaction and engagement, another area to assess our work standards includes efficiency. Efficiency is described as maximizing outcomes through the optimal utilization of inputs. Of course, this is strongly tied to innovation matters, as automation creates

efficiency, which is elaborated in further detail within the report. **Table 3.2.2** highlights some areas of efficiency present in RSM Kuwait, categorized as being either for external services (directly impacting clients through efficiency), or internal operations (indirectly impacting clients through internal efficiency).



Table 3.2.2: Efficiency Aspects

	Business Area	Efficiency Aspects
1. Internal Operations	 Time Sheet Hours	<p>Every 2 weeks, all RSM Kuwait colleagues fill in timesheet reports through an intranet system, which tracks the number of hours worked against each job each day. These hours are matched against the efficiency model of each job, and assessments like chargeability and utilization are conducted by the Finance Department. This approach helps ensure that colleagues are being employed as efficiently as possible, which in turn impacts the quality and timeliness of deliverables to clients.</p> <p>With these measurements, we are ensuring that the right time and quality are dedicated to the projects.</p>
	 Team Structure	<p>Optimal team structure is an assessment conducted in RSM Kuwait, where the optimal number of colleagues according to positions are calculated based on current and forecast revenue, for each department. This optimal team structure assessment ensures that the department is appropriately staffed, without incurring a costly surplus of colleagues, or a negative shortage of colleagues that impacts work delivery.</p>
	 Communication	<p>Communication in internal operations is efficient through the various channels available to communicate intra-departmentally and inter-departmentally. This includes emails, phones, Skype, Microsoft Teams, etc. Additionally, there is daily monitoring of teams, managers, and partners through needs-based meetings (direct interaction) for prompt client service issues resolution. Additionally, there is daily monitoring of teams, managers, and partners through needs-based meetings (direct interaction) for prompt client service issues resolution.</p>
	 Automation	<p>Systems are in place to make internal operations more efficient, including internal servers to store and share information, HC resources to manage colleagues matters, customer relationship management (CRM) system to manage business opportunities, a portal for recording timesheet hours, etc.</p>
2. External Services	 Communication	<p>Communication with clients is efficient through the various channels available to communicate, including emails, phones, Skype, Microsoft Teams, etc.</p>
	 Automation	<p>As a base, deliverables to clients are integrated with technology with Microsoft Office tools, including premiums such as Vizio and Adobe Premiere Pro. On top of these, RSM Kuwait has implemented systems especially designed to automate various areas of our client deliverables, including CaseWare, Transfora, and RSM Auditor Assistant. These are described in further detail elsewhere.</p>

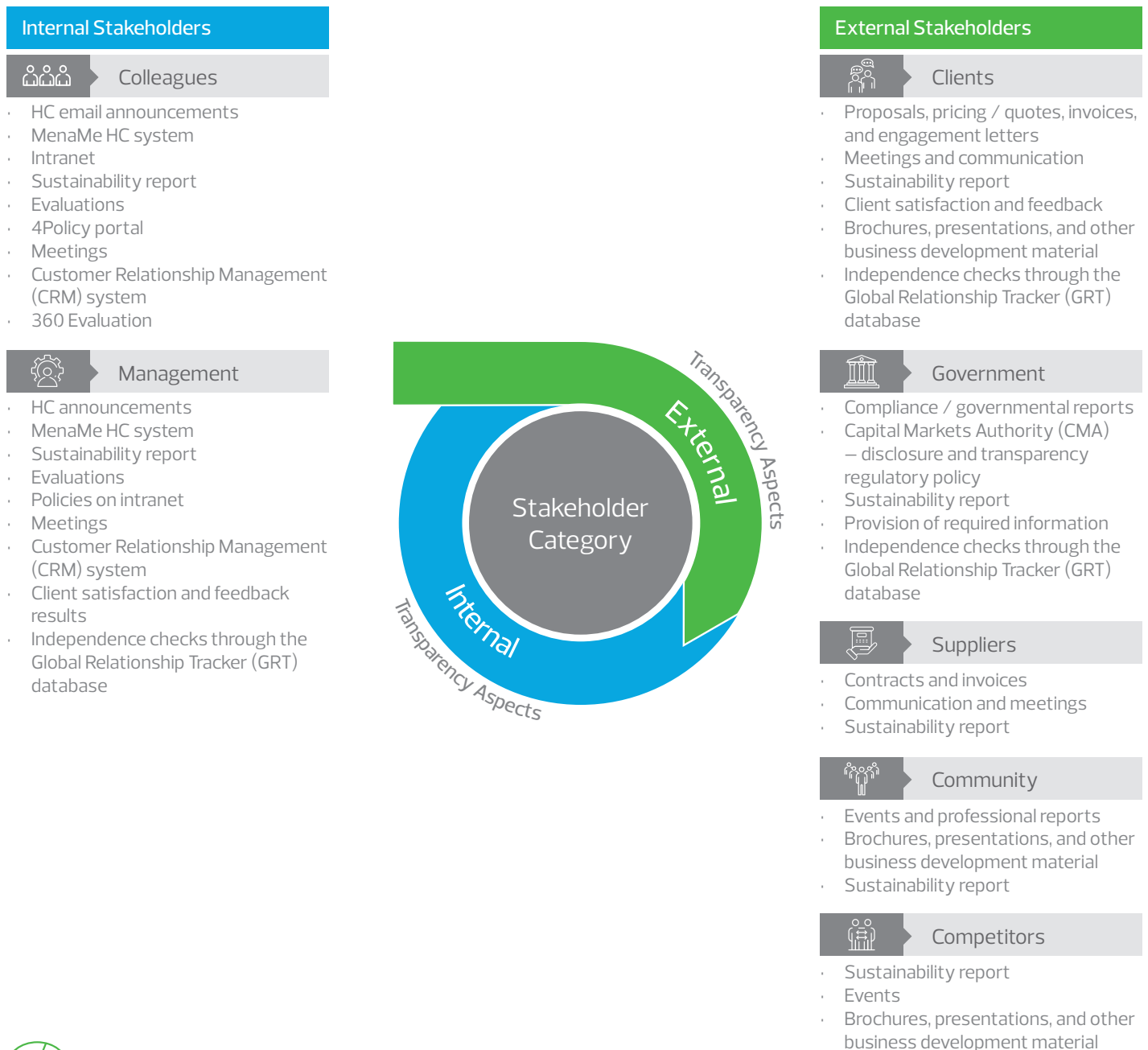
3.2.3 Transparency

Another work standard at RSM Kuwait is transparency. It is important for us to be accountable for our work activities, and transparently report them to the relevant stakeholders. After all, transparency comes with various outcomes for all parties involved, including increasing

trust, building relationships, enhancing productivity, and boosting innovation.

Accordingly, **Figure 3.2.3** highlights the transparency aspects reflected per RSM Kuwait stakeholders.

Figure 3.2.3: Transparency Aspects



3.3 Economic Performance and Growth

(103, 201-1, 201-3, 203-2)

At RSM Kuwait, our economic performance and growth is tracked and managed by our Finance Department, in coordination with the management. Our economic performance is highlighted by the sustainable development areas impacted by our economic

performance—ie. translating direct economic aspects to stakeholder outcomes. In this regard, **Figure 3.3** highlights our various direct economic impacts in relation to our stakeholders, specifically on clients, government, suppliers, community, competitors, colleagues, and management.

Figure 3.3: RSM Kuwait Economic Impact



04



GOVERNANCE

Policies and Procedures

Risk and Opportunity Management

Project Governance

Ethical Business

Code of Conduct

Compliance

Proper business governance is integral to ensuring the sustainable development of our Firm, especially as governance (G) forms a major part of ESG. This is also emphasized in one of our focus areas, "Exhibiting Excellent Governance".

Sustainability Focus Area: Exhibiting Excellent Governance

KNDP

- Global positioning
- Sustainable diversified economy
- Effective public administration



SDGs

- 8: Decent work & economic growth
- 9: Industry, innovation & infrastructure
- 16: Peace, justice & strong institutions
- 17: Partnerships for the goals



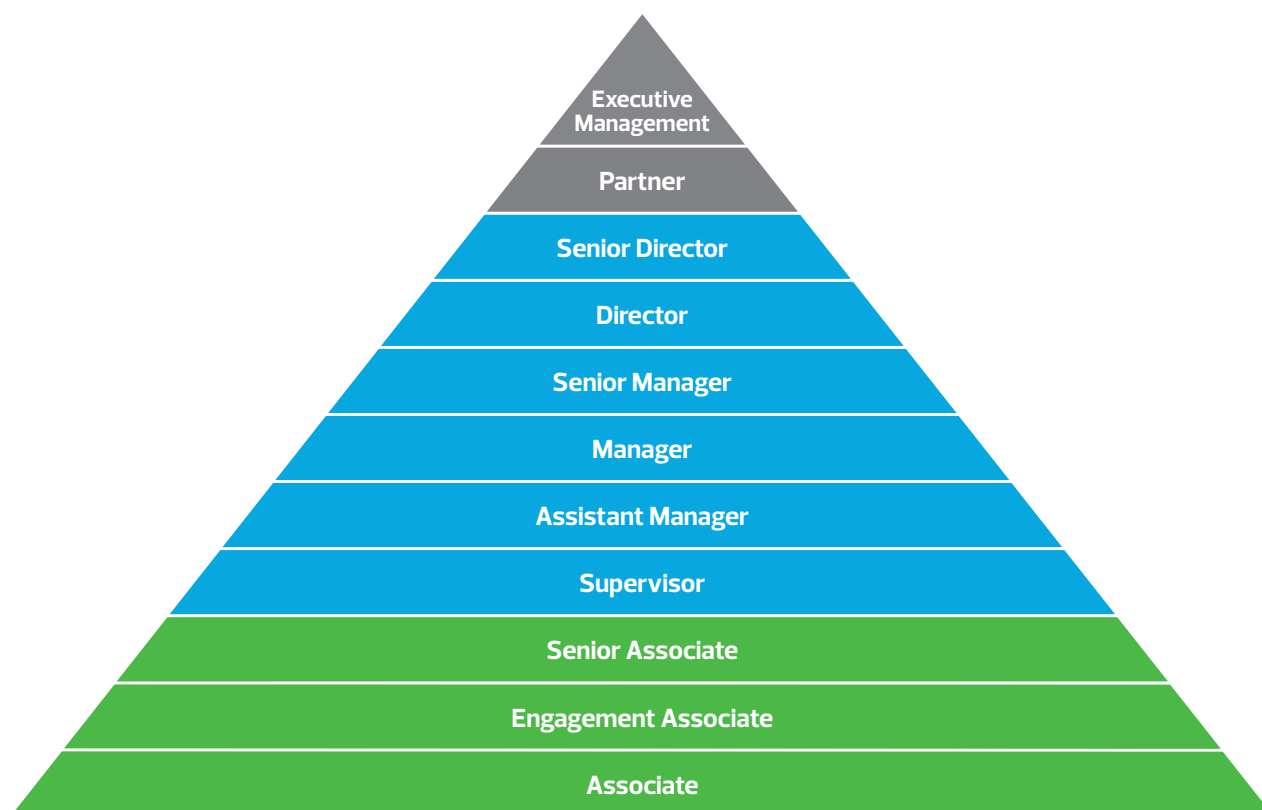
4. Governance

(102-16, 102-17, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28)

As previously shown in the organizational structure, RSM Kuwait is headed by executive management, overarching main divisions, each of which is further segmented into departments and service lines with their own leaders and colleagues. Our people are assigned to the appropriate governance positions based on a number of criteria.

The next level after executive management is partner. Partners manage their associated departments or service lines, overseeing all colleagues reporting to them. RSM Kuwait applies a criteria with high standards in acquiring partners (ie. through recruitment or promotion), and said criteria considers various experience, academic, and professional qualifications in relation to the respective department. Besides these initial assessments, partners are also coached/consulted for their performance through semi-annual appraisals as per HC policies (by extension this applies to all colleagues as well).

Figure 4a: Governance Positions



Those positions are listed in **Figure 4a**, ranging from executive management to associate. Our executive management is further composed of 3 positions, provided in **Figure 4b**.

The topics discussed amongst executive management focus on key strategic issues, including issues identified during the provision of our services, or compliance matters with regulatory authorities on a frequent basis.

Compared to the executive management, partners manage more operational matters of their own departments. However, compared to the highly-operational level colleagues reporting to them, partners are more focused on strategic direction and business development. Further roles and responsibilities of partners and over-arching governance positions are detailed in each of the associated job descriptions.



4.1 Policies and Procedures

Policies and procedures are vital tools for a Firm to ensure proper business governance. At RSM Kuwait, we issue policies to govern matters, and these policies are discussed and updated in a continuous manner. Generally, these policies derive from a mix of RSM Global standards,

national compliance regulations, general ethical standards, market-wide acceptable standards, reasonable controls, etc. RSM Kuwait currently has 27 main policies, grouped into 6 main policy groups, as illustrated in **Figure 4.1**.

Figure 4b: Executive Management

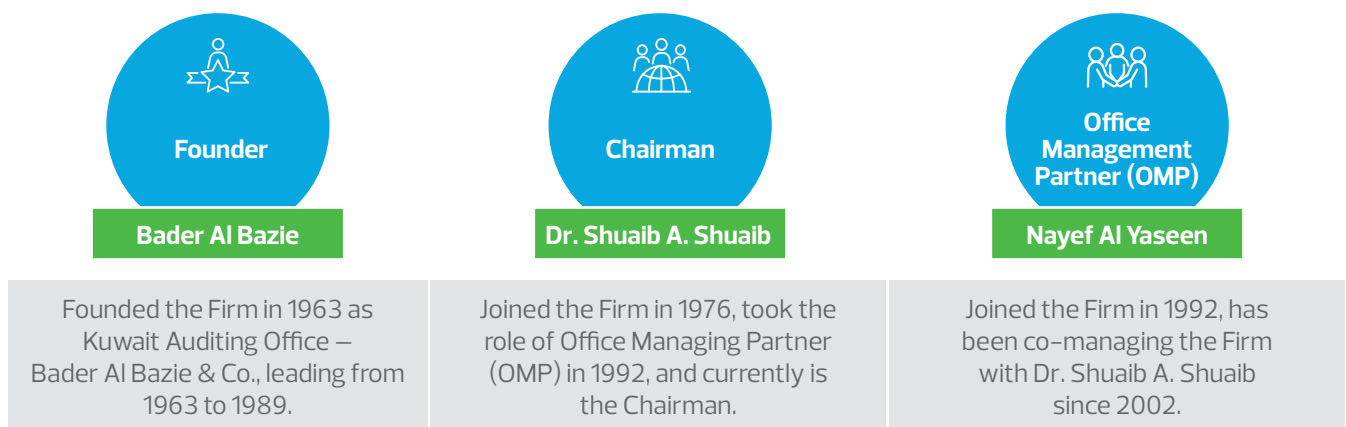
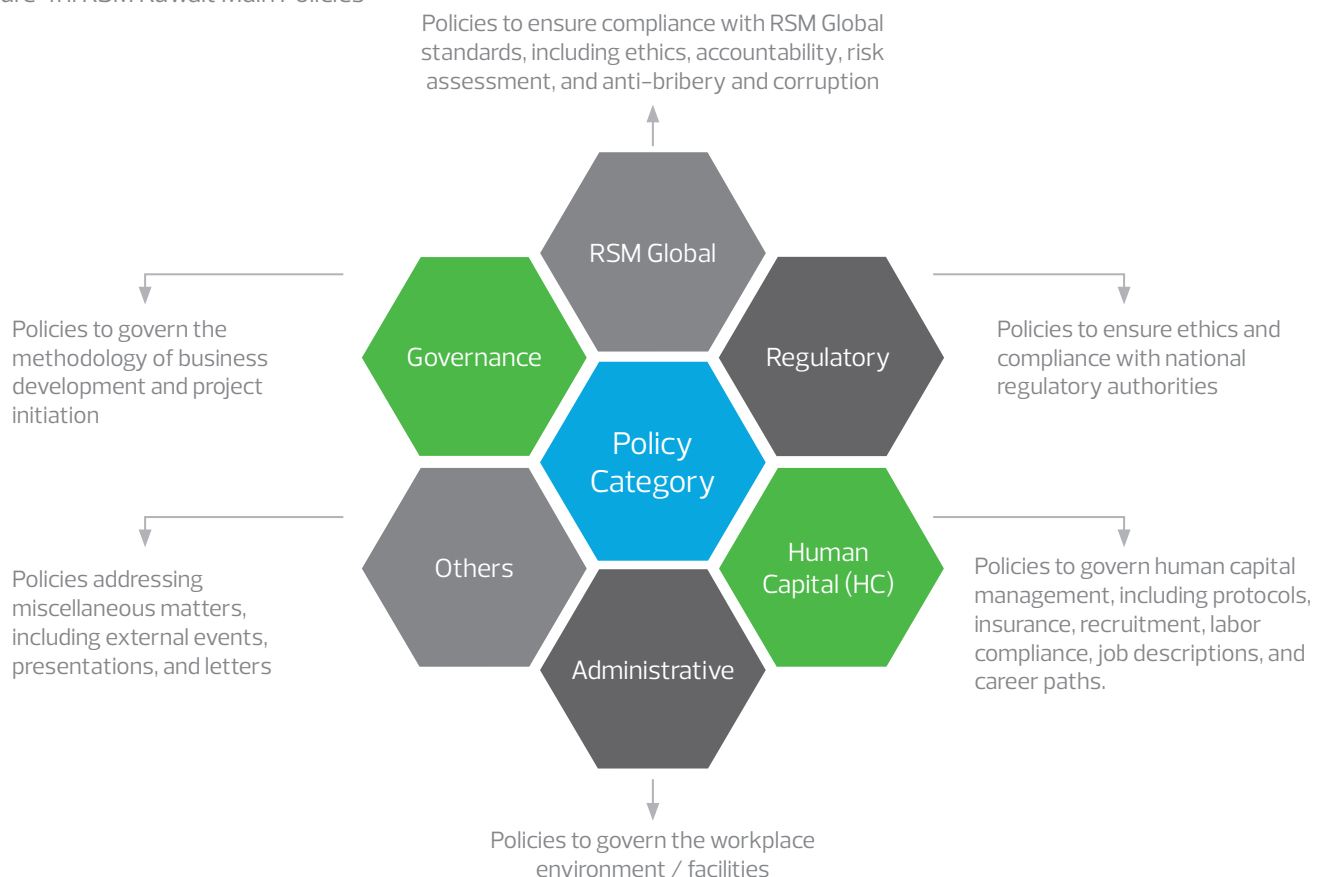


Figure 4.1: RSM Kuwait Main Policies



CASE STUDY: 4POLICY PORTAL

Department: Human Capital (HC) Department

Overview

At RSM Kuwait, we use technology to transparently communicate our policies to our colleagues and management. This is through the 4Policy portal available on our intranet. The portal contains a comprehensive list of policies, and access is tailored to the relevant policies for each colleague's position. For example, more sensitive policies would only be available to the relevant top management.

For convenience, the policy portal also contains keyword searches where users can search for the topic with its relevant policy rather than going through all policies.

A manual called "4Policy Help Manual" is also available to users for guidance.

Objective

The objectives of the 4Policy portal include:

1. To provide 24/7 access to the Firm's policies for its colleagues
2. To enable acceptance of policies by the colleagues
3. To reduce the HC support on policy queries
4. To consolidate all policies into a platform

Outcomes

The outcomes of the 4Policy portal has been primarily the extensive usage of the policy portal by the colleagues. As a result, colleagues become more aware of what they should or should not do, and departments in general know what is expected of them from the Firm.

4.2 Risk and Opportunity Management

(102–11, 102–15, 102–30, 103)

Implementing a solid approach to risk and opportunity management is key to exhibiting sustainable development practices in the Firm. RSM Kuwait recognizes this importance by having methodologies for each.

Concerning opportunity management, RSM Kuwait has implemented a customer relationship management (CRM) software to systematically track potential opportunities, their leads, details, and progress. The opportunity management through CRM is diligently followed through with the CRM, and the OMP. Any wins of opportunities are systematically followed through operational stages through the Finance Department, and any losses of opportunities are assessed.

Concerning risk management, RSM Kuwait executive management and leaders are proactively identifying

and assessing risks through discussions and decisions, and implementing the mitigation and control measures necessary. These include preventative controls to avoid the risks, corrective controls to amend the outcomes of the risks once incurred, and detective controls to identify the outcomes of the risk once incurred. These controls are integrated in the processes of each department, and especially throughout the usage of IT systems. Risk is also mitigated by the HC Department through the proper recruitment procedures for attracting professionally qualified individuals with experience in different services lines, and periodically monitoring and supervising various services by the respective service line leaders.

Additionally, besides the discussions, decision-making, controls, and departmental measures in place to manage risks, policy-making is an integral tool in addressing and mitigating risks. In this regard, **Table 4.2** shows how each of our main policies directly address and mitigate various possible risks.



Table 4.2: Risk Management through Policies

	Policy Category	Project Governance Aspects
	RSM Global	<ul style="list-style-type: none"> · Ethical · Compliance (focused on RSM Global compliance) · Client · Fraud (bribery, corruption)
	Regulatory	<ul style="list-style-type: none"> · Compliance (focused on national regulatory compliance) · Ethical
	Human Capital (HC)	<ul style="list-style-type: none"> · Human capital · Compliance
	Administrative	<ul style="list-style-type: none"> · Human capital
	Governance (per division)	<ul style="list-style-type: none"> · Client · Ethical · Quality

Stakeholder impacts

While examining the policies and their associated risks, connection to overall stakeholders' impacts can also be derived. For example, it could be seen that the mitigation of human capital risks allows for a more positive impact on colleague stakeholders directly, and by extension positive impacts on the Firm and the clients that we serve. Similarly, the mitigation of quality risks has a positive impact directly on the clients who benefit from the quality, and by extension positive impacts on the Firm itself as it benefits from clients satisfied with high quality. Other risks mitigated, like ethical, fraud, and compliance risks, have a positive impact on the Firm as a whole, and by extension its concerned internal and external stakeholders.

Crisis Management (Under Development)

Another facet of risk management is business continuity and disaster / crisis management and recovery plans. This involves proactive actions and readiness steps to ensure that the business continues to operate in case of any crisis or disaster. RSM Kuwait implements these measures, where each department has a role to play, as illustrated per the relevant department.

1. Human Capital (HC):

- Direct recruitment efforts towards being able to address potential shortages
- Proper storage and automation of various HC data elements through systems

2. Finance :

- Proper storage and automation of financial data through systems
- Assess financial reserves / contingencies that may be required in the future

3. Service line departments:

- Store data and templates in knowledgebase Official Professional Database (OPD) portal to ensure department continuity
- Ensure ability to communicate with the team, Firm, and clients remotely in case of inaccessibility to Firm premises

4. Executive management :

- Assess potential crises / disasters and implement proactive decisions and policies to ensure business continuity in case of occurrence

5. Information Technology (IT):

- Various data back-ups and disaster recovery plans as per IT policies and procedures (provided in further detail in the report)

In consideration of the contributions from each department / business unit in this matter, the IT Department has a profoundly significant role in this, as the proper IT plans implemented can make a difference as to whether or not a business may recover and continue to operate in light of any crises / disasters. Accordingly, below are specific disaster / crisis recovery approaches implemented in the IT Department:

1. Locally redundant infrastructure housed in a server room with redundant cooling and power, protected by proximity card door access and FM200 fire suppression system
2. Hot disaster recovery site located at a Tier 3 data center with daily replication of data through dedicated data link
3. Follow 3-2-1 backup strategy with 3 copies of data (production data and 2 backup copies) on two different media with 1 copy off-site for disaster recovery. In addition to this, we also backup critical data to Amazon AWS cloud for resiliency and long-term storage
4. User laptops are encrypted with BitLocker and data is backed up to the cloud every 8 hours
5. IT operations conform to ISO 20000-1 IT Service Management aligning with Information Technology Infrastructure Library (ITIL) framework to deliver quality IT service management through comprehensive process approach
6. Highly secure cloud-based password vault for secure storage and controlled access for system credentials, with 'Emergency' mode, which gives the OMP access to all credentials
7. All IT knowledgebase and information is stored in one central place on the cloud, independent of RSM Kuwait infrastructure
8. Critical systems are under support agreement with multiple local vendors for support risk mitigation
9. Our Information Security Management and control is certified by ISO 27001 standard, which is up to date and renewed annually

10. ITIL compliant ServiceDesk system for helpdesk and incident management
11. Agent-based system to detect and patch vulnerabilities in the infrastructure
12. Defined incident response, escalation and notification procedures including notifying breach incidents to executive management and RSM Kuwait executive office
13. Split IT teams with independent roles and responsibilities, who operate from different locations.

4.3 Project Governance

(103)

While it is important to ensure Firm-wide governance, RSM Kuwait also applies governance matters throughout the service projects from initiation to closing. This layer of governance is most visible in RSM Kuwait's policies, and **Table 4.3** highlights some of the Firm-wide related project governance aspects of each main policy. Besides these Firm-wide policies related to project governance, there are other project governance standards adhered to depending on the specific service line on hand. These are derived from a range of international standards and local regulations, including the following:

- International Standards on Auditing (ISA) for Audit
- International Standards on Review Engagements
- Agreed upon procedures
- International Financial Reporting Standards (IFRS) for Audit
- General Accepted Accounting Principles (GAAP) considerations for Audit
- Internal Audit standards prescribed by Institute of Internal Auditors (IIA) for the Internal Audit service
- Rules and regulations prescribed by Ministry of Commerce and Industry (MOCI) as per Commercial Companies' Law of Kuwait
- Rules and regulations prescribed by Capital Market Authority (CMA) of Kuwait for investment companies, funds and listed entities in the Boursa Kuwait
- Rules and regulations as per Central Bank of Kuwait (CBK) as per Law number 32 of 1968 and its amendments and various circulars issued by Central Bank of Kuwait



Table 4.3: Project Governance through Policies

	Policy Category	Project Governance Aspects
	RSM Global	<ul style="list-style-type: none"> Ensures projects are conducted ethically Ensures RSM Kuwait is independent with respect to the project's client Assesses the risk of the project's client Avoids bribery and corruption issues with respect to the project's client
	Regulatory	<ul style="list-style-type: none"> Ensures the project is conducted in compliance with national regulatory authorities and international ethical standards
	Human Capital (HC)	<ul style="list-style-type: none"> Ensures (indirectly) that projects are conducted by the appropriately staffed teams
	Administrative	<ul style="list-style-type: none"> Ensures (indirectly) that projects are conducted in a professional environment
	Governance (per division)	<ul style="list-style-type: none"> Ensures the appropriate governance methodology is adhered to from project initiation to closing, including filling in the required forms, standardizing forms, ensuring quality, checking independence, etc.

Stakeholder impacts

The above project governance aspects supported by the relevant policies have overall impacts on stakeholders as well. For example, when projects are conducted ethically and independently according to the set policies and according to regulations, clients benefit from the ethical business practice, and the Firm is less likely to face compliance problems that would prove detrimental to its internal stakeholders, and by extension its external stakeholders as well. Additionally, other project governance aspects supported by policies are aimed at ensuring that quality standards are adhered to; this also has a positive impact on clients as they are provided with high quality deliverables, as well as Firm-wide outcomes for the Firm and its stakeholders as the clients are more satisfied with the services provided.

4.3.1 Project Cycle and Accountability (102–25)

Project governance is conducted throughout the project cycle, emphasizing the areas of accountability and compliance with Firm policies. Accordingly, the project cycle often runs through 5 main stages, illustrated in **Figure 4.3.1**. In stage 1) Business Development, the potential opportunity is identified, assessed as per RSM Kuwait policies, and proposal is sent. Stage 2) Engagement Acceptance concerns the acceptance of the proposal and the engagement letter by client. Stage 3) Customer Relationship Management (CRM) involves entering the opportunity details in the CRM system. Stage 4) is where the project is executed, and 5) is where the project is finally closed.

In addition to the typical Firm-wide project cycle illustrated, a methodology matrix is also used for certain specific departments or services, as another level of ensuring project governance. A methodology matrix is a sort of authority matrix, which identifies the governance responsibilities of each team member across the actions in the agreed-upon project methodology. This is especially handy in the Audit Division, where project governance must abide by various audit-related standards.

4.3.2 Client Independence

(102–25)

One aspect of project governance is ensuring compliance with the appropriate independence standards mandated by international and local authorities. This is especially a material issue for the Audit Division, where an objective audit opinion is to be provided without conflicts of interest.

Figure 4.3.1: RSM Kuwait Project Cycle



Finally, RSM Kuwait uses technology to ensure project governance, where processes are automated, controls are in place, and reviews and approvals are conducted as per the governance structures. These include systems like Transfora, CaseWare, and RSM Auditor Assistant. More details on these are provided elsewhere.

Client independence is ensured throughout the project cycle, especially in the business development assessments mandated by RSM Kuwait policy and to be attached in the CRM system. This includes independence checks in the New Client Acceptance Form and the Global Relationship Tracker (GRT) database check.



CASE STUDY: CLIENT INDEPENDENCE – GLOBAL RELATIONSHIP TRACKER (GRT) DATABASE

Department: Admin Department & Service Lines

Overview

RSM Global has developed a detailed GRT database, which provides details of clients and engagements taken up by different member Firms across the globe. This database is updated by member Firms on an annual basis. As per RSM Global practice, once a potential engagement is identified, we make it a point to check the database and try to determine if the client has been involved with any other member Firm in the past or present.

In case any other Firm has been dealing or is currently dealing with the potential client, we will make sure that there is no conflict of interest and determine the credit worthiness of the potential client before taking up the assignment. The results also help us determine which type of engagement is most appropriate for the client (ie. Audit or non-Audit).

Objective

1. Avoid conflict of interest: The primary objective of the independence check is to avoid any potential conflict of interest caused by the provision of non-Audit services by other RSM member Firms and related entities.
2. Decline non-independent engagements: If conflict of interest is identified where no proper safeguard is available, the potential opportunity / engagement shall be declined in consultation and agreement with regional leaders and the related RSM member Firms. The prospective client shall be informed accordingly.
3. Ensure compliance with local and international independence standards.

Outcomes

The transparent establishment of the Firm's independence before a potential new client is accepted, including also the case of extension of service provided to an existing client. As a result, RSM Kuwait is transparent to concerned stakeholders about its lack of conflicts of interest in the engagements, and is ensuring compliance with the relevant standards mandating independence.

4.4 Ethical Business

(103)

Ensuring ethical business conduct is central to being a sustainable business. This involves (1) setting policies to ensure ethics, (2) implementing them into ethical business conduct, (3) monitoring ethical aspects, (4) ensuring proper communication and reporting mechanisms related to ethics, and (5) proactively taking decisions to enhance ethical business or respond to any ethical concerns.

Therefore, **Table 4.4** illustrates (1) how RSM Kuwait's main policies relate to ethical business, which are then (2) implemented and (3) monitored. Accordingly, to ensure (4) communication channels regarding ethics, RSM Kuwait follows an open-door policy for internal stakeholders, where any colleague can walk up to anyone from executive management for any advice or reporting of ethical incidents. The HC Committee also attends to

any queries / clarifications requested from colleagues on matters of ethics / lawful behavior, or organizational integrity.

This open-communication approach is also available for external stakeholders (i.e. clients), who can also communicate with RSM Kuwait's service line leaders and executive management, or communicate their concerns through phone, email, social media, website, or the client satisfaction and feedback meetings and/or surveys conducted by the CRM team.

Finally, concerning the decision-making and responses related to ethics, this is diligently carried out by executive management, HC Committee, and service line leaders. Furthermore, decisions are passed through an independent third-party legal counsel, to provide the level of ethical and legal compliance, ultimately ensuring lawful and ethical behavior.

Table 4.4: Ethical Business through Policies

	Policy Category	Ethical Business Aspects
	RSM Global	<ul style="list-style-type: none"> Ensures RSM Kuwait operations are in alignment with international RSM Global ethical and independence standards Avoids unethical business practices like bribery and corruption
	Regulatory	<ul style="list-style-type: none"> Ensures RSM Kuwait operations are in alignment with international industry ethical standards Aligns with ethical business elements of local regulations, including transparent reporting
	Human Capital (HC)	<ul style="list-style-type: none"> Manages human capital in an ethical manner, touching on human rights, medical insurance, career mobility, colleagues' rights from the Kuwait Labor Law, etc.
	Administrative	<ul style="list-style-type: none"> Ensures ethical conduct of colleagues towards each other in the workplace
	Governance (per division)	<ul style="list-style-type: none"> Ensures ethical business through quality checks and approvals as per governance checks and balances, including project budgeting, proposals, and engagement letters Ensures independence through the GRT database check

Stakeholder impacts

The ethical business aspects supported by the set policies have strong impacts on the stakeholders involved as well. Generally, ethical business practice has a positive impact on the Firm and its stakeholders, while avoiding the negative outcomes that would arise from unethical business practices. More specifically, the ethics integration into human capital management elements would have positive outcomes on colleagues, which in turn are satisfied and motivated to provide high quality work with clients, interact positively with colleagues and management, etc.

4.4.1 Confidentiality

One part of ethical business is confidentiality. Throughout our services, whether audit, tax, or consulting, our colleagues are exposed to our clients' sensitive information, as this sensitive information is often key to fulfilling the requirements of the engagement.

Similarly, our colleagues could be exposed to sensitive information for RSM Kuwait. Therefore, it is crucial to maintain confidentiality standards among our colleagues concerning the non-divulgence of both client and RSM Kuwait information.





Upon hiring, our colleagues are required to sign a non-disclosure confidentiality agreement as a condition of employment. Any colleague who discloses confidential RSM Kuwait information will be subject to disciplinary action (including possible termination of employment), even if he / she does not actually benefit from the disclosure of such information. Besides the non-confidentiality agreement, we also encourage our personnel to strictly abide by the RSM Ethics and Independence Policies, which also ensure confidentiality.

4.5 Code of Conduct

RSM Kuwait colleagues are governed by a code of conduct, to ensure that colleagues abide by professional standards and norms of behavior. This conduct is in line with national, international, and industry standards, and includes elements like appearance (dress code), office protocol, use of office facilities, business conduct, among others. Accordingly, **Table 4.5** highlights the code of conduct aspects derived from RSM Kuwait's main policies.



Table 4.5: Code of Conduct through Policies

	Policy Category	Code of Conduct Aspects
	RSM Global	<ul style="list-style-type: none"> Ensures standards and norms of behavior are in line with international RSM Global standards and norms Avoids bribery and corruption
	Regulatory	<ul style="list-style-type: none"> Ensures colleagues' conduct is in line with national and international standards
	Human Capital (HC)	<ul style="list-style-type: none"> Office protocols provides the do's and do-not's of colleagues' conduct Orientation ensures that the colleague is aware of the proper conduct Dress Code Policy ensures that colleagues are dressed professionally Kuwait Labor Law contains elements of colleagues' conduct
	Administrative	<ul style="list-style-type: none"> Hall Rules provide guidance on colleagues' conduct in the office premises Cafeteria Lounge Rules provide guidance on colleagues' conduct in the eating premises

Stakeholder impacts

Code of conduct aspects supported by set policies have overall impacts on stakeholders. For example, colleagues following proper office protocols, including their behavior, appearance, and office premises use, would create a more positive and professional workplace environment. This, in turn, has a role in providing clients with quality work, while engaging positively with colleagues and management.

4.6 Compliance

Sustainable business focuses on ensuring proper compliance, both internal compliance to the business' own policies, and external compliance to external standards and policies. Concerning internal compliance, RSM Kuwait shares its policies through the 4Policy portal, available to all colleagues and tailored to their specific divisions and position levels. Accordingly, the HC Department and HC Committee is tasked with ensuring that colleagues comply with the set policies.

In parallel to ensuring ethical business, RSM Kuwait also ensures external compliance by (1) setting policies that





comply with external policies and rules, (2) implementing them into business practice, (3) monitoring compliance aspects, (4) ensuring proper communication and reporting mechanisms related to compliance, and (5) proactively taking decisions to enhance compliance or respond to any compliance concerns. Parties especially involved with this include executive management, service line leaders, HC Department, HC Committee, and third party legal counsel.

Besides general compliance, external compliance is further segmented into regulatory compliance, anti-competitive behavior compliance, and anti-bribery and corruption compliance.

4.6.1 Regulatory Compliance

RSM Kuwait ensures regulatory compliance to various national regulatory bodies, including the Capital Markets Authority (CMA), Commercial Companies' Law, Central Bank of Kuwait (CBK), and Kuwait Labor Law. RSM Kuwait's regulatory compliance activities in this regard include adherence to regulatory standards (directly and indirectly), submission of required disclosures (i.e. annual returns), consulting a third party legal counsel, among others. **Table 4.6.1** highlights the local regulatory compliance aspects through RSM Kuwait's main policies.

Table 4.6.1: Regulatory Compliance Aspects through Policies

	Policy Category	Regulatory (Local) Compliance Aspects
	RSM Global	<ul style="list-style-type: none"> · Avoids bribery and corruption
	Regulatory	<ul style="list-style-type: none"> · Capital Markets Authority (CMA) compliance, especially submission of annual returns · Commercial Companies' Law compliance · Central Bank of Kuwait (CBK) compliance for specific services
	Human Capital (HC)	<ul style="list-style-type: none"> · Compliance to Kuwait Labor Law
	Administrative	<ul style="list-style-type: none"> · Compliance elements in proposals, engagement letters, and terms of business




Stakeholder impacts

Regulatory compliance aspects supported by set policies have overall impacts on stakeholders. Generally, ensuring proper regulatory compliance avoids non-compliance problems that have detrimental impacts on the Firm and internal stakeholders, and by extension external stakeholders as well.

4.6.2 Anti-Competitive Behavior (206-1)

One part of compliance deals with avoiding anti-competitive behavior (or ensuring competition). At RSM Kuwait, this is ensured through fair and transparent pricing, lack of collusion, and ensuring independence rather than anti-competitive conflicts of interest; these are reflected in **Table 4.6.2**, highlighting the anti-competitive behavior aspects of RSM Kuwait's main policies.

Table 4.6.2: Anti-Competitive Behavior Aspects through Policies

	Policy Category	Anti-Competitive Behavior Aspects
	RSM Global	<ul style="list-style-type: none"> · Avoids anti-competitive behavior through independence and lack of conflicts of interest
	Regulatory	<ul style="list-style-type: none"> · Aligns with anti-competitive aspects of regulatory compliance, including pricing, independence, and avoiding collusion
	Governance (per division)	<ul style="list-style-type: none"> · Anti-competitive aspects reflecting through fair and competitive budgeting and pricing in proposals and engagement letters · Anti-competitive aspects reflected by ensuring independence and avoiding conflicts of interest through the GRT check







Stakeholder impacts

Anti-competitive aspects supported by policies have overall impacts on stakeholders. For example, non-compliance with anti-competitive behavior (ie. conflicts of interest, lack of independence) would likely incur non-compliance repercussions detrimental to the Firm and its stakeholders by extension.

4.6.3 Anti-Bribery and Corruption (205-1, 205-2)

RSM Kuwait is proud to record zero cases of bribery or corruption. RSM Kuwait complies to the anti-bribery and corruption policies and procedures provided from RSM Global. Besides this policy, anti-bribery and corruption elements are also reflected throughout our regulatory practices, human capital recruitment, project governance; this is reflected in **Table 4.6.3**, which highlights the anti-bribery and corruption elements relevant to RSM Kuwait's main policies.

Table 4.6.3: Anti-Bribery and Corruption Aspects through Policies

	Policy Category	Anti-Bribery and Corruption Aspects
	RSM Global	<ul style="list-style-type: none"> Details specific policies and procedures against bribery and corruption
	Regulatory	<ul style="list-style-type: none"> Avoidance of bribery and corruption further strengthens regulatory compliance
	Human Capital (HC)	<ul style="list-style-type: none"> Bribery and corruption avoided at recruitment stage through proper analysis of track record
	Governance (per division)	<ul style="list-style-type: none"> Provides the checks and balances through budgeting, proposals, and engagement letters to avoid bribery and corruption Ensures the independent engagement rather than bribery and corruption aspects that may arise from conflicts of interests / lack of independence

Stakeholder impacts

Anti-bribery and corruption aspects supported by set policies have overall impacts on stakeholders. Specifically, any instances of bribery and corruption that were not avoided through this practice have detrimental repercussions on the Firm, and by extension negative outcomes on the concerned stakeholders.

05



WORKPLACE

Diversity and Equal Opportunities

Kuwaitization

Talent Acquisition

Training and Development

Mentoring and Coaching

Retention and Turnover

Workforce Benefits

Performance Management, Promotions, and Increments

Health and Safety

Workforce Engagement

The workplace is an important dimension in assessing a company's sustainability performance. This is especially material for RSM Kuwait; as a professional service provider Firm, we are relying on our colleagues, as they form an essential pillar of the organization. Accordingly, our manpower, their knowledge and experience is essentially representative of the foundation of the Firm. For this reason, it is important to manage human capital matters in the most optimal and sustainable ways possible.

Sustainability Focus Area: Caring for our Workplace

KNDP

- Creative human capital
- High quality healthcare
- Sustainable living environment
- Sustainable diversified economy
- Effective public administration



SDGs

- Good health & well-being
- Quality education
- Gender equality
- Decent work & economic growth
- Reduced inequalities
- Sustainable cities & communities
- Responsible consumption & production
- Peace, justice & strong institutions
- Partnerships for the goals



5. Workplace

(102–8)

RSM Kuwait focuses on workplace matters, as emphasized in one of our focus areas—"Caring for our Workplace". In this section, we measure and evaluate various matters related to colleagues, including gender diversity, age diversity, Kuwaitization, retention and turnover, benefits, promotions, increments, training, and mentoring, among others. Note that throughout this report, workplace related matters are referred to as "Human Capital" and abbreviated with "HC".

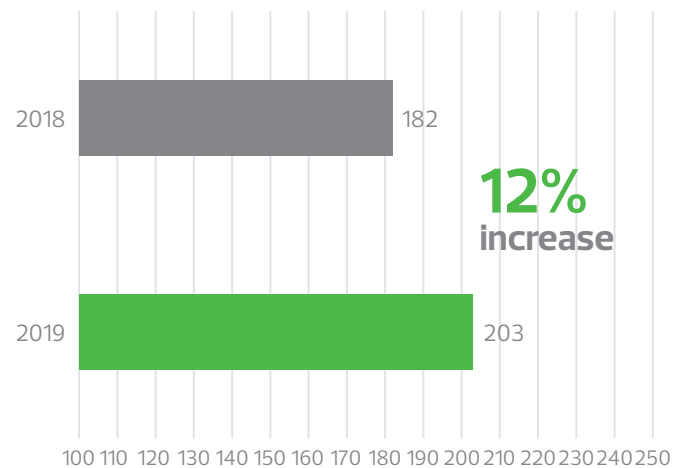
5.1 Diversity and Equal Opportunities

(103, 405–1)

Managing our workplace in a sustainable manner is key to RSM Kuwait, as reflected by our focus area, "Caring for our Workplace". At RSM Kuwait, we provide equal opportunities for colleagues, based mainly on merits rather than demographic details. This approach towards non-discrimination is ensured in the workplace through our Code of Conduct policy. Accordingly, to ensure diversity, RSM Kuwait tracks the number of colleagues according to several demographic elements, which are discussed throughout this section.

As of 2019, RSM Kuwait has 203 colleagues, which is a 12% net increase from the 2018 figure of 182. Furthermore, **Figure 5.1a** shows that the majority of our colleagues in 2019 are full-time colleagues, while **Figure 5.1b** highlights the increase in our workforce compared to the previous year.

Figure 5.1b Number of Colleagues per Year



5.1.1 Gender Diversity

It is crucial to have a workforce that displays adequate gender diversity; in this regard, we record the gender balance of our workforce. As in **Figure 5.1.1a**, the allocation in 2019 is 18% female and 82% male, compared to the 2018 allocation provided. As in **Figure 5.1.1b**, in comparison to the previous year, the number of female colleagues increased by 37%.

Additionally, we record the number of women in managerial positions, which is 2 females—which is the same as the previous year.

Figure 5.1a: Number of Colleagues per Contract Type

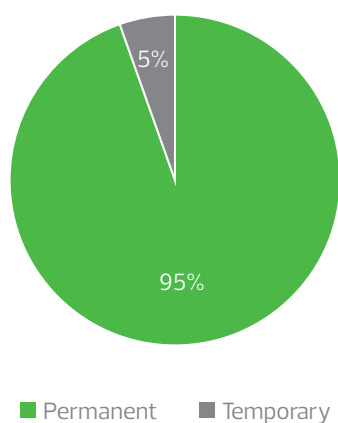
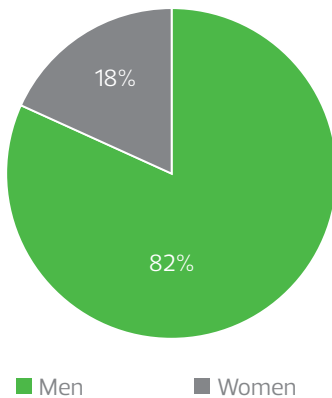
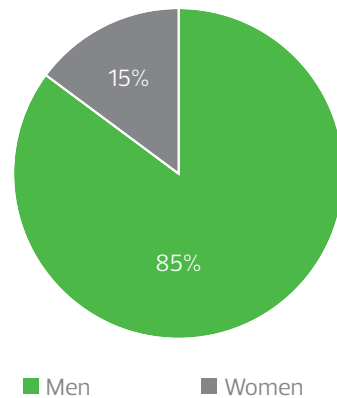


Figure 5.1.1a: Colleagues Diversity – Ratios

Gender Diversity (2019)



Gender Diversity (2018)



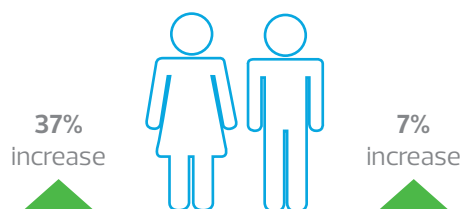
5.1.2 Age Diversity

Another facet of workforce diversity relates to age, as there are several benefits of having a mix of age generations within the workforce. As a service provider capitalizing on the knowledge and skills of our colleagues, age diversity is crucial to provide a full range of skills across the career ladder, and in ensuring proper knowledge transfer among generations.

The exact number of colleagues per age group is not disclosed, but disclosed elsewhere are the retention and turnover implications per age group, per year. We assess these through 3 age groups: under 30, 30 to 50, and over 50.

Accordingly, this is analyzed by the percent change of new colleagues and turnover in comparison to the previous year. Also, by subtracting turnover from new colleague hiring, we can derive net increases or net decreases per age group. Retention and turnover are examined more deeply in later sections.

Figure 5.1.1b: Colleagues Diversity – Changes from Previous Year



5.2 Kuwaitization

(103, 202-2)

It is a sustainable practice to give back to the community in which the business operates, especially through hiring of the local nationality (Kuwaitization). In this regard, we record the number of colleagues per nationality per gender per year, as shown in **Table 5.2**.

Note that, as per Figure 5.2a and 5.2c, RSM Kuwait employs an average of 14 Kuwaiti national colleagues per year, calculated as an average from July 1, 2002 to December 31, 2019.

Compared to the previous year, the Kuwaitization rate has increased showing a 12.7% change increase, as per **Figure 5.2b**.

Furthermore, we record the managerial Kuwaitization rate, which is the proportion of Kuwaiti colleagues in managerial positions and above. This is 12% managerial Kuwaitization rate, the same as the previous year.

Additionally, the SROI for RSM Kuwait's employment of Kuwaiti nationals has been calculated and is provided.

Table 5.2: Nationality Allocation Per Gender Per Year

	2019							
	Nationality: Kwt				Nationality: Non-Kwt			
	Men	%Change (2019- 2018)	Women	%Change (2019- 2018)	Men	%Change (2019- 2018)	Women	%Change (2019- 2018)
Permanent	14	-7%	4	300%	145	5%	29	16%
Temporary	0	0%	0	0%	7	250%	4	300%
Total Staff (per Gender and Nationality)	14	-7%	4	300%	152	9%	33	27%
Total Staff (per Nationality)	18				185			
Total Staff	203							

Table 5.2: Nationality Allocation Per Gender Per Year

	2018			
	Nationality: Kwt		Nationality: Non-Kwt	
	Men	Women	Men	Women
Permanent	15	1	138	25
Temporary	0	0	2	1
Total Staff (per Gender and Nationality)	15	1	140	26
Total Staff (per Nationality)	16		166	
Total Staff	182			



Figure 5.2a: Average Number of Kuwaiti Nationals



14 colleagues

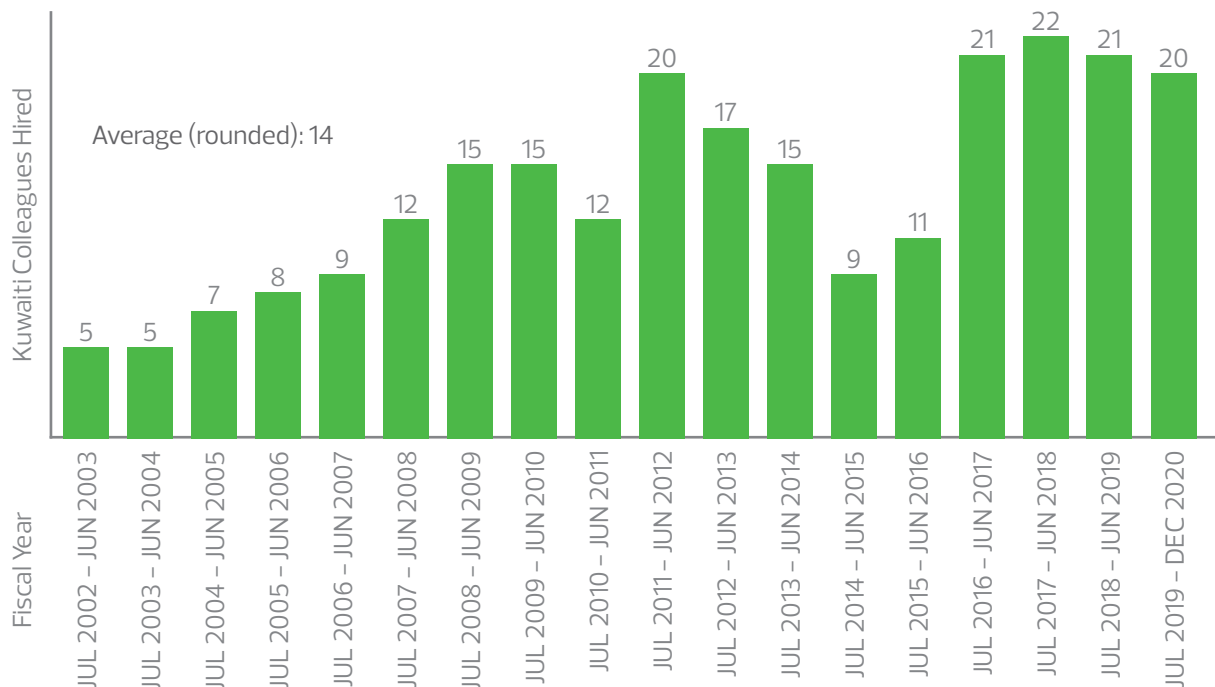
average number of Kuwaiti
nationals employed





Figure 5.2b: Kuwaitization Rate Increase

12.7%

increase in Kuwaitization
rate from previous year

Figure 5.2c: Kuwaiti Hires from 2002 – 2019



 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
Kuwaitization	33%	0.330 KWD sustainability value produced for every 1 KWD invested	Economic and quality of life

5.3 Talent Acquisition

RSM Kuwait recognizes that proper recruitment and talent acquisition are integral to the sustainability and continuity of the Firm. Accordingly, our Human Capital Department conducts benchmarking studies on a periodic basis to apply the appropriate recruitment methods and market pay scales, all of which are in accordance with our Recruitment Policy.

Concerning our recruitment, we have created 21 jobs in 2019, which is an improvement compared to the 32 job decreases in 2018, as per **Figure 5.3.a**. Additionally, while it is important to recruit experienced colleagues, it is also beneficial to recruit fresh university graduates to build their skills. In 2019, we recruited 10 fresh university graduates, which is a 100% increase from the previous year, as per **Figure 5.3b**.

Furthermore, the SROI for RSM Kuwait's recruitment of fresh university graduates has been calculated and provided.

As mentioned, we comply with our Recruitment Policy concerning the process to recruit new colleagues. Throughout our compliance, our recruitment practices are designed to ensure that RSM Kuwait provides fair and equal opportunities for all job applicants, being evaluated

objectively for their merits. Accordingly, **Figure 5.3c** illustrates the recruitment process in the form of 3 main steps: A) shortlisting and scheduling, B) interview and C) offer. Each of these comprises several sub-steps, with details of each provided listed in our Recruitment Policy.

Figure 5.3a: Jobs Created per Year

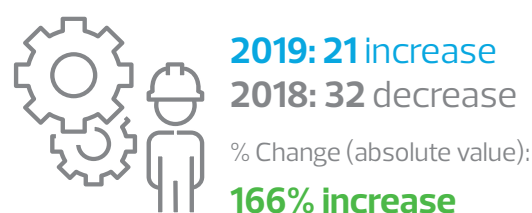


Figure 5.3b: Fresh University Graduates Recruitment – per Year

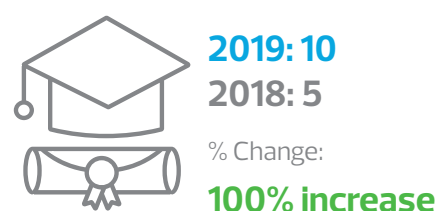
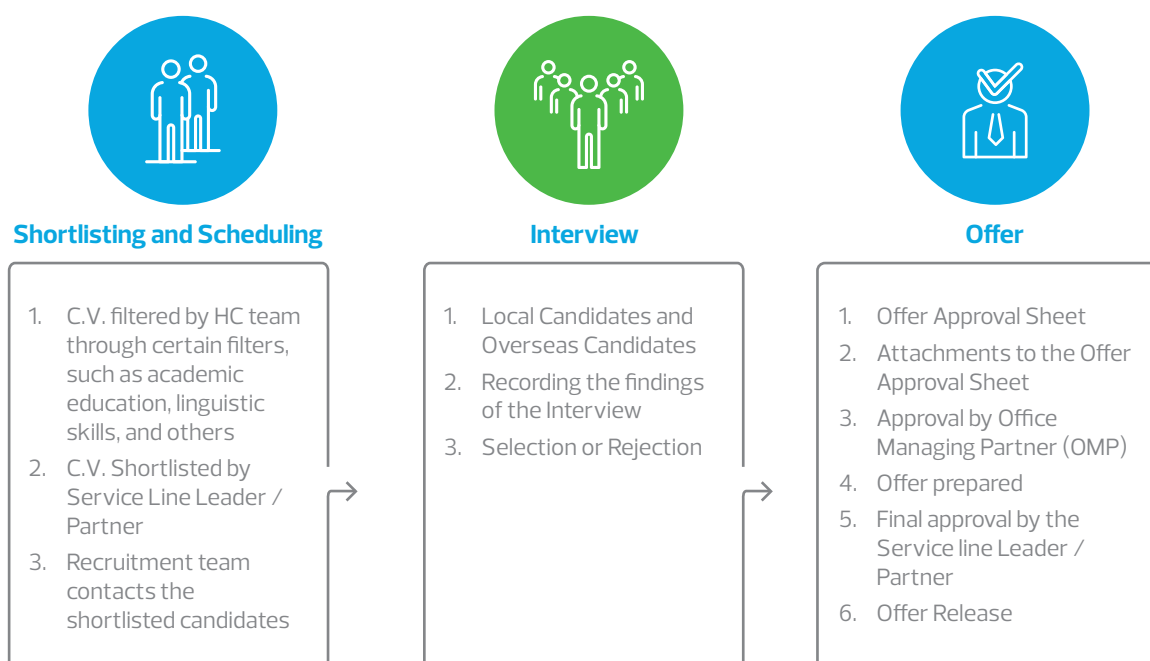






Figure 5.3c: Recruitment Process Journey



 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
Fresh University graduates recruitment	82%	0.820 KWD sustainability value produced for every 1 KWD invested	Economic and quality of life

CASE STUDY: ORIENTATION PROGRAM

Department: Human Capital (HC) Department

Overview

In order to ensure that new colleagues are smoothly integrated into the RSM Kuwait workforce, the Human Capital (HC) Department conducts an orientation program for new colleagues. This program consists of an introductory session on the policies and processes of RSM Kuwait for the new joiners, as well as familiarizing them with the facilities and colleagues.

Objective

1. To equip the new joiners with essential information about the Firm
2. To enable the new joiners to learn about the Firm's facilities and resources and where to find them

3. To acquaint the new joiners with important HC policies and procedures
4. To familiarize the new joiners with colleagues and support staff

Outcomes

The main outcome of the orientation program is that new joiners are integrated into the Firm in a fast and methodology onboarding process. They become adequately familiar with RSM Kuwait policies, processes, facilities, resources, and colleagues.

5.4 Training and Development (103, 205–2)

Managing human capital sustainably means that it is imperative to constantly grow colleagues' skills through the provision of adequate training and development opportunities. This is conducted in a methodological way by the Training Department, where the annual training plan is developed and reviewed according to market assessments and needs, and any gaps identified. According to this, a training strategy/plan is laid out, in communication with the service line leaders to meet their team needs.

Furthermore, training data is classified by gender, as shown in **Figure 5.4a**. According to **Figure 5.4a**, a total of 5,728 training hours were provided in 2019, which is allocated per gender by an estimated 4,697 hours for male colleagues and 1,031 hours for female colleagues.

The full list of training courses and programs is provided in the index at the end of the report. However, selected training topics are listed in **Table 5.4b**, specifically showing a total of 200 of these training hours.

Additionally, the SROI of RSM Kuwait's training activities has been calculated and is provided.

Table 5.4a: Training Hours per Year

Year	Hours per Colleague	Total Hours	Department	Level
2019	172	5,728	Various	Various
2018	144	3,056	Various	Various

In 2019, RSM Kuwait invested a total of 36,028 KWD in colleague training and development, though this is a slight decrease from the previous year figure of 37,540 KWD.

Furthermore, training and development are recorded through training hours per year, as shown in **Table 5.4a**. This shows that there was a total of 5,728 training hours in 2019, which is a successful 87% increase from the 2018 figure of 3,056 training hours.

Figure 5.4a: Training Hours per Gender

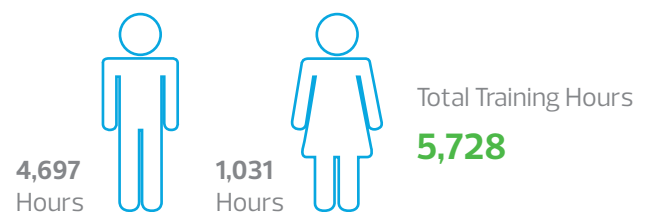






Table 5.4b: Selected Training

Selected Topics	Hours per Colleague	# of Participants	Total Hours	Department	Level
Anti-Bribery	0.5	200	100	All departments	All Levels
Anti-Corruption	0.5	200	100	All departments	All Levels
Total	-	400	200	All departments	All Levels

 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
Colleagues Training	545%	5.45 KWD sustainability value produced for every 1 KWD invested	Training Value

CASE STUDY: TRAINING AND CAPACITY BUILDING METHODOLOGY

Department: Human Capital (HC) Department

Overview

RSM Kuwait's approach towards training and capacity building is done methodologically, to align with job description and training requirements. Training requirements are compiled on an annual basis, resulting in a training calendar according to which the training is conducted annually.

Objective

1. To ensure that all the colleagues have the requisite skills as per the job description of that respective level

2. To plan training and coordinate among trainers and trainees through the training calendar

Outcomes

The provision of training courses that are relevant to colleagues' requirements and job description, and well-coordinated through the training calendar.

5.5 Mentoring and Coaching

Besides the training and development provided to colleagues, RSM Kuwait also applies mentoring and coaching mechanisms to support its colleagues, in line with its Mentoring and Coaching Policy and Buddy Policy. There is often a relation between a Firm's mentoring and coaching activities, and its retention and turnover rates. Specifically, as colleagues are better supported and grown through these activities, their interest in the Firm would likely increase, reflected in higher retention and lower turnover rates.

Starting with new joiners, there is a Buddy Program to link new joiners with "buddy" colleagues to orient them around the Firm. Also, the Coaching and Mentoring Program allows colleagues to be coaches and mentors supporting their peers. More information on both programs is provided where it follows:

1. Coaching and Mentoring Program

The Coaching and Mentoring Program is a type of leadership program conducted in RSM Kuwait, where colleagues are trained to be coaches and mentors of their colleagues.

The Coaching and Mentoring Program consists of the provision of extensive training of all the Assistant Managers and above on coaching and mentoring skills. The outcome of this is a range of techniques used by the coaches and mentors to develop themselves and their peers. Another outcome of this program is the awareness of the career path and related expectations amongst the colleagues, and the availability of support from the mentors and coaches.

2. Buddy Program

The Buddy Program is a type of coaching and mentoring mechanism dealing with the integration of new joiners by another colleague as a "buddy". This buddy would be the go-to individual from whom the new joiner may ask for help or clarifications. This has been seen as being integral to the on-boarding process.

The outcomes of the Buddy Program include less assimilation time for the new joiner in the Firm's culture, increased engagement by the new joiner, as well as a reduction of HC contact required for the new joiner by providing a buddy as the go-to person.

5.6 Retention and Turnover

(103, 401-1)

In the professional service industry, including audit, tax, and consulting, Firms are sensitive to turnover, since colleagues' skills grow and become more valuable. Therefore, Firms in the industry aim to retain these valuable colleagues rather than having them lost to other opportunities – especially concerning positions of managers and above.

In efforts to strive towards a sustainable workforce, RSM Kuwait analyzes colleagues' retention through new colleague hiring and colleague turnover rates, which are further categorized by gender and age implications. For RSM Kuwait, proper analysis of colleague retention and turnover rates is important, as they are reflections of various aspects of the Firm, including steady management approach, colleague satisfaction, equitable workplace environment, etc.

Notably, in RSM Kuwait, one of the aspects of retention is that we have several colleagues that have been with the Firm for a long time, ranging back to 1982.

Retention and turnover results for 2019 and 2018 are displayed in **Table 5.6**. The table records the percent change in new colleague hires, percent change in turnover,

as well as the net change in colleagues by subtracting turnover from new colleague hires.

Looking at the total results, there are positive impacts seen by the increase of new colleague hires by 60%, and a decrease of colleagues turnover by 36%, as summarized in **Figure 5.6a**. The total net change, accordingly, shows a positive net change of 21 additional colleagues throughout 2019, compared to the 2018 net change of a decrease of 32 colleagues.

Figure 5.6a: Total Hiring and Turnover



Table 5.6: Retention

Category	2019					2018					%Change (2019–2018)	
	New Colleagues		Turnover			New Colleagues		Turnover			New colleagues	Turnover
	Number	Rate	Number	Rate	Net Change	Number	Rate	Number	Rate	Net Change		
Gender												
Female	17	25%	7	15%	10	9	21%	8	11%	1	89%	–13%
Male	52	75%	41	85%	11	34	79%	67	89%	–33	53%	–39%
Total	69	100%	48	100%	21	43	100%	75	100%	–32	60%	–36%
Age Group												
Under 30	53	77%	27	56%	26	28	65%	28	37%	0	89%	–4%
30–50	15	22%	20	42%	–5	12	28%	43	57%	–31	25%	–53%
Over 50	1	1%	1	2%	0	3	7%	4	5%	–1	–67%	–75%
Total	69	100%	48	100%	21	43	100%	75	100%	–32	60%	–36%



Looking at the gender implications of retention, there are also positive impacts in both increased new colleague hires and decreased turnover. It shows an increase of female new colleague hires by 89%, and increase of male new colleague hires by 53%. In terms of turnover, this decreased by 13% among females, and decreased by 39% among males. The total net change in 2019 was 10 additional female colleagues and 11 additional male colleagues, as displayed in **Figure 5.6b**.

Looking at the age implications, there were positive impacts due to turnover decrease among all 3 age groups, and increase of new colleague hiring among two age groups—despite decreasing new colleague hiring among the Over 50 age group. The result shows a net increase in the Under 30 group, a net decrease in the 30–50 group, and zero net change in the Over 50 group. **Figure 5.6d** displays the turnover and new colleague hiring rates per age group, as well net change of each.

Figure 5.6b: Hiring and Turnover – per Gender



Concerning the allocation of turnover between genders in 2019, this was 15% among females and 85% among males, as in **Figure 5.6c**.

Concerning the allocation of turnover per among age groups, **Figure 5.6e** shows the highest turnover among the Under 30 age group.

Figure 5.6c: Turnover – per Gender

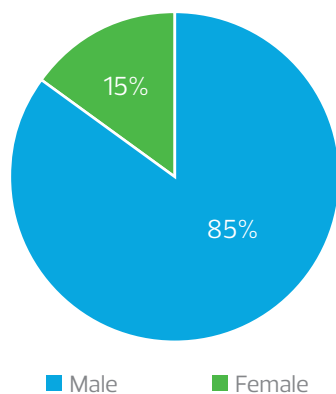


Figure 5.6e: Turnover – per Age

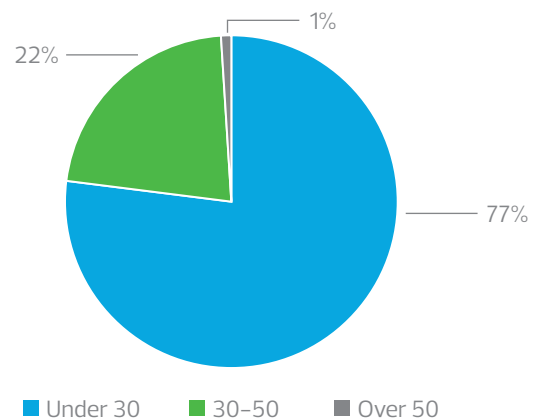
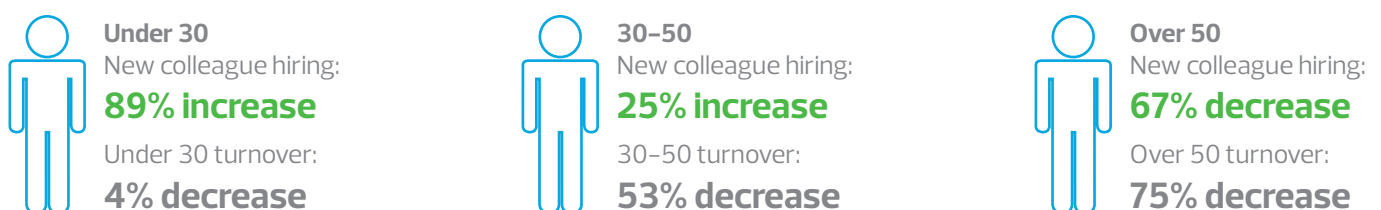


Figure 5.6d: Total Hiring and Turnover – per Age Group



5.7 Workforce Benefits

(401-2, 401-3)

In an approach to ensure adequate colleague retention, RSM Kuwait provides various benefits to its colleagues. **Table 5.7** lists 5 different benefits provided to colleagues, with the number of colleagues benefited per year. The majority of the benefits comprise health insurance and

air ticket allowance. Compared to the previous year, there was an increase in health insurance provision, despite decreases in indemnity, air tickets, and life insurance. Furthermore, **Figure 5.7.** shows that most colleague benefits comprise health insurance followed by air ticket allowance.

Table 5.7: Workforce Benefits – per Year






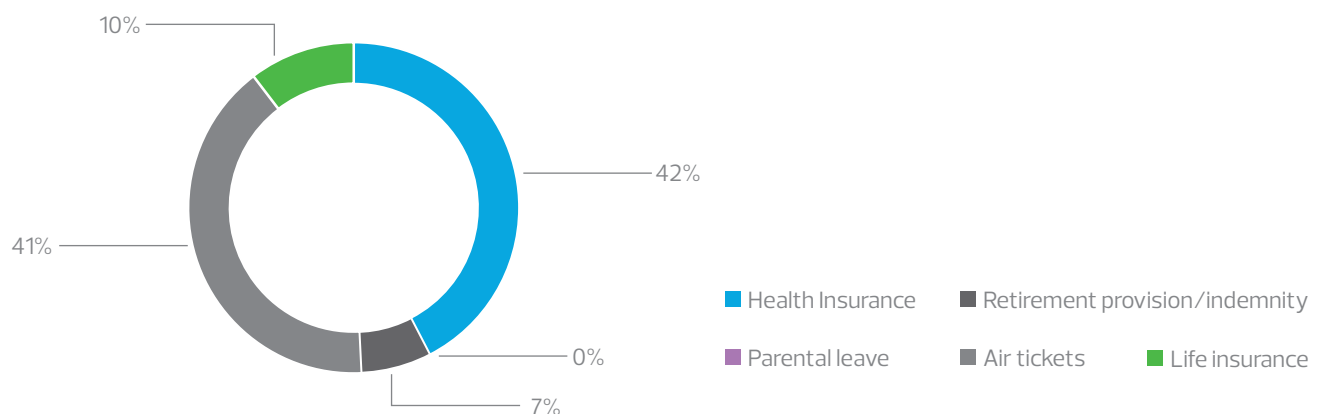
#	Benefits/types of employment	Number of Colleagues (2019)	Number of Colleagues (2018)	Absolute % Change (2019-2018)
1	 Health insurance	192	179	7%
2	 Parental leave	1	1	0%
3	 Retirement provision / indemnity	30	45	33%
4	 Air Tickets	183	192	5%
5	 Life insurance	47	61	23%

Figure 5.7.: Workforce Benefits Allocation



5.8 Performance Management, Promotions, and Increments

(103)

Performance management, promotions, and increments are key areas to analyze when assessing RSM Kuwait's approach to managing colleagues. Specifically, in this area, RSM Kuwait ensures that proper and fair performance evaluation is conducted for all colleagues, and that this performance management is reflected throughout the provision of promotions and increments for colleagues.

3. The appraisal form is sent to the appraisal auditor (partner / service line leader), who ensures that the team ratings are within the bell-curve distribution guidelines, and reviews and approves the evaluation form.
4. The HC Department reviews appraisal forms, for quality and rating distribution, and the appraisal auditor corrects any inconsistencies found by the HC Department.

Figure 5.8.1: Evaluation Timeline

Evaluation Type	Period	For projects worked on	System Dates (Opening and Closing)
1 Annual Evaluations	1st May – 30th June	1st January – 30th June	15th April – 20th May
2 Mid-Year Evaluations	1st December – 31st January	1st July – 31st December	1st December – 31st December

5.8.1 Performance Management

(103)

In ensuring sustainable practices in our human capital management, RSM Kuwait conducts periodic performance evaluation of colleagues, based on set KPIs, and provides colleagues with promotions and increments based on the evaluation results. Note that RSM Kuwait conducts these performance evaluations in accordance with best practices in the industry, which is done through assessments, and successfully ensures fair standardization in this process.

Performance evaluation in RSM Kuwait is conducted twice a year, comprising a mid-year evaluation and an annual evaluation. The specific timelines related to each evaluation, as per the Evaluation Policy, are displayed in **Figure 5.8.1**.

The steps of the performance evaluation process, as per the Evaluation Policy, are as follows:

1. HC conducts evaluation orientation sessions for all levels, and sends evaluation forms to the appraiser.
2. The appraiser accesses the evaluation form from the HC MenaMe System, rates the appraisee's functional competencies per category, fills in strengths, weaknesses, and recommendations for the appraisee, and recommends training & counseling for the appraisee.

5. The HC Department forwards the evaluation to the HC Committee, who reviews the appraisals and meets with each partner /service line leader, to discuss evaluation impacts on promotions, increments, and team structure.
6. The HC Committee and partner /service line leader finalize the ratings, promotions, and increments, and discusses the need for re-allocation of resources based on Optimum Pyramid.
7. The partner /service line leader signs off final increment schedule/summary.
8. Recruitment needs are discussed with the partner / service line leader for the coming year, and the appraiser meets with the appraisee one-to-one for coaching and mentoring, highlighting strengths and weaknesses.
9. The evaluation is released to the appraisee, who reviews, discusses, and agrees to the evaluation on the HC system.

The performance management mechanism in RSM Kuwait is supported by a solid set of criteria to reflect colleagues' skills and competencies. These are set up to be relevant to their job descriptions and weighted differently according to their positions. For comparability, 5-point scale criteria

are used, which are clearly communicated and accessible to our colleagues. Furthermore, as described in the evaluation process, the team ratings must be in line with a set bell-curve distribution.

CASE STUDY: APPROACH IN PERFORMANCE EVALUATION AND PEER REVIEWS

Department: Human Capital (HC) Department

Overview

Performance evaluation is conducted based on RSM Kuwait's Performance Evaluation Policy, which emphasizes that it is to be done in an objective, timely, and accurate manner. This policy was formalized in 2019 and circulated to all leaders and their direct reports for their inputs.

Besides the formal performance evaluation, RSM Kuwait also conducts 360 Degree evaluation, where colleagues evaluate their seniors through a survey.

Objective

1. To evaluate the performance of both colleagues and seniors in a fair and equitable way.
2. To decide on the increments to be paid based on the performance of the colleagues.

Outcomes

As a result of the performance evaluation mechanisms, 100% of colleagues underwent performance evaluation in both 2019 and 2018. Accordingly, constructive feedback was given to all the colleagues on an annual basis. Then, increments were provided based on the rating that they received during this evaluation process..

5.8.2 Promotions and Increments

Ensuring a sustainable and competitive workforce means that colleagues should be provided with promotions (upgrade of position across career path) and increments (upgrade of compensation) adequately. In RSM Kuwait, this is methodologically carried out through the Evaluation Policy, and is strongly tied to performance evaluation results.

As mentioned in the Evaluation Process, promotion cases are discussed between the HC Committee and the partner/service line leader. Throughout this, 4 promotion criteria are considered, as per Evaluation Policy, which are the following:

1. Optimum team structure:

This determines whether there is a business need for the promoted role in the team structure after looking at the

overall team numbers and the span of governance in the team.

2. Qualification requirements:

This indicates whether a colleague meets the qualification requirements of the potential promotion.

3. Years of experience:

This indicates the number of years of a colleague's experience.

4. Career path:

This indicates the movement of that colleague through a pre-set plan for career mobility, depending on position.



Besides promotions, the HC Committee also discusses potential compensation increments with the partner / service line leader. Throughout this, four increment criteria are considered, as per Evaluation Policy, which are the following:

1. Evaluation Rating

This indicates the evaluations rating and results of the colleagues.

2. Team Performance

This indicates the colleagues' team performance, measured in financial result.

3. National Inflation

This indicates any increases in prices in the country.

4. Salary Scale

This indicates the pre-set compensation scale accordingly to the colleague's position.

At the end of this process, once evaluation, any promotions, and any increments are decided, the decisions are communicated to each colleague through letter distribution. The letter is prepared by the HC department, and handed over to the partner / service line leader—who signs it and distributes it to team members individually. In case of any grievances related to evaluation, promotion, or increment, concerned colleagues may contact the HC Committee, which then meets with the colleagues individually to address the issue.

5.9 Health and Safety

(103)

RSM Kuwait ensures the health and safety of its colleagues in many ways. One of the KPIs to show our success in this includes occupational injuries, which was recorded at zero. Of course, mechanisms to ensure colleagues' health and safety indirectly ensure the health and safety of other stakeholders, such as clients visiting office premises. Some elements in place ensuring health and safety include:



1. Medical insurance:

RSM Kuwait provides its colleagues with medical insurance coverage, covering 192 colleagues in 2019. This insurance was recently enhanced, and allows colleagues an upgrade at a premium.



2. Maternal leave:

RSM Kuwait provides maternal leave to mothers, where 70 days of leave is available per mother. This was provided to 1 mother in 2019.



3. Flu vaccination:

RSM Kuwait conducts an annual flu vaccination program, where colleagues are optionally provided with flu shots before the flu season.



4. Health kits:

Every year in January, colleagues are provided with health kits, which are bags containing health items like medicines, stress balls, and sanitizers.



5. Office Protocols Policy:

The Office Protocols Policy was formed and implemented to address health and safety issues in the office premises.



6. Facility sanitization:

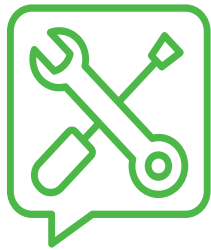
RSM Kuwait office premises are cleaned and sanitized regularly by cleaning personnel, and hand sanitizers are available throughout the facilities.

5.10 Workforce Engagement

(103)

RSM Kuwait engages its colleagues, as there are various satisfaction and business outcomes that are yielded from colleague engagement. The engagement is usually in the form of social media engagement, or formal and informal events. These colleagues engagement events are categorized into 3 main ones, which are Staff Annual Day, Ramadan gathering, Eid celebration, and other informal events. The Staff Annual Day is an Annual colleagues get-together for Open Day, with sports, team, and social activities. Meanwhile, the Ramadan gathering is an annual ghabka dinner and social gathering held in Ramadan after Iftar. Finally, informal events include various informal gatherings and dinners to celebrate certain occasions.

06



INNOVATION AND DIGITIZATION

Impact on Clients

Impact on Operation

Innovation and Digitization Savings

Innovation and digitization elements are important considerations for a Firm's sustainability practices. These directions have environmental impacts through the efficiency outcomes that they incur, colleagues' impacts through the skills and development of colleagues using the technology, and economic impacts through the high quality delivered to clients through the automation, among other impacts.

Sustainability Focus Area: Advancing Innovation and Digitization

KNDP

- Global positioning
- Sustainable living environment



SDGs

- Decent work & economic growth
- Industry innovation & infrastructure
- Sustainable cities & communities
- Responsible consumption & production
- Climate action
- Partnerships for the goals



6. Innovation and Digitization

(103)

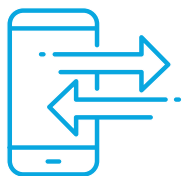
At RSM Kuwait, we recognize that innovation and digitization are vital to ensuring sustainable development, as reflected by one of our focus areas "Advancing Innovation and Digitization". We are committed to innovation and digitization direction for various reasons, including environmental, colleagues, marketplace, governance, responsible business, and other outcomes.

Furthermore, RSM Kuwait's innovation and digitization elements are further classified between Internal and External. In this case, the internal classification signifies use primarily for internal RSM Kuwait operations, having a secondary indirect impact on the client. Meanwhile, external classification signifies use primarily for RSM Kuwait in conducting client deliverables (direct client impact), and at times client implementation. Accordingly, there are a total of 29 innovation and digitization elements—specifically 20 for internal use, and 9 for external use. These are described in this chapter with further details.

As a caveat, the IT Department is actively available to receive and troubleshoot any IT issues. This year, the IT Department had received and closed 885 email support tickets.

Concerning the amount invested into innovation and digitization, there was a successful 43.4% increase, from 2018 to 2019.

Change in Innovation and Digitization Investment



% Change:

43.4% increase

Concerning innovation and digitization directions for both internal operations and externally for projects, there are various benefits to stakeholders involved, including, among others:

Efficiency

Through processes done efficiently, with higher output per input.

Transparency

Through sharing of data / information to stakeholders.

Error minimization

Through less human error due to automation.

Client satisfaction

Through client needs being met in a more modern, automated, timely, and effective way.

Quality and control

Through higher quality and control, due to adherence to standards with less errors.

Standardization

Through adherence to certain unified formats that ensure quality and consistency.

Colleague outcomes

Through areas like skills growth, engagement, communication, convenience, timeliness, etc.

Stakeholder engagement

Through engagement with other stakeholders, as the data and product are communicated and interactive among stakeholders, including users, colleagues, management, clients, etc.

Governance

Through governance aspects to be enforced, including accessibility, approvals, and reviews features available for users.

Various savings

Through savings in resources, energy, paper, time, commuting / transportation need (examined further within the report)



6.1 Impact on Clients

Much of our technology is geared towards ultimately enhancing the services provided to our clients, through high quality deliverables. This direction comes with various positive outcomes for the stakeholders involved, including engagement, contribution to the environment through savings, quality and control improvements through automation, transparency, accountability across project stages, among others.

6.1.1 Systems and Platforms (External)

At RSM Kuwait, we believe in the delivery of quality services and client satisfaction. To achieve this, we have implemented several systems and technologies to enhance the quality of our deliverables, as well as other outcomes like environmental and efficiency benefits. Accordingly, there are about 9 key innovation and digitization elements related to client deliverables, having a direct impact on our main external stakeholder: clients. Each of these elements are described in **Figure 6.1**.

CASE STUDY: RSM AUDITOR ASSISTANT

Department: Internal Audit and Risk Consulting, and IT Department

Overview

One of the systems used for internal audit and risk consulting engagements is the newly implemented RSM Auditor Assistant. There were various outcomes related to its implementation, including elements of governance, environmental outcomes, efficiency, teamwork, client engagement, among others.

Objective

1. Increased accuracy and audit of performed audits by enabling real time Senior/Manager review of fieldwork, ensuring timely identification of focus areas/minimization of errors, and efficiency by reducing subsequent review and feedback delays.
2. Approval of Audit program prior to testing and fieldwork enables consistency, efficiency, and output quality.
3. Standardization of workflow and documentation
4. Paperless operations by providing a vast virtual storage space for archiving supporting documents, limiting the use of printing/ink of documents, and reducing the need and use of storage cabinets/files etc.

5. Cost savings and environmentally friendly practices by limited use of spaces, resources (paper, ink, power consumption) for printing and archival.
6. Seamless engagement with clients
7. Enables detailed documentation of Risk and Control assessments, thereby saving time and effort during the fieldwork for current and future audits based on previous year assessments.
8. Transparency with clients regarding auditing progress and project's milestones.
9. Proper approval levels throughout the lifecycle of the project
10. Better budget and monitoring tools
11. Better staff planning and management

Outcomes

There were various main outcomes of the implementation of RSM Auditor Assistant, with more information in **Figure 6.1**.

CASE STUDY: CASEWARE AND TANSFORA

Department: Audit Division, and IT Department

Overview

One of RSM Kuwait's approaches to enhancing client experience and the quality of work delivered is through innovation and digitization. This is highlighted throughout the engagement between RSM Kuwait and its clients mainly in the areas of auditing, and by the integration of software such as:

- CaseWare
- Transfora

The Firm utilizes Transfora, which helps in the systematic processing of financial statements from commencement to issue.

The Audit Division also uses CaseWare, an audit management software which has significantly improved the quality of the audit process. CaseWare is implemented with all our audit clients.

Objective

1. Enhance client experience and quality of work delivered

2. Development and utilization of effective client engagement tools
3. Enhance efficiency of procedures
4. Enhance workflow
5. Improve quality

Outcomes

The outcomes of digitization in audit services include: improved quality and efficiency of engagements through centralized file management system, secured management of client data and availability of built-in backups, as well as efficient time management. A main outcome of Caseware and Transfora implementation is also the environmental benefit; specifically, it is estimated that there is a saving of 1,400 paper sheets per cycle due to implementation, calculated for 1,500 sheets before and 100 sheets after implementation.

Figure 6.1: RSM Kuwait Innovation and Digitization – External Client Aspects

Technology Categories	Description	Accessibility, Privacy, and Security Features
Service Line Related Technologies	<p>These are technologies used by RSM Kuwait for the purpose of preparing deliverables to the clients for the project, and/or for client implementation.</p> <p>*CaseWare System used by Audit division to conduct audit services. More information about CaseWare's environmental aspects is given in Chapter 7: Environment.</p> <p>*Transfora System used by Audit division to conduct audit services. Includes Transfora Workflow Management System, and Transfora Business Intelligence dashboard development. More information about Transfora's environmental aspects is given in Chapter 7: Environment.</p>	<ul style="list-style-type: none"> · Accessible to teams and clients. · Limited access to sensitive client information, including audit, financial, accounting, and sustainability information.



Figure 6.1: RSM Kuwait Innovation and Digitization – External Client Aspects

Technology Categories	Description	Accessibility, Privacy, and Security Features
Service Line Related Technologies	<p>* Auditor Assistant System used for Internal Audit / Risk Consulting engagements.</p>	<ul style="list-style-type: none"> · Accessible to teams and clients. · Limited access to sensitive client information, including audit, financial, accounting, and sustainability information.
Under Development	<p>There are other tools and technologies used by RSM Kuwait to enhance the work deliverables provided to clients, as well as better engage with colleagues and clients.</p> <p>* Windows Platform Operating platform used for prepare deliverables.</p> <p>* Microsoft Office Tools used for preparing client deliverables (ie. Word, Excel, Powerpoint).</p> <p>* OneDrive Sharepoint File sharing platform to share files and deliverables with the clients.</p> <p>* Virtual communication Virtual communication channels to connect with clients and other external stakeholders, including: Skype, Microsoft Teams, Social Media</p> <p>* Microsoft Visio Tool used for preparing deliverables related to Internal Audit / Risk Consulting</p>	<ul style="list-style-type: none"> · Accessibility of information to teams and clients. · Client information is secure in the Windows platform, Office files, Sharepoint, virtual meeting, and other features, limiting access by non-authorized individuals. · Accessible to teams and clients through file sending. · Client information is secure within Microsoft Office files, limiting access by external stakeholders. · Accessible to teams and clients through file sharing. · Client information shared is secure in the OneDrive, limited access to non-authorized users. · Virtual meetings are accessible to teams and clients, while social media is accessible to stakeholders as a whole. · Communication is secure through limited access to non-authorized joiners. · Accessible to teams and clients through file sharing. · Limited access to sensitive client information.
Under Development	<p>This is a technology under development for later implementation:</p> <p>*RSM Kuwait Engage Portal to engage with clients regarding deliverables, milestones, progress status, and managing the list of requirements in a form of project management, all of which are accessible through web or mobile. The application progress status is undergoing planning and testing.</p>	<ul style="list-style-type: none"> · Accessibility of project information to teams and clients. · Limited access to sensitive project information, limiting non-authorized user access.

6.2 Impact on Operation

Another side of RSM Kuwait's advances in innovation and digitization is the enhancement of our internal operations. Similarly, the positive outcomes include, among others, engagement with stakeholders (especially internal), contribution to the environment through savings, quality and control improvements for internal operations, transparency, and accountability across operational stages.

6.2.1 Systems and Platforms (Internal)

At RSM Kuwait, there are about 20 key innovation and digitization elements that are primarily for internal

operations, including administrative, and financial matters. Of course, these also have an indirect impact on the client. These elements are described in **Figure 6.2.1**.

All the software in our workplace are either off-the-shelf or Cloud-based Software-as-a-Service (SaaS). Throughout these, the quality of the IT systems is assured through RSM Kuwait adherence to ISO 9001 Quality Management System, ISO 20000-1-IT Service Management, and ISO 27001-Information Security Management System.

CASE STUDY: ERP BY MICROSOFT DYNAMICS

Department: Finance Department

Overview

The Finance Department has undergone various improvements, namely the use of automation of processes in the department. This includes having implemented a fully automated enterprise resource planning (ERP) system from Microsoft Dynamics, implementing an automated management information system (MIS) system, and integrating with other systems, including procurement and sales.

Objective

The objectives of this technological digitization in the Finance Department includes:

1. Ability to ultimately serve our clients in a more timely and accurate manner
2. Proper utilization of manpower
3. Reliability, timeliness, and accuracy of the information
4. Better work environment for the Finance Department
5. Ability to provide timely report to our business leaders to manage their portfolios efficiently and effectively
6. Efficiency and minimization of human error

Outcomes

There are usually very positive outcomes from automating processes in businesses. This includes the stated objectives, ranging from efficiency, minimization of error, accuracy, timeliness, and manpower efficient utilization of resources.

Moreover, there were various environmental / eco-friendly aspects of this initiative. For example, by having reports generated to the business leaders, we are saving paper by avoiding physically printed reports.

Also, the automation initiative successfully produced a decrease in invoices generated, receipt vouchers, and the number of envelopes used for the invoices and receipts, as shown in **Figure 7.1.2c** in Chapter 7: Environment. Furthermore, besides paper saving, there is also a saving of transportation fuel, due to the decreased need of meetings to send the invoices and receipts vouchers.



Figure 6.2.1: RSM Kuwait Innovation and Digitization – Internal Operations Aspects

Technology Categories	Description	Accessibility, Privacy, and Security Features
Opportunity Management Technology	<p>Customer Relationship Management (CRM) from Microsoft Dynamics:</p> <p>System managing business opportunities and engagements as a central database for client information. It is estimated that the implementation of CRM has saved 40 sheets of paper per opportunity input, which is the difference between 40 sheets before and zero sheets currently. More information about CRM's environmental aspects are reported in Chapter 7: Environment.</p>	<p>Information about opportunities is accessible to the relevant departments and executive management.</p> <p>Opportunity information is kept private and secure through limitation of access both inter-departmentally and intra-departmentally depending on positions (ie. password and authorization).</p>
Human Capital Technology	<p>MenaMe:</p> <p>System managing colleague matters, like leaves, evaluations, auto-requests for colleagues, etc. Purchased from MenaTech.</p>	<p>HC information is accessible to the relevant individuals, HC, and executive management.</p> <p>HC information is kept private and secure from other non-concerned internal and external stakeholders (ie. password and authorization).</p>
Administrative and IT Technologies	<p>These are technologies used for internal administrative and IT purposes:</p> <p>*ERP by Microsoft Dynamics: System used for financial and administrative operations. This resulted in various benefits, including time efficiency (2 hours saved per transaction). More information about the ERP's environmental aspects is reported in Chapter 7: Environment.</p> <p>Tookan:</p> <p>System for tracking document delivery</p> <p>ServiceDesk:</p> <p>Information Technology Infrastructure Library (ITIL) compliant ServiceDesk system for handling IT ticketing.</p> <p>Teem</p> <p>Workspace management system by iOffice Company.</p>	<p>Firm financial and administrative data is accessible to the relevant departments and executive management.</p> <p>Data is kept private and secure from other non-concerned internal and external stakeholders (ie. password and authorization).</p>

Technology Categories	Description	Accessibility, Privacy, and Security Features
Portals	<p>These are portals that can be used for internal stakeholders to support operations:</p> <p>* Intranet: Intranet for RSM Kuwait operations as internal information portal, and also allowing access to portals for colleagues' use, like MenaMe, TimeSheet, SmartList, 4Policy, etc.</p> <p>* KnowledgeBase OPD: OPD stands for Official Professional Database, where all standards, resources, and templates related to service lines are stored and updated when necessary. This is mainly for internal use in ensuring business continuity.</p> <p>* TimeSheet: Portal for colleagues to submit their timesheets biweekly.</p> <p>* Job SmartList: Portal providing management with data about their portfolios.</p> <p>* 4Policy: RSM Kuwait Policy Portal consolidating all of RSM Kuwait's policies and procedures, communicating them to Firm colleagues through accessibility, and allowing testing and surveys of said policies and procedures.</p> <p>* Global Relationship Tracker (GRT) database: Database portal used for checking the independence of RSM Kuwait in relation to existing international RSM clients and engagements, avoiding incidents of conflict of interests for the potential services.</p>	<p>Firm related data is accessible to the relevant internal stakeholders in the relevant departments and executive management through the portal.</p> <p>Data is kept private and secure from other non-concerned internal and external stakeholders (ie. password and authorization).</p> <p>Specifically, by storing Firm and service lines information on the KnowledgeBase OPD, RSM Kuwait is ensuring various accessibility, privacy, and security features. On one hand, this vital information is kept private and secure to those authorized to access it only, while ensuring its accessibility to current and future authorized users. Concerning accessibility, the OPD ensures that the Firm continues to have access to this vital information, rather than having it kept only with the Firm colleagues themselves.</p>



Technology Categories	Description	Accessibility, Privacy, and Security Features
Other Tools and Technologies	<p>These are other tools and technologies used to support internal operations:</p> <ul style="list-style-type: none"> * Windows Platform: Operating platform used for internal operations. * Microsoft Office: Tools used for internal operations (ie. Word, Excel, Powerpoint). * OneDrive Sharepoint: File sharing platform to share files for internal operations. * Virtual communication: Virtual communication channels to connect with teams, colleagues, and other internal stakeholders, including: Skype, Microsoft Teams, Social Media. * Microsoft MyAnalytics: Portal analyzing colleagues' performance and activity. * Printers: Multi-function technology, including double-sided printing, for papers. More information about the printing system's environmental aspects is given in Chapter 7: Environment. * Laptops: Laptops provided to each colleague. * Shared Server: A shared server for RSM Kuwait colleagues to store files, with tailored accessibility to the concerned teams / departments. 	<p>Information on these tools and technologies is accessible to the relevant internal stakeholders in the relevant departments</p> <p>Information is kept private and secure from other non-concerned internal and external stakeholders (ie. password and authorization).</p>

6.3 Innovation and Digitization Savings

The innovation and digitization elements in RSM Kuwait also incur various savings, including time, cost, and resource savings, as follows:

Time

Technology allows for time-saving due to automation and less human effort for certain processes and procedures.

Resources

Technology allows for less use of resources, such as ink, paper, printing, energy, fuel, etc. These resource savings are incurred for various reasons, including faster processes, less need for input materials, less need for transportation / commuting / meeting, etc.

Cost

Technology allows for cost savings, such as those incurred from decreased resources, time-saving, error minimization, costly alternatives, less need for transportation / commuting, less energy use, etc.

Note, however, a closer look at the resource savings and their environmental outcomes (i.e. paper, greenhouse gas emissions, water, solid waste, and energy) are examined later on throughout the report sections.

07



ENVIRONMENT

Waste Management

Water Management

Energy Efficiency

Greenhouse Gas (GHG) Emissions

The environment is an important dimension to be measured and assessed in a sustainability report, especially as it represents the “E” in the ESG framework. For RSM Kuwait, the environmental aspects examined include greenhouse gas (GHG) emissions, electronic waste (e-waste), paper waste management, water management, and energy efficiency.

Sustainability Focus Area: Having a Positive Environmental Impact

KNDP

- Sustainable living environment
- Sustainable diversified economy



SDGs

- Clean water & sanitation
- Affordable & clean energy
- Sustainable cities & communities
- Responsible consumption & production
- Climate action
- Life below water
- Life on land
- Partnerships for the goals



7. Environment

(103)

At RSM Kuwait, one of our focus areas is "Having a Positive Environmental Impact". Since we are primarily service based, our environmental impacts, by default, are not as major as more industrial businesses. However, as part of our duty to sustainability development, we recognize that our environmental impacts must be measured and assessed to the best of our capabilities, at least to form a baseline for the current year.

7.1. Waste Management

(103, 301-2, 301-3)

One of the environmental impact areas for RSM Kuwait includes waste management, which is further segmented into electronic waste (e-waste) and paper waste. While the type of waste would differ depending on the industry, electronics and paper consumption are the two most material for RSM Kuwait as a business service provider Firm.

7.1.1. E-Waste

At RSM Kuwait, we manage our waste sustainably via a third-party organization that recycle and dispose of waste in an eco-friendly manner. The two main areas of waste management relevant to us are paper and electronics (e-waste).

Concerning e-waste, RSM Kuwait has contacted with a Kuwaiti company to collect our stock of e-waste for environmentally-safe disposal. In 2019, RSM Kuwait has disposed of 54 electronic items in an environmentally safe way. This resulted in various environmental outcomes, as illustrated in **Figure 7.1.1**, composed of GHG emissions reduction.

7.1.2. Paper Management

At RSM, paper management is reflected into two main areas. This includes Firm-wide paper management through the collection of paper for eco-friendly treatment and shredding through a third-party company. Another facet of paper management for RSM includes paper savings from innovation and digitization elements, where those can be measurable and reporting through selected systems explained further.

Paper Shredding

Concerning paper waste, RSM Kuwait has contracted with a company to provide 3 paper bins (240 liters each), where the collected paper is recycled through secured document system management and shredding. The amount invested into this is 100 KWD per month. As a result, RSM Kuwait collected 14,180 kgs of paper in 2019, as illustrated in **Figure 7.1.2a**. This can be converted into various environmental outcomes, including savings in energy, GHG emissions, water, and solid waste, as illustrated in their appropriate sections.

Furthermore, the SROI of RSM Kuwait's paper treatment and shredding activities has been calculated and is provided.

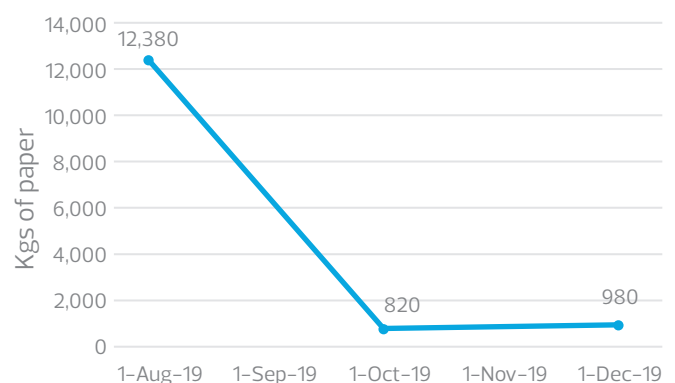
Figure 7.1.1: Environmental Outcomes of RSM Kuwait E-Waste







Environmental impact

GHG Emissions reduced
0.90 MT

Figure 7.1.2a: RSM Kuwait Paper Treatment and Shredding



 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
Waste paper treatment	1659%	16.59 KWD sustainability value produced for every 1 KWD invested	GHG Saving

CASE STUDY: RSM KUWAIT EFFORTS IN WASTE REDUCTION

Department: Admin Department

Overview

Since RSM Kuwait is an Audit, Tax, and Consulting Firm, our waste mainly consists of paper waste. To reduce the excessive use of paper and its impact on the environment we have adopted paperless directions across all our service lines. As part of this, we have introduced a well categorized database and have installed highly sophisticated and heavy-duty scanners in our Firm to encourage soft file storage against hard file storage.

Moreover, the paper waste that still exists is saved in specially designed recycle bins, which are sent across to recycle units at the end of every month for secured document management and shredding.

Objective

The objectives of this waste reduction efforts include:

1. Reduce paper waste
2. Promote paperless directions in our services and operations
3. Have a more positive impact on the environment

Outcomes

The outcome of this initiative was that decreased paper usage led to more organized storage and filing. More tangibly, there was a collection of 14,180 kgs of paper for secured document management and shredding, all of which could be translated to environmental outcomes that include savings in energy, GHG emissions, water usage, and solid waste.

Innovation and Digitization

Because RSM Kuwait embraces digitization and innovation directions impacting both external and internal stakeholders, there are of course various environmental outcomes that can be derived. In a direct manner, the digitization leads to various paper, ink, and fuel savings. In a more indirect manner, these savings can be translated to environmental savings that include greenhouse gas (GHG) emissions, energy, water usage, and solid waste, which are described elsewhere in their appropriate sections.

Some innovation elements may be selected for a more in-depth environmental analysis. In this case, a deeper look is taken on the (1) ERP system, (2) CRM system, (3) printing system, and (4) Caseware and Transfora. **Figure 7.1.2b** and **Figure 7.1.2c** specifically portray these selected systems concerning the direct impact of paper savings, as well as a brief about what this paper saving derives from. More information as to their indirect environmental outcomes is provided elsewhere.





Furthermore, the calculated SROI is provided for the environmental impact attributed to RSM Kuwait's use of the 4 selected technologies.

Figure 7.1.2b: Paper Savings from Select Systems

#	Technology	Brief of Saving Derived	Paper Savings (# of sheets)	Per
1	ERP	The ERP system allows for the automation of various financial and administrative processes at RSM Kuwait. As in Figure 7.1.2c* , this has specifically led to paper decreases for invoices, receipt vouchers, and envelopes for invoices and receipts, showing a total decrease of 964 sheets of paper (27% decrease from 2018). Note that ERP savings include paper, as well as fuel savings incurred from decreasing the need for trips to send invoices and paperwork.	954	Total
2	CRM	The CRM System allows for automation of many activities related to opportunity and job management. The direct environmental outcome of this is the paper reduction, which is estimated as a reduction of 40 sheets of paper per cycle.	40	Per cycle
3	Printing	The printer system has 3 features that incur environmental outcomes. The first is force mono pages, where some printers force mono-color printing rather than color printing, saving on ink. The second feature is deleted pages, where papers are deleted by user, and the third is expired pages, where pages expire from printing if they are not released within 2 hours. The total paper saved from the second and third features is a total of 86,966 sheets, which also saved cost by 1,886.48 KWD.	86,966	Total
4	CaseWare and Transfora	The implementation of CaseWare and Transfora systems for enhancing our business, especially in the Audit division, has led to environmental savings, specifically in the saving of paper. Prior to implementation, 1,500 sheets of paper were used for audit cycle, which was reduced to 100 sheets post implementation—netting a paper saving of 1,400 sheets per cycle.	1,400	Per cycle

Figure 7.1.2c: Paper Savings through ERP System

Item	2019	2018	Percent Change	Paper Saved
Sheets of paper	9,756	10,710	-27%	954

 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
Customer Relationship Management (CRM) system	3%	0.030 KWD sustainability value produced for every 1 KWD invested.	GHG Saving
Enterprise Resource Planning (ERP) System	18%	0.180 KWD sustainability value produced for every 1 KWD invested.	GHG Saving (Paper) GHG Saving (Fuel) Time Saving
CaseWare and Transfora Systems	16%	0.160 KWD sustainability value produced for every 1 KWD invested.	GHG Saving
Sharing Printing system	13%	0.130 KWD sustainability value produced for every 1 KWD invested.	GHG Saving Cost Saving



7.1.3. RSM Kuwait Engage – Under Development Project

The RSM Kuwait Engage system is under development but is expected to have various environmental outcomes alike,

which are described further. Furthermore, the calculated expected SROI is provided for RSM Kuwait's use of RSM Kuwait Engage.

CASE STUDY: RSM KUWAIT ENGAGE – ENVIRONMENTAL OUTCOMES AND OTHER BENEFITS

Department: IT Department

Overview

RSM Kuwait Engage is a system under development, which will enhance client engagement by using technology to communicate with clients, especially concerning milestones and progress status of jobs. There is free access to the portal and app for the clients, and is especially useful in managing the list of requirements (LOR) from clients and mitigating any potential misunderstandings. Furthermore, it is integrated with Dynamics 365 CRM and PSA, which are used by RSM Kuwait to manage the client relations and projects. The solution has two channels of delivery which are:

- Web Portal (<http://engage.rsm.com.kw>)
- Mobile Application (Available in App Store and Play Store as RSM KW Engage)

While the solution comes with many benefits, there are very material environmental outcomes to be expected.

Objective:

The objectives of the RSM Kuwait Engage system include:

1. Clients can track the stages and activities of their open engagements with RSM Kuwait
2. Clients can track the list of requirements related to an engagement
3. Clients can upload the documents related to the activities or requirements through the Web portal
4. RSM Kuwait team can verify the documents and update the status in the portal which will be notified to the clients through the portal and mobile app

Outcomes:

The outcomes of RSM Kuwait Engage can be divided into 3 main areas, which are: A) Environmental, B) Client experience and business governance, and C) Contribution to national and international frameworks, each of which are described below:

A. Environmental:

RSM Kuwait Engage improves our environmental impacts in many ways. Primarily, since the whole process is paperless, the system is expected to save on average 500 sheets of paper per client engagement. Assessed based on the estimated client portfolio applicable to the system, the paper savings are expected to incur the following estimated environmental savings:



Energy

33.1 million BTUs



Greenhouse gas (GHG) emissions

10.61 MT CO₂e



Water

27,800 gallons



Solid waste

1,530 pounds

CASE STUDY: RSM KUWAIT ENGAGE – ENVIRONMENTAL OUTCOMES AND OTHER BENEFITS

Department: IT Department

In addition to the paper savings, RSM Kuwait Engage also incurs savings on petrol for our professionals' transportation, as the digitized communication with clients significantly reduces the need to commute to client premises. Assuming that one back-and-forth trip per client is saved (estimated at 10 kilometers as minimum), considering our estimated client portfolio applicable to the system, the petrol avoided is expected to incur the following estimated GHG emissions savings:

Carbon Dioxide
(CO₂e) **0.91MT**

Nitrogen Oxide
(NO_x) **14.23 grams**

Methane (CH₄)
1.02 grams

Sulfur Oxide
(SO_x) **0.0001 grams**



While paper and petrol are deemed to be the most material savings, other environmental impacts of the system can be derived from the saving of storage space, and electricity savings from reducing printing and copying.

B. Client Experience and Business Governance:

Besides the positive environmental aspects, RSM Kuwait Engage also has a significant impact on clients as their experience is enhanced through the system. Our clients become more engaged and involved, as we transparently and effectively communicate project progress to them with high standards of accountability. This engagement ensures that the quality and timeliness of our work is in line with client expectations, while the conveniently digitized communication allows our teams to focus more on the projects at hand.

C. Contribution to National and International Frameworks:

Though the implementation of RSM Kuwait Engage is a relatively micro Firm-level scope, it has far reaching impacts that also ultimately align to national and international frameworks associated with sustainable development.



CASE STUDY: RSM KUWAIT ENGAGE – ENVIRONMENTAL OUTCOMES AND OTHER BENEFITS

Department: IT Department

Namely, this initiative is strongly aligned to the UN Sustainable Development Goals (SDGs), as follows:



SDG 9: Industry, Innovation, and Infrastructure: due to the technological aspects of the system.



SDG 7: Affordable and Clean Energy: due to the energy and fuel savings incurred



SDG 12: Responsible Consumption and Production: due to efficient resource use from the system



SDG 8: Decent Work and Economic Growth: due to the reinforced governance aspects and enhanced work-flow



SDG 13: Climate Action: due to the greenhouse gas (GHG) emissions savings



SDG 14: Life Below Water: due to water savings



SDG 15: Life On Land: due to waste savings

Additionally, the RSM Kuwait Engage initiative is also strongly aligned to the Kuwait National Development Plan (KNDP). This includes:







Living Environment: through the environmental impacts



Economy: through the client and efficiency outcomes of digitization



Human Capital: through the efficient and modern workflow available for colleagues

 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
RSM Kuwait Engage system	44%	0.440 KWD sustainability value produced for every 1 KWD invested	GHG Saving (Paper) GHG Saving (Fuel)

7.2 Water Management

(103, 303–3)

While Firms may assess their water consumption through water utility bills, this does not apply to RSM Kuwait as it is included in the rent of its office premises. However, water implications can be derived from the various water savings incurred from different select areas, as illustrated in **Figure 7.2**, highlighting water savings from different selected systems and paper shredding.

Figure 7.2: Water Savings per Select Areas

#	Area	Water Savings (Gallons)	Per
1	ERP	102	Total
2	CRM	4.3	Per cycle
3	Printing	9,310	Total
4	RSM Kuwait Engage	27,800	Total (expected by 2020)
5	Paper shredding	334,000	Total
6	CaseWare and Transfora	53.5	Per cycle
7	RSM Auditor Assistant	Will be calculated in 2020	Total

7.3 Energy Efficiency

(103, 302–1, 302–3, 302–4, 302–5)

Similar to water management, Firms may also assess their energy consumption through electricity utility bills, though this is not directly applicable to RSM Kuwait as it is included in the rent of its office premises. However, an estimation of the energy consumption can be derived proportionally to other Firms in the industry. With this approach, the estimated energy consumption of RSM Kuwait would be around 2,191,700 kWh, which can be converted to around 7,478 million BTUs. Intensity per colleague would show about 36.84 million BTUs / colleagues.

Besides the Firm energy consumption described above, energy implications can also be derived from the various energy savings incurred from different selected innovation and digitization areas, as illustrated in **Figure 7.3**, highlighting energy savings from different selected systems and paper shredding.

7.4 Greenhouse Gas (GHG) Emissions

(103)

Firms often assess their environmental impact through GHG emissions, which are harmful gases emitted to the atmosphere and incurring a negative environmental impact through the greenhouse gas effect of climate change.

Figure 7.3: Energy Savings per Select Areas

#	Area	Energy Savings (Million BTUs)	Per
1	ERP	0.1	Total
2	CRM	0.005	Per cycle
3	Printing	11.1	Total
4	RSM Kuwait Engage	33.1	Total (expected by 2020)
5	Paper shredding	398	Total
6	CaseWare and Transfora	0.06	Per cycle
7	RSM Auditor Assistant	Will be calculated in 2020	Total

GHG emissions are categorized into scope 1, 2, and 3. Scope 1 emissions are direct emissions from the activities of a Firm or under their control. For RSM Kuwait, this is measured from the owned car. Scope 2 emissions are indirect emissions from electricity purchased and used by the Firm. For RSM Kuwait, this is not measurable since electricity utility is part of the rent for the office premises, but an estimate can be analytically derived using proportions from similar industries. Scope 3 emissions are all other emissions from activities of the Firm, occurring from sources that they do not own or control. For RSM Kuwait, this is measurable through the business travels it has incurred.

Additionally, various gases make up for GHG emissions. For this analysis, RSM Kuwait has considered the following 4 types of emissions: Carbon Dioxide equivalent (CO₂e), Sulfur Oxides (SO_x) and Nitrogen Oxides (NO_x).



1. Scope I (305-1, 305-4)

Concerning scope 1, this is measured through RSM Kuwait's owned car, for which the fuel consumption was around 200 KD per month. Accordingly, **Figure 7.4a** illustrates the GHG emissions resulting from this in terms of CO₂e, SO_x, and NO_x, expressed in both total amounts as well as intensity figures per RSM Kuwait colleague.

2. Scope II (305-2, 305-4)

Concerning GHG scope 2, this was not directly calculated due to the unavailability of electricity consumption data, but was instead estimated through an assessment as previously mentioned for energy. Accordingly, an estimation of the GHG scope 2 emissions can be derived proportionally to other Firms in the industry. With this approach, the estimated GHG scope 2 emissions of RSM Kuwait would be around 1,545 MT CO₂e, which can be estimated for other gases like SO_x and NO_x, as illustrated in **Figure 7.4b**.

3. Scope III (305-3, 305-4)

Concerning scope 3, this is measured through RSM Kuwait's business air travels, where GHG emissions are computed based on departure location, the destination location, class, and the number of trips. Accordingly, **Figure 7.4c** shows the scope 3 GHG emissions (MT CO₂e) for all trips according to zones, resulting in a total of 49.48 MT CO₂e of scope 3 GHG emissions—the full breakdown of which per each type of trip can be found in the Annex. This can be further expanded to include other types of GHG emissions—namely SO_x and NO_x—the results of which are indicated in **Figure 7.4d** in both total amounts as well as intensity per colleague.

RSM Kuwait has seen an improvement in this regard, as the number of business trips—and parallelly scope 3 GHG emissions—have both decreased. Specifically, **Figure 7.4e** shows a 38% decrease in the number of business trips from 2018 to 2019 (312 trips minus 192 trips), resulting in a decrease of about 30.93 MT CO₂e of scope 3 GHG emissions. In addition, compared to last year, there was a 34.8% decrease in the amount paid for travels, though this was only for HC/recruitment purposes.

Furthermore, the calculated SROI is provided for RSM Kuwait's decrease in GHG scope 3.

Figure 7.4a: Scope 1 GHG Emissions – per Type of Gas

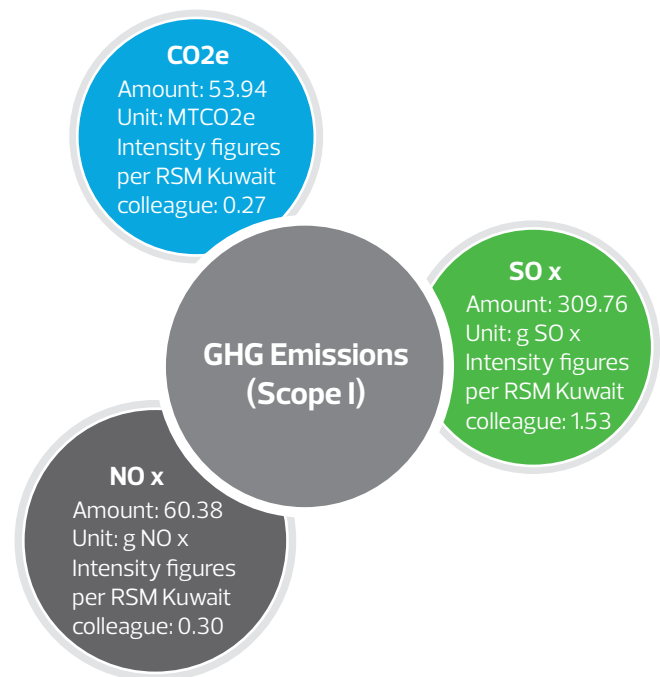


Figure 7.4b: Scope 2 GHG Emissions – per Type of Gas

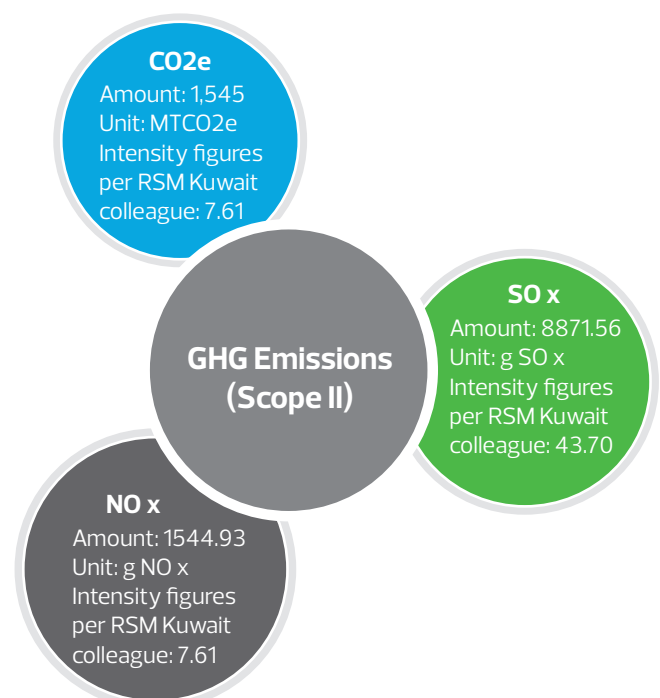


Figure 7.4c: Scope 3 GHG Emissions per Set of Flights

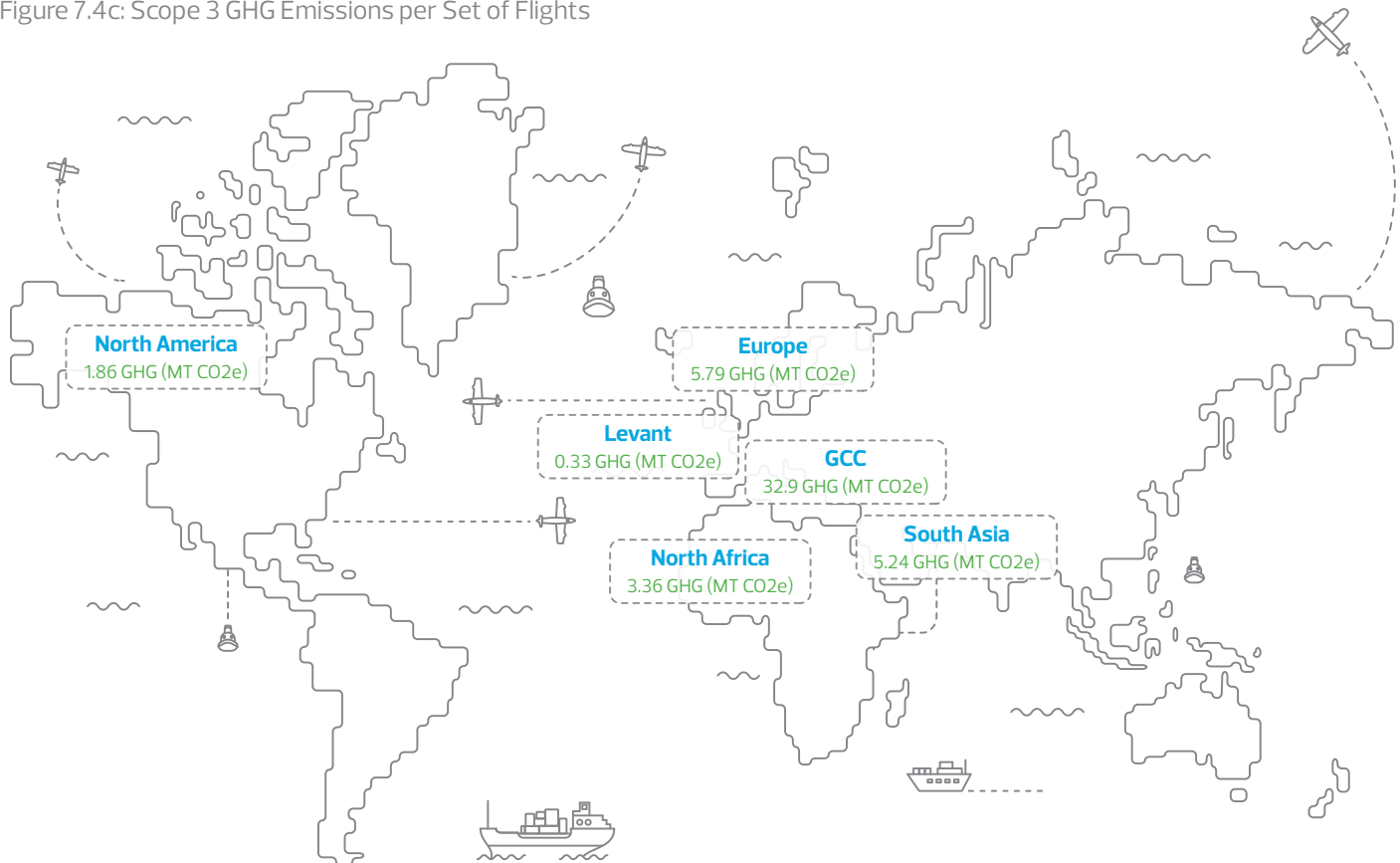


Figure 7.4d: Scope 3 GHG Emissions – per Gas

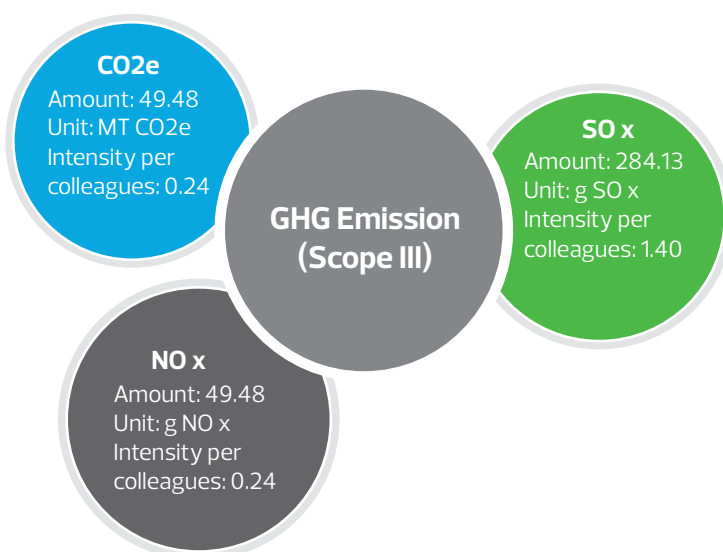
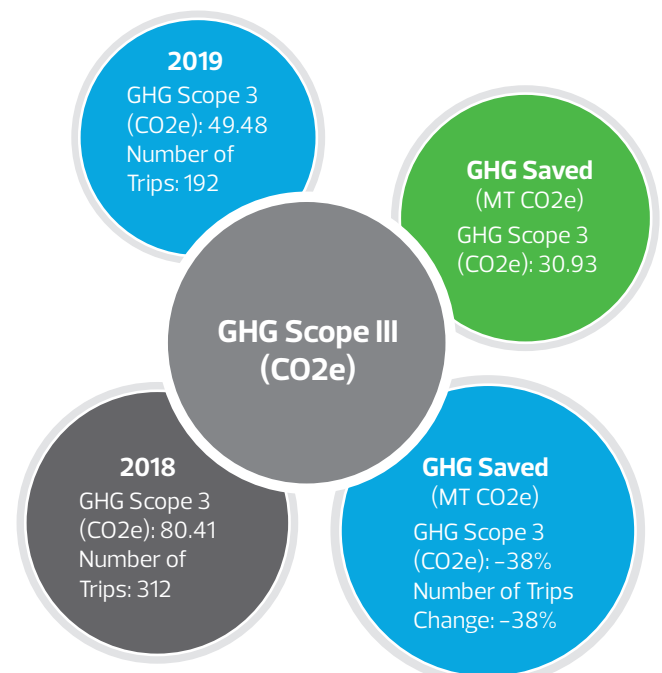






Figure 7.4e: Scope 3 GHG Emissions per Year

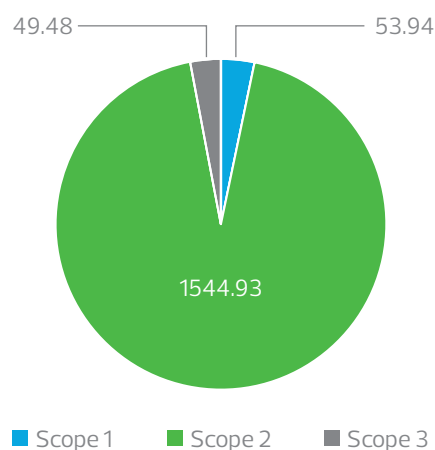


 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
GHG Emissions – Scope 3 Decrease	72%	0.720 KWD sustainability value produced for every 1 KWD invested in reduction	GHG Saving Cost Saving

4. Total GHG Emissions (Scope 1, 2 and 3) (305–6, 305–7)

The next step is to assess total GHG emissions, by combining the figures for scope 1, 2, and 3. Total figures could further be segmented into scope 1, scope 2, and scope 3 emissions; for example, **Figure 7.4f** shows that looking at the total CO₂e GHG emissions, the total is 1,648.35 MT CO₂e, with scope 2 having resulted in the biggest footprint.

Figure 7.4f: Total GHG Emissions – per Scope



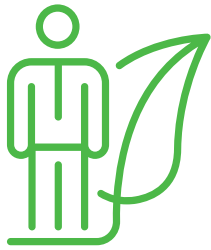
5. GHG Emissions Reduced (305–5)

Besides the GHG emissions incurred, Firms may also analyze the GHG emissions avoided or reduced, which are then used to offset their GHG emissions impact. In RSM Kuwait, specific GHG emission reductions can be measured from 7 different areas illustrated in **Figure 7.4h**, including GHG emissions reductions from digitization, waste management, and reduction in air travel.

Figure 7.4h: Total GHG Emissions Reduced – Per Area

#	Area	GHG Emissions reduced (MT CO ₂ e)	Per
1	ERP	0.77	Total
2	CRM	0.002	Per cycle
3	Printing	3.55	Total
4	RSM Kuwait Engage	20.54	Total (expected by 2020)
5	Paper shredding	127.57	Total
6	E-waste	0.90	Total
7	Air travel	30.93	Total
8	CaseWare and Transfora	0.02	Per cycle
9	RSM Auditor Assistant	Will be calculated in 2020	Total

08



COMMUNITY

Community Engagement Tools

Internships

Social Activities

Knowledge Sharing and Events

Supporting Local Suppliers

Community is an important dimension to include in a sustainability report, especially as its social aspects represent the “S” in the ESG framework. For RSM Kuwait, the community aspects include, among others, events, publications, social media, and local procurement in the supply chain.

Sustainability Focus Area: Engaging with our community

KNDP

- Global positioning
- High quality healthcare
- Sustainable living environment
- Sustainable diversified economy



SDGs

- 1: No poverty
- 2: Zero hunger
- 3: Good health and well-being
- 4: Quality education
- 8: Decent work & economic growth
- 11: Sustainable cities & communities
- 12: Responsible consumption & production
- 16: Peace, justice & strong institutions
- 17: Partnership for the goals



8. Community

(102–12)

At RSM Kuwait, one of our focus areas is "Engaging with Our Community". The community elements most relevant for RSM Kuwait have been social media, internships, social activities, events and knowledge sharing, and insight publications. Moreover, community elements are emphasized through our responsible procurement practices, especially through tracking local procurement vendors and expenditures.







8.1 Community Engagement Tools

(103, 413–1)

Community engagement tools are important in order to keep the Firm in touch with one of its main stakeholders — the community. In 2019, RSM Kuwait allocated budget for marketing to maintain community engagement through all social media accounts.

The community engagement tools mainly include the RSM Kuwait website, social media, email, video, events, print publications, among others. **Figure 8.1a** takes a closer look at the website and specific social media channels, listing the followers, the frequency of posting content on the channels, and the number of sustainability related topics posted (ie. related to health, economy, community, environment, etc).

Figure 8.1a: Community Engagement Tools

						
	Website	LinkedIn	Twitter	Youtube	Facebook	Instagram
Number of Followers	0	20,310	4,300	1,150	42,142	4,237
Sustainability-Related Posts	7	21	21	0	21	9
Frequency of Posting	3–6 months	3–6 months	3–6 months	–	3–6 months	3–6 months



Total Number of Followers: **72,229**

Total Sustainability-Related posts: **79**



8.2 Internships

(103)

Internships are one way that RSM Kuwait engages and gives back to the community, as internship programs equip fresh interns with the skills, knowledge, and experience needed to advance their career, whether at RSM Kuwait or elsewhere. Therefore, providing internships, in general, has very significant impacts on the community (through knowledge and skills sharing), and on the economy overall as the workforce is equipped with more skills and experience.

We accept interns after reviewing their academic credentials (since work experience is likely minimal), and after conducting a preliminary interview. In 2019, RSM Kuwait accepted 7 interns, and has eventually offered full-time employment to some of them.

Besides the routine yearly internships, RSM Kuwait also conducted a special internship program with the Kuwait State Audit Bureau (SAB), where interns gained work experience across RSM Kuwait's service line for a period of about 3 months.

Furthermore, the SROI of RSM Kuwait's internship activities has been calculated and is provided.

CASE STUDY: INTERNSHIP PROGRAM

Department: HC Department

Overview

Every year, RSM Kuwait provides internships to candidates who are in their undergraduate level of university education. These internships with RSM Kuwait are mainly held during the interns' summer and winter breaks.





Objective:

The main objectives of the internships program includes the following:

- 1) To train the undergraduates on the basics of our service lines (Audit, Tax, and Consulting)
- 2) To liaise with key universities in the country for providing the opportunity of learning to their students

Outcomes:

As a result of the internship program, students got an opportunity to work with our colleagues and gain valuable skills, knowledge, and professional experience.

 SROI Topic	 SROI (%)	 Interpretation	 Value Outcomes
Internship program	120%	1.20 KWD sustainability value produced for every 1 KWD invested	Training Value










8.3 Social Activities

(103)

In order to maintain engagement with our colleagues and the community, RSM Kuwait conducts and takes part in various social activities. These range from celebration of

international occasions, to initiatives by / for colleagues that also engage with the community. A selected list of social activities conducted in 2019 are provided in **Figure 8.3**.

Figure 8.3: RSM Kuwait Social Activities

#	Activity	Brief	Month
1	 Health Day	As part of the Firm's ongoing commitment to the health and well-being of all members of the RSM Kuwait family, the Firm welcomed a third-party health institution to conduct free health screenings for all colleagues.	February
2	 "Your Future Career in Audit and Consulting" lecture by RSM Kuwait for the universities	Initiative by the HC to spread awareness of selected service lines of the firms, contributing to attracting university graduates.	February – April
3	 International Women's Day – Balance for Business	Celebration of International Women's Day, especially celebrating the women in our workforce.	March
4	 Mother's Day	Celebration of Mother's Day, especially recognizing the mothers in our workforce.	March
5	 Ramadan Ghabka	A dinner and get-together held for RSM Kuwait colleagues after Iftar during Ramadan.	May
6	 RSM World Day – RSM Kuwait Organized Beach Clean-up under the theme "The Bigger Picture"	Celebration of RSM World Day where 17 RSM Kuwait colleagues visited 3 beaches to clean up waste. Furthermore, the event lasted for 8 hours.	October
7	 Movember Men's Health Month	Celebration of Movember Men's Health Month to raise awareness of prostate cancer.	November
8	 Flu Vaccine	RSM Kuwait arranged for Flu vaccine for all the colleagues	November
9	 RSM Kuwait Open Day	Celebration of RSM Kuwait Open Day as a dinner and get-together for colleagues and their families, which was also broadcasted live on Instagram for the community and other stakeholders to see.	December



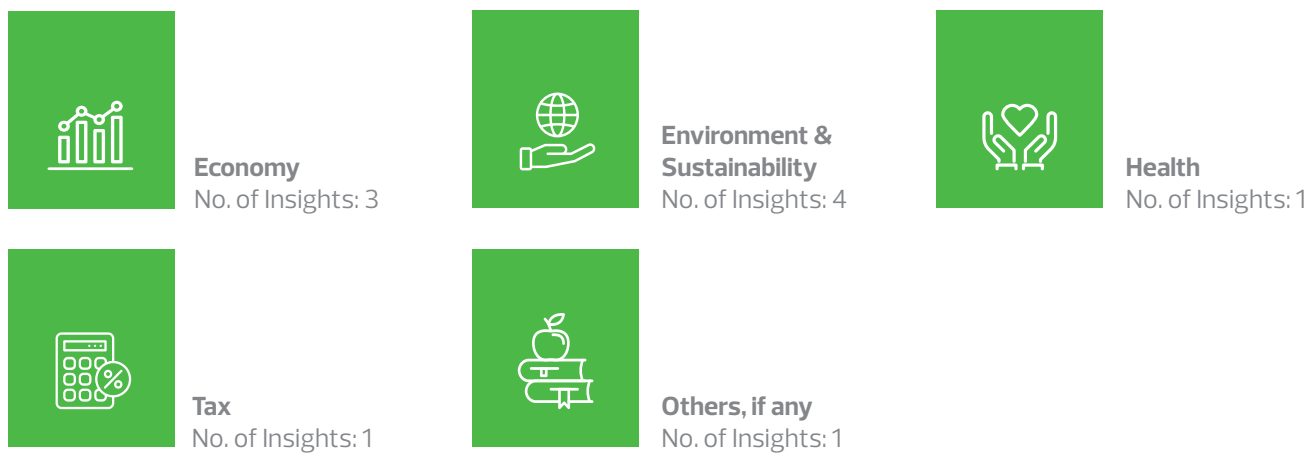
8.4 Knowledge Sharing and Events

(103)

Besides social activities, RSM Kuwait also gives back to and engages with the community through knowledge sharing—ie. spreading knowledge and awareness of specifically professional / business areas to both internal and external stakeholders. These are conducted via

both physical events and the publication of thought-leadership insights on our website and through circulation. Accordingly, **Figure 8.4a** lists the number of insights prepared in 2019 per topic (10 total).

Figure 8.4a: Knowledge-Sharing Insight Publications



CASE STUDY: IMPACT OF KNOWLEDGE SHARING EVENTS

Department: Admin Department and Others

Overview

Besides insight publications, RSM Kuwait also shares knowledge by holding physical events for both internal and external stakeholders to attend. Accordingly,

Figure 8.4b lists selected knowledge-sharing events conducted—being a total of 6.

Figure 8.4b: Knowledge-Sharing Events

#	Event	Brief
1	International Financial Reporting Standards (IFRS)	Events, updates, and training held to spread awareness about specific IFRS standards, mainly for accounting and audit purposes.
2	Family Business	Event discussing the important of family business, and RSM Kuwait's family business-oriented consulting service line.
3	Value-Added Tax (VAT)	Workshops held to spread knowledge and awareness about VAT according to different jurisdictions.
4	Economy Watch	Event held to discuss economic performance and indicators, in partnership with a reputed Swiss bank, which is conducted every year for the past 4 years.
5	Tax Seminars	Seminars held to spread knowledge and awareness of tax issues.
6	The General Data Protection Regulation (GDPR)	Event held to spread knowledge and awareness of GDPR, a regulation in the European Union (EU) law on data protection and privacy.

Objective

The objectives of the knowledge-sharing events include:

1. To give clients and non-clients key insights and information on the state of the world economy, along with other business / professional topics
2. To raise awareness among stakeholders of the value we can provide through our services
3. To enhance our networking with stakeholders, as well as provide our stakeholders opportunities to network among each other

Outcomes

As a result of the knowledge-sharing events, RSM Kuwait was able to improve client relationships, as well as raise awareness and knowledge on various topics as a means of giving back to the community.



8.5 Supporting Local Suppliers

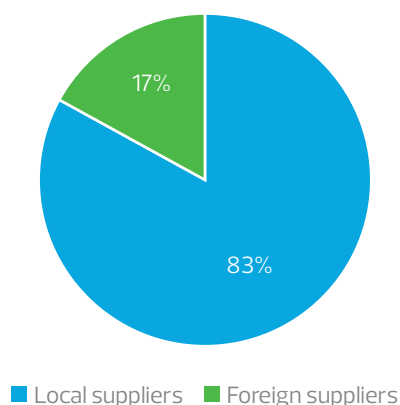
(102-9, 102-10, 103, 204-1)

One way that RSM Kuwait has a community impact is through procurement, as this signifies an economic impact on our suppliers across the supply chain. Specifically, local procurement from Kuwaiti suppliers further cement RSM Kuwait's impact by supporting the local community in which it operates.

Currently, our procurement expenditures comprise 83% for local Kuwaiti suppliers, compared to 17% for foreign suppliers, showing a successful majority in local procurement, presented in **Figure 8.5a**. These figures are also the same when compared to 2018. Moreover, **Figure 8.5b** lists the main purchases and services acquired by RSM Kuwait through either local or foreign procurement.

It is worth mentioning, as well, that RSM Kuwait conducts its procurement practices through an organized and automated manner. Accordingly, RSM Kuwait has met with its vendors and explained the supplier system. Throughout this, there are two types of purchases—being either annual contract based, or monthly ordering system. All items are captured in the system, and all items would only be able to be purchased through a defined process,, after signature by 2 parties. Then, a specific time frame is provided to the supplier to deliver the purchased item / service (usually 3 days from receipt of purchase order). Afterwards, the item is delivered through a receiving form that specifies the quantity. Finally, on receipt of the supplier invoice, the Finance Department reconciles the invoices to purchase order, and makes the payments by check.

Figure 8.5a: Local vs. Foreign Procurement Expenditures



The reconciliation process involves a 3-way automated reconciliation process: (1) purchase order (PO), (2) receiving report, and (3) supplier invoice.

Also, we only purchase from approved vendors that have been approved, identified, and posted onto the system.

Figure 8.5b: RSM Kuwait Purchases / Services Received – Local vs. Foreign



09



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[Global Reporting Initiative \(GRI\)](#)

[Training](#)

[RSM Kuwait Policies](#)

[RSM Kuwait Business Travels and Greenhouse Gas \(GHG\) Emissions](#)

[RSM Kuwait Material Topics Alignment to Global Reporting Initiative \(GRI\)](#)



9.1 Global Reporting Initiative (GRI)

(102–55)

GRI Standard Disclosure Number	Individual Disclosure Items	Page / Information
102–1	Name of organization	12
102–2	Activities, brands, products, and services	12
102–3	Location of headquarters	2
102–4	Location of operation	2
102–5	Ownership and legal form	18
102–6	Markets served	12
102–7	Scale of the organization	12
102–8	Information on employees and other workers	60
102–9	Supply chain	103
102–10	Significant changes to the organization and its supply chain	103
102–11	Precautionary Principles or approach	48
102–12	External initiatives	98
102–13	Membership of associations	12
102–14	Statement from senior decision-maker	6, 7
102–15	Key impacts, risks and opportunities	48
102–16	Values, principles, standards, and norms of behavior	16
102–17	Mechanisms for advice and concerns about ethics	46
102–18	Governance structure	46
102–19	Delegating authority	46
102–20	Executive-level responsibility for economic, environmental, and social topics	46 (focus is mainly in economic and governance)
102–21	Consulting stakeholders on economic, environmental, and social topics	22
102–22	Composition of the highest governance body and its committees	46
102–23	Chair of the highest governance body	46
102–24	Nominating and selecting the highest governance body	46
102–25	Conflicts of interest	51
102–26	Role of highest governance body in setting purpose, values, and strategy	6, 7, 46
102–27	Collective knowledge of highest governance body	6, 7, 46
102–28	Evaluating the highest governance body's performance	46
102–29	Identifying and managing economic environmental, and social impacts	34
102–30	Effectiveness of risk management processes	48



GRI Standard Disclosure Number	Individual Disclosure Items	Page / Information
102-31	Review of economic, environmental, and social topics	26
102-32	Highest governance body's role in sustainability reporting	6, 7
102-33	Communicating critical concerns	23, 26
102-34	Nature and total number of critical concerns	26
102-35	Remuneration policies	N/A (not core standard)
102-36	Process for determining remuneration	N/A (not core standard)
102-37	Stakeholders' involvement in remuneration	N/A (not core standard)
102-38	Annual total compensation ratio	N/A (not core standard)
102-39	Percentage increase in annual total compensation ratio	N/A (not core standard)
102-40	List of stakeholder groups	23
102-41	Collective bargaining agreements	No collective bargaining agreements
102-42	Identifying and selecting stakeholders	23
102-43	Approach to stakeholder engagement	23
102-44	Key topics and concerns raised	26
102-45	Entities included in the consolidated financial statements	Only RSM Kuwait
102-46	Defining report content and topic boundaries	2
102-47	List of material topics	26
102-48	Restatements of information	No restatements since it is the first sustainability report for RSM Kuwait.
102-49	Changes in reporting	No changes since it is the first sustainability report for RSM Kuwait.
102-50	Reporting period	1 Jan 2019 – 31 Dec 2019
102-51	Date of most recent report	No previous sustainability reports
102-52	Reporting cycle	Cycle not determined yet as it is the first report, and it is for 1-year reporting period.
102-53	Contact point for questions regarding the report	2
102-54	Claims of reporting in accordance with the GRI Standards	2
102-55	GRI content index	106
102-56	External assurance	No external sustainability assurance conducted.

GRI Standard Disclosure Number	Individual Disclosure Items	Page / Information
103	Policies & procedures	26
103	Risk & opportunity management	26
103	Project governance	26
103	Ethical business	26
103	Environmental awareness	26
103	Waste management (ie. printing)	26
103	Water management	26
103	Energy efficiency	26
103	Greenhouse gas (GHG) emissions	26
103	Client satisfaction & engagement	26
103	Economic performance & growth	26
103	Diverse services	26
103	Innovation & digitization	26
103	Efficiency	26
103	Diversity & equal opportunities	26
103	Succession planning & mobility	26
103	Performance management	26
103	Retention & turnover	26
103	Training & development	26
103	Health & safety	26
103	Workforce engagement	26
103	Kuwaitization / nationalization	26
103	Internships	26
103	Community engagement tools	26
103	Social activities	26
103	Events & knowledge sharing	26
103	Responsible procurement	26
201-1	Direct economic value generated and distributed	43
201-2	Financial implications and other risks and opportunities due to climate change	N/A
201-3	Defined benefit plan obligations and other retirement plans	43
201-4	Financial assistance received from government	N/A
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N/A
202-2	Proportion of senior management hired from the local community	62



GRI Standard Disclosure Number	Individual Disclosure Items	Page / Information
203-1	Infrastructure investments and services supported	N/A
203-2	Significant indirect economic impacts	43
204-1	Proportion of spending on local suppliers	103
205-1	Operations assessed for risks related to corruption	57
205-2	Communication and training about anti-corruption policies and procedures	57, 65
205-3	Confirmed incidents of corruption and actions taken	Zero
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	56
301-1	Materials used by weight or volume	N/A
301-2	Recycled input materials used	86
301-3	Reclaimed products and their packaging materials	86
302-1	Energy consumption within the organization	92
302-2	Energy consumption outside of the organization	N/A
302-3	Energy intensity	92
302-4	Reduction of energy consumption	92
302-5	Reductions in energy requirements of products and services	92
303-1	Water withdrawal by source	Not measurable since water is included in the office rent.
303-2	Water sources significantly affected by withdrawal of water	Not measurable since water is included in the office rent.
303-3	Water recycled and reused	92
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None
304-2	Significant impacts of activities, products, and services on biodiversity	None
304-3	Habitats protected or restored	None
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None
305-1	Direct (Scope 1) GHG emissions	93
305-2	Energy indirect (Scope 2) GHG emissions	93
305-3	Other indirect (Scope 3) GHG emissions	93, 94
305-4	GHG emissions intensity	93, 94
305-5	Reduction of GHG emissions	95
305-6	Emissions of ozone-depleting substances (ODS)	95

GRI Standard Disclosure Number	Individual Disclosure Items	Page / Information
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	95
306-1	Water discharge by quality and destination	Not relevant
306-2	Waste by type and disposal method	Not relevant
306-3	Significant spills	None
306-4	Transport of hazardous waste	None
306-5	Water bodies affected by water discharges and/or runoff	None
307-1	Non-compliance with environmental laws and regulations	None
308-1	New suppliers that were screened using environmental criteria	None
308-2	Negative environmental impacts in the supply chain and actions taken	None
401-1	New employee hires and employee turnover	68
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70
401-3	Parental leave	70
402-1	Minimum notice periods regarding operational changes	3 months prior to termination
403-1	Workers representation in formal joint management-worker health and safety committees	None
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	None
403-3	Workers with high incidence or high risk of diseases related to their occupation	None
403-4	Health and safety topics covered in formal agreements with trade unions	None
404-1	Average hours of training per year per employee	112
404-2	Programs for upgrading employee skills and transition assistance programs	112
404-3	Percentage of employees receiving regular performance and career development reviews	100%
405-1	Diversity of governance bodies and employees	60
405-2	Ratio of basic salary and remuneration of women to men	N/A
406-1	Incidents of discrimination and corrective actions taken	None
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
408-1	Operations and suppliers at significant risk for incidents of child labor	None



GRI Standard Disclosure Number	Individual Disclosure Items	Page / Information
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
410-1	Security personnel trained in human rights policies or procedures	None
411-1	Incidents of violations involving rights of indigenous peoples	None
412-1	Operations that have been subject to human rights reviews or impact assessments	None
412-2	Employee training on human rights policies or procedures	Zero
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	None
413-1	Operations with local community engagement, impact assessments, and development programs	98
413-2	Operations with significant actual and potential negative impacts on local communities	None
414-1	New suppliers that were screened using social criteria	None
414-2	Negative social impacts in the supply chain and actions taken	None
415-1	Political contributions	None
416-1	Assessment of the health and safety impacts of product and service categories	None / not relevant
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None / not relevant
417-1	Requirements for product and service information and labeling	None / not relevant
417-2	Incidents of non-compliance concerning product and service information and labeling	None / not relevant
417-3	Incidents of non-compliance concerning marketing communications	None / not relevant
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	None

9.2 Training

(404-1, 404-2)

Annex 9.2a: Training – 2019

Training course	Hours per Colleague	# of participants	Total Hours	Department	Level
IFRS 16 – Leases	2	20	40	Audit	Asst. Managers – Partners
Data Analytics – Intermediate Level	8	50	400	All Dept	Associates – Sr. Associates
Data Analytics – Advance Level	8	53	424	All Dept	Associates – Managers
RSM Global Audit Methodology Caseware – IFRS	16	30	480	Audit	Associates – Eng Auditor
IFRS Update	8	60	480	Audit	Sr. Associates – Partners
RSM Global Audit Methodology Caseware – IFRS	16	60	960	Audit	Sr. Associates – Partners
Bank Audit Training	8	20	160	Audit	Associates
Internal Audit Training	14	16	224	Internal Audit	Sr. Associates – Sr. Manager
Education Sector Training	5	4	20	Corporate Finance	Sr. Associates – Sr. Director
Capital Adequacy Regulations for Licensed Persons	2	7	14	All Dept	Supervisors – Partners
Time Management	8	20	160	All Dept	Associates – Sr. Associates
Business Writing Skills	16	20	320	All Dept	Associates – Sr. Associates
Communication Skills	8	75	600	All Dept	Associates – Sr. Associates
Client Services	16	60	960	All Dept	Associates – Sr. Associates
Presentation Skills	16	12	192	All Dept	Supervisors – Asst. Managers
Coaching & Mentoring	21	14	294	All Dept	Supervisors – Partners
Total	172	521	5,728		



Annex 9.2b: Training – 2018

Training course	Hours per Colleague	# of participants	Total Hours	Department	Level
IFRS Update – IFRS 9 and 15	4	34	136	Audit	Associates – Sr. Associates
Coaching & Mentoring	16	8	128	All Dept	Asst. Managers – Partners
ISA 315 (Revised) Exposure Draft	1	11	11	Audit	Associates – Manager
Basic IAS/IFRS	14	29	406	Audit	Associates
Advance IFRS	14	43	602	Audit	Sr. Associates – Managers
Stock Count Training	1	48	48	Audit	Associates – Sr. Associates
Leadership Training for Managers	21	16	336	All Dept	Managers – Sr. Managers
Time Management	8	28	224	All Dept	Associates – Sr. Associates
Leading Organizational Change and Innovation	21	17	357	All Dept	Asst. Manger – Manager
Train the trainer	30	5	150	Audit	Managers
Data Analytics	14	47	658	All Dept	Associates – Managers
Total	144	286	3,056		

9.3 RSM Kuwait Policies

(102–35)

#	Policy Category	Brief	Main Policies
1	RSM Global	Policies to ensure compliance with RSM Global standards, including ethics, accountability, risk assessment, and anti-bribery and corruption.	1. RSM Ethics and Independence Policy 2. RSM Peer Review Global Inspection Policy 3. RSM Global – Risky Client Policy 4. Anti-Bribery and Corruption Policies and Procedures
2.	Regulatory	Policies to ensure ethics and compliance with national regulatory authorities	5. Capital Markets Authority (CMA) – Disclosure and Transparency 6. Commercial Companies' Law 7. International Federation of Accountants (IFAC) Code of Ethics
3.	Human Capital (HC)	Policies to govern human capital management, including protocols, insurance, recruitment, labor compliance, job descriptions, and career paths.	8. Orientation 9. Office Protocols 10. Dress Code Policy 11. Group Medical Insurance Policy 12. HC Recruitment Policy 13. Job Description (per position) 14. Career Path (per position) 15. Kuwait Labor Law
4.	Administrative	Policies to govern the workplace environment / facilities.	16. Hall Rules 17. Cafeteria Lounge Rules
5.	Others	Policies addressing miscellaneous matters, including external events, presentations, and letters.	18. External Event Check List 19. Presentation Time Saver Template 20. Letter Format Draft
6.	Governance	Policies to govern the methodology of business development and project initiation.	21. Engagement Letter Format 22. Engagement Letter Quality Review Form 23. Global Relationship Tracker (GRT) 24. New Client Acceptance Form 25. Project Budget Format 26. Proposal Letter Quality Review Form 27. Standard Terms of Business



9.4 RSM Kuwait Business Travels and Greenhouse Gas (GHG) Emissions

Departure Location	Destination Location	# of Trips	GHG (MT CO2e)
AMD – Ahmedabad	KWI – Kuwait	1	0.35
AMM – Amman	KWI – Kuwait	4	0.65
AMS – Amsterdam	KWI – Kuwait	1	0.6
AMS – Amsterdam	EIN – Netherlands	1	0.1
BAH – Bahrain	KWI – Kuwait	3	0.6
BAH – Bahrain	MCT – Muscat	1	0.11
BAH – Bahrain	LCA – Cyprus	1	0.26
BEY – Beirut	KWI – Kuwait	1	0.18
BLR – Bengaluru	JED – Jeddah	2	1.16
BLR – Bengaluru	DXB – Dubai	1	0.38
CAI – Cairo	KWI – Kuwait	23	5.1
CMB – Coimbatore	MAA – Chennai	2	0.18
CNN – Kannur	KWI – Kuwait	1	0.91
DEL – Delhi	KWI – Kuwait	2	0.78
DOH – Doha	KWI – Kuwait	1	0.08
DXB – Dubai	KWI – Kuwait	15	1.77
DXB – Dubai	LHR – London	1	0.82
DXB – Dubai	BLR – Bengaluru	1	0.38
DXB – Dubai	LAX – Los Angeles	1	1.86
EIN – Netherlands	AMS – Amsterdam	1	0.01
FCO – Rome	LHR – London	1	0.23
FCO – Rome	KWI – Kuwait	1	0.48
GOI – Goa	KWI – Kuwait	1	0.42
HBE – Alexandria	KWI – Kuwait	2	0.49
HYD – Hyderabad	MCT – Muscat	2	0.61
HYD – Hyderabad	JED – Jeddah	1	0.57
IXE – Manglore	BAH – Bahrain	1	0.41

Departure Location	Destination Location	# of Trips	GHG (MT CO2e)
JED – Jeddah	MCT – Muscat	3	0.82
JED – Jeddah	KWI – Kuwait	8	1.35
JED – Jeddah	HYD – Hyderabad	1	0.57
KWI – Kuwait	DOH – Doha	1	0.08
KWI – Kuwait	LHR – London	4	2.8
KWI – Kuwait	CAI – Cairo	14	3.11
KWI – Kuwait	DXB – Dubai	15	1.77
KWI – Kuwait	JED – Jeddah	8	1.35
KWI – Kuwait	BAH – Bahrain	2	0.12
KWI – Kuwait	CMB – Coimbatore	2	1.15
KWI – Kuwait	RUH – Riyadh	13	0.88
KWI – Kuwait	AMS – Amsterdam	1	0.6
KWI – Kuwait	AMM – Amman	2	0.33
KWI – Kuwait	FCO – Rome	2	0.97
KWI – Kuwait	MAA – Chennai	2	1.05
KWI – Kuwait	HBE – Alexandria	1	0.25
KWI – Kuwait	MCT – Muscat	2	0.33
LAX – Los Angeles	DXB – Dubai	1	1.86
LCA – Cyprus	BAH – Bahrain	1	0.26
LHR – London	KWI – Kuwait	6	4.2
MAA – Chennai	KWI – Kuwait	4	2.09
MCT – Muscat	KWI – Kuwait	3	0.5
MCT – Muscat	HYD – Hyderabad	2	0.61
MCT – Muscat	BLR – Bengaluru	1	0.33
MCT – Muscat	JED – Jeddah	2	0.55
RUH – Riyadh	KWI – Kuwait	16	1.09
RUH – Riyadh	BLR – Bengaluru	2	0.97
Total	192	49.48	



9.5 RSM Kuwait Material Topics Alignment to Global Reporting Initiative (GRI)

#	Material Topic	GRI
1.	Policies & procedures	103-1: Explanation of the material topic & its boundary
		102-11: Precautionary principle or approach
		102-16: Value, principles, standards & norms of behavior
		102-17: Mechanisms for advice & concerns about ethics
		102-35: Remuneration policies
		206-1: Legal actions for anti-competitive behavior, anti-trust & monopoly practices
		415-Public policy
2.	Risk & opportunity management	103-1: Explanation of the material topic & its boundary
		102-11: Precautionary principle or approach
		102-15: Key impacts, risks & opportunities
		102-30: Effectiveness of risk management processes
		102-33: Communicating critical concerns
		102-34: Nature & total number of critical concerns
		201-2: Financial implications & other risks & opportunities due to climate change
		205-1: Operations assessed for risks related to corruption
3.	Project governance	205-2: Communication & training about anti-corruption policies & procedures
		103-1: Explanation of the material topic & its boundary
		102-21: Consulting stakeholders on economic, environmental & social topics
		102-35: Conflict of interest
		102-42: Identifying & selecting stakeholders
4.	Ethical business	102-43: Approach to stakeholder engagement
		103-1: Explanation of the material topic & its boundary
		102-16: Values, principles, standards & norms of behavior
		102-17: Mechanisms for advice & concerns about ethics
		102-25: Conflicts of interest
		102-33: Communicating critical concerns
		205-2: Communication & training about anti-corruption policies & procedures
		206-1: Legal actions for anti-competitive behavior, anti-trust & monopoly practices
		307-Environmental compliance
		402-Labor /management relations
		406- Non-discrimination
		418- Customer privacy
		419-Socioeconomic compliance

#	Material Topic	GRI
5	Environmental awareness	103-1: Explanation of the material topic & its boundary
		102-29: Identifying & managing economic, environmental & social impacts
		102-31: Review of economic, environmental & social topics
		301-1: Materials used by weight or volume
		301-2: Recycled input materials used
		301-3: Reclaimed products & their packaging materials
		302-1: Energy consumption within the organization
		302-2: Energy consumption outside the organization
		302-3: Energy intensity
		302-4: Reduction of energy consumption
		303-3: Water recycled & reused
		305-1: Direct (Scope 1) GHG emissions
		305-2: Energy indirect (Scope 2) GHG emissions
		305-3: Other indirect (Scope 3) GHG emissions
		305-4: GHG emissions intensity
		305-5: Reduction of GHG emissions
		305-7: Nitrogen oxides (NOx), sulfur oxides (Sox) & other significant air emissions
		306-2: Waste by type & disposal method
		307-Environmental compliance
6	Waste management	103-1: Explanation of the material topic & its boundary
		301-1: Materials used by weight or volume
		301-2: Recycled input materials used
		301-3: Reclaimed products & their packaging materials
		303-3: Water recycled & reused
		306-2: Waste by type & disposal method
		307-Environmental compliance
7	Water management	103-1: Explanation of the material topic & its boundary
		303-3: Water recycled & reused
		307-Environmental compliance



#	Material Topic	GRI
8	Energy efficiency	103-1: Explanation of the material topic & its boundary
		302-1: Energy consumption within the organization
		302-2: Energy consumption outside the organization
		302-3: Energy intensity
		302-4: Reduction of energy consumption
		302-5: Reductions in energy requirements of products & services
		305-1: Direct (Scope 1) GHG emissions
		305-2: Energy indirect (Scope 2) GHG emissions
		305-3: Other indirect (Scope 3) GHG emissions
		305-4: GHG emissions intensity
		305-5: Reduction of GHG emissions
		305-7: Nitrogen oxides (NOx), sulfur oxides (Sox) & other significant air emissions
		307-Environmental compliance
9	Greenhouse gas (GHG) emissions	103-1: Explanation of the material topic & its boundary
		302-4: Reduction of energy consumption
		302-5: Reductions in energy requirements of products & services
		305-1: Direct (Scope 1) GHG emissions
		305-2: Energy indirect (Scope 2) GHG emissions
		305-3: Other indirect (Scope 3) GHG emissions
		305-4: GHG emissions intensity
		305-5: Reduction of GHG emissions
		305-7: Nitrogen oxides (NOx), sulfur oxides (Sox) & other significant air emissions
		307-Environmental compliance
10	Client satisfaction & engagement	102-2: Activities, brands, products & services
		102-6: Markets served
		103-1: Explanation of the material topic & its boundary
		416-1: Assessment of the health & safety impacts of product & service categories
		418-Customer privacy


#	Material Topic	GRI
11	Economic performance & growth	103-1: Explanation of the material topic and its boundary
		102-6: Markets served
		102-7: Scale of the organization
		102-10: Significant changes to the organization and its supply chain
		102-29: Identifying & managing economic, environmental & social impacts
		102-31: Review of economic, environmental & social topics
		201-1: Direct economic value generated & distributed
		203-2: Significant indirect economic impacts
12	Diverse services	102-2: Activities, brands, products & services
		102-6: Markets served
		103-1: Explanation of the material topic & its boundary
		417-Marketing & labeling
13	Innovation & digitization	103-1: Explanation of the material topic and its boundary
		102-2: Activities, brands, products & services
		201-Economic performance
		203-Indirect economic performance
		301-Materials
		302-1: Energy consumption within the organization
14	Efficiency	307-Environmental compliance
		103-1: Explanation of the material topic & its boundary
		102-33: Communicating critical concerns
15	Diversity & equal opportunities	404-2: Programs for upgrading employee skills & transition assistance programs
		103-1: Explanation of the material topic & its boundary
		401-Employment
		402-Labor /management relations
16	Succession planning & mobility	405-1: Diversity of governance bodies & employees
		406-Non-discrimination
		103-1: Explanation of the material topic & its boundary
		201-3: Defined benefit plan obligations & other retirement plans
		202-Market presence
		401-Employment



#	Material Topic	GRI
17	Performance management	103-1: Explanation of the material topic & its boundary
		102-36: Process for determining remuneration
		401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
		404-3: Percentage of employees receiving regular performance & career development review
18	Retention & turnover	103-1: Explanation of the material topic & its boundary
		201-3: Defined benefit plan obligations & other retirement plans
		401-1: New employee hires & employee turnover
		402-1: Minimum notice periods regarding operational changes
19	Training & development	103-1: Explanation of the material topic & its boundary
		401-1: Average hours of training per year per employee
		404-2: Programs for upgrading employee skills & transition assistance programs
		404-3: Percentage of employees receiving regular performance & career development review
		410-1: Security personnel trained in human rights policies or procedures
		412-2: Employee training on human rights policies or procedures
20	Health & safety	103-1: Explanation of the material topic & its boundary
		102-16: Values, principles, standards & norms of behavior
		403: Occupational health and safety
		403-4: Health & safety topics covered in formal agreements with trade unions
		410-Security practices
21	Workforce engagement	103-1: Explanation of the material topic and its boundary
		102-21: Consulting stakeholders on economic, environmental & social topics
		102-43: approach to stakeholder engagement
		402-Labor /management relations
		404-Training & education
		405-Diversity & equal opportunity
22	Kuwaitization / nationalization	103-1: Explanation of the material topic & its boundary
		202-2: Proportion of senior management hired from the local community
		405- Diversity & equal opportunity
		406-Non-discrimination
		411-Rights of indigenous people
		413-1: Operations with local community engagement, impact assessments & development programs

#	Material Topic	GRI
23	Internships	103-1: Explanation of the material topic & its boundary
		404-Training & education
		405-Diversity & equal opportunity
		413-1: Operations with local community engagement, impact assessments & development programs
		419-Socioeconomic compliance
24	Community engagement tools	103-1: Explanation of the material topic & its boundary
		102-2: Activities, brands, products & services
		102-43: Approach to stakeholder engagement
		417-Marketing & labeling
		419-Socioeconomic compliance
25	Social activities	103-1: Explanation of the material topic & its boundary
		203-2: Significant indirect economic impacts
		413-1: Operations with local community engagement, impact assessments & development programs
		419-Socioeconomic compliance
26	Events & knowledge sharing	103-1: Explanation of the material topic & its boundary
		203-2: Significant indirect economic impacts
		404-Training & education
		413-1: Operations with local community engagement, impact assessments & development programs
		419-Socioeconomic compliance
27	Responsible procurement	103-1: Explanation of the material topic & its boundary
		102-9: Supply chain
		102-10: Significant changes to the organization & its supply chain
		204-1: Proportion of spending on local suppliers
		308-Supplier environmental assessment
		413-1: Operations with local community engagement, impact assessments & development programs
		414-Supplier social assessment
		419-Socioeconomic compliance



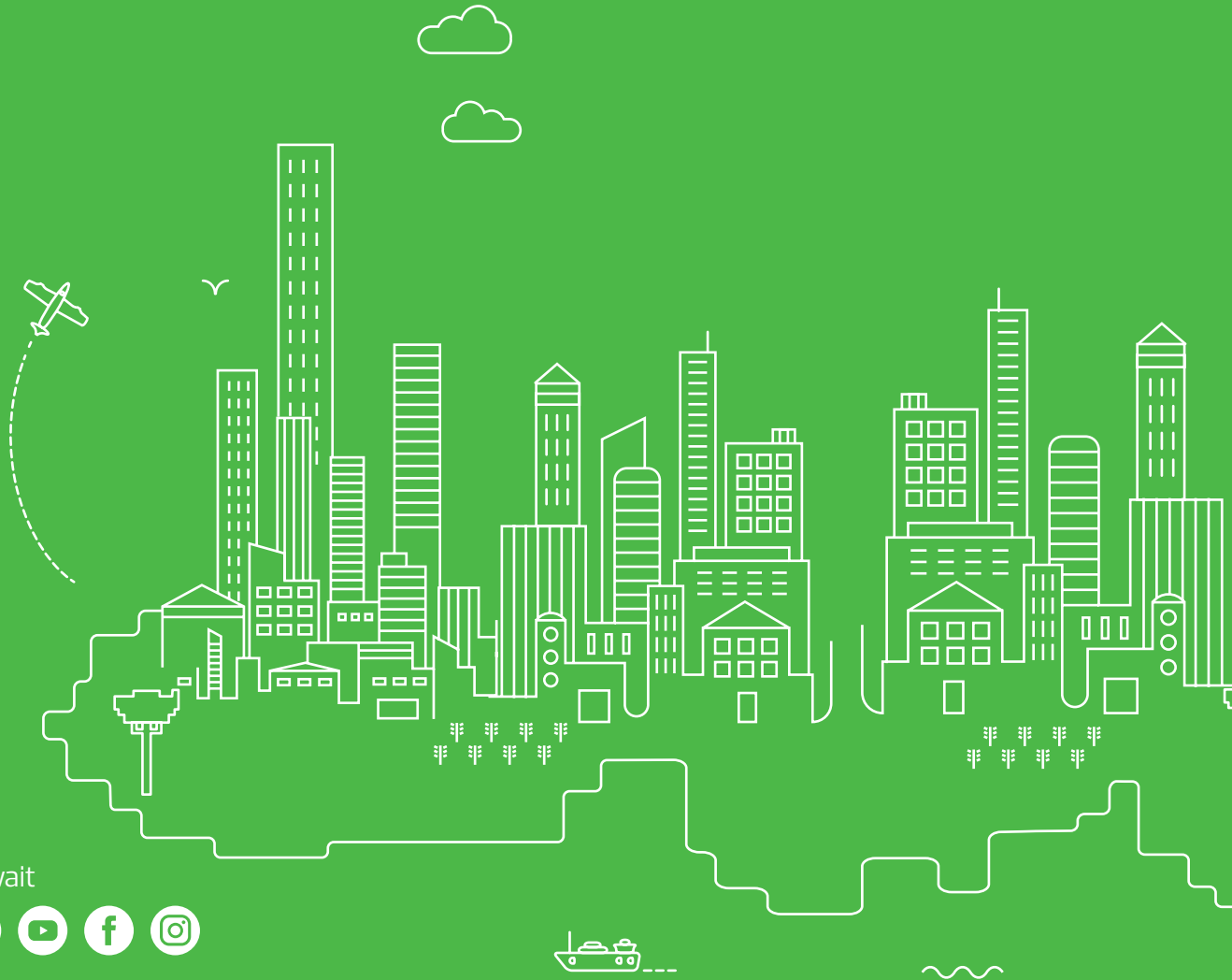


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