SUSTAINABILITY REPORT 2021

RSM Kuwait

Leading Sustainability by Example

ABOUT THIS REPORT

RSM Kuwait Sustainability Report 2021, entitled "Leading Sustainability by Example", is the third sustainability report for RSM Albazie & Co., referred to throughout this report as RSM Kuwait. The scope and boundary of the report covers RSM Kuwait operations in Kuwait. The reporting period is from January 1, 2021 to December 31, 2021. This report has been prepared in accordance with the GRI Standards: Core option. Additionally, any reference in the report to "RSM" refers to RSM Global. It is important to note that RSM Kuwait publishes such reports on an annual basis, and our most recent report was published in 2020.

The RSM Kuwait team is available to answer any queries related to this report. Contact us by post, phone, fax, email or online.

Address:

RSM Kuwait
Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar Street, Sharq
P.O. Box 2115, Safat 13022
State of Kuwait

Telephone: +96522961000 Fax: +96522412761
Email: sustainability@rsm.com.kw
Website: www.rsm.global/kuwait

"REPORTING OUR SUSTAINABILITY PERFORMANCE IN THIS REPORT IS BRINGING VALUE TO THE FIRM, AND ENHANCING OUR OPERATIONAL PERFORMANCE, AS WELL AS CLIENT EXPERIENCE."

Sustainability

2021

14% Kuwaitization rate
at the senior management level

5,808.2 Hours
Total training hours provided

1,030,855
Sheets of Paper
Paper–saving through digitization

6,210 Kgs
Weight of paper recycled

45.9 MT CO2e
Greenhouse gas (GHG) emissions
avoided through digitization

1,599 MT CO2e
Total greenhouse gas (GHG)
emissions

12 Colleagues
Number of interns

74% Local suppliers
Procurement expenditure
percentage — local suppliers

26% Foreign suppliers
Procurement expenditure
percentage — foreign suppliers

6 Publications
Number of insight awareness
publications

Highlights

6% Increase
Percentage increase of female employees

16 Kuwaiti colleagues
Kuwaiti nationals' employment

KD **4,375**
Investment into health and safety

0 Data Leaks
Number of data leaks

9% Increase
Percent change in social media followers

120 Hours
Volunteering hours

36%
Turnover rate

36%
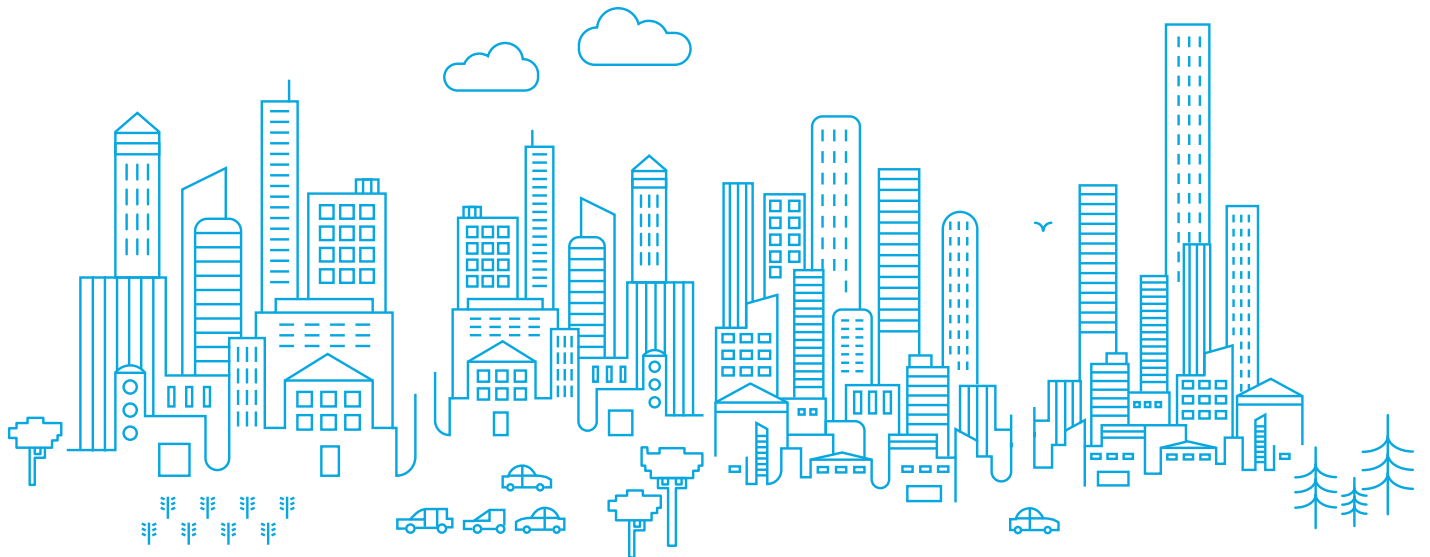Percentage of employees under 30 years of age

KD **5,750**
Total investment in community events

Message from the Chairman

(102–14, 102–26, 102–27, 102–32)

> As a trusted consultant, we seek to maintain integrity throughout our entire operations, a value that has led us to develop this sustainability report in efforts to match our actions to our words.

Organizations today must navigate and cope with emerging global changes that are for the most part sudden and unexpected. Amidst such global situations, sustainability and Environmental, Social and Governance (ESG) have become business imperatives for success and resilience. In response to this growing need, we at RSM Kuwait have a dedicated sustainability team who support businesses in terms of ESG and sustainability. As a trusted consultant, we seek to maintain integrity throughout our entire operations, a value that has led us to develop this sustainability report in efforts to match our actions to our words.

At RSM Kuwait, we build strong relationships based on deep understanding of what matters most to our clients. We understand the importance of transparency to maintaining trust with our clients. In this report we ensure complete transparency in disclosing information about policies and ethics, as well as various internal and external business operations.

Embedding sustainability and ESG within our strategy has allowed us to sustain profitable growth, anticipate risks, understand the long-term mindset and react efficiently to the rapidly changing world. Our precise measurements and tracking methods are the underlying factors for a successful sustainability and ESG integration within our firm's strategy. A notable outcome of continuous sustainability measurement and tracking is the identification of performance gaps at early stages, which has improved our operational efficiency significantly as will be further clarified in this report.

Our sustainability journey is built around our sustainability focus areas that cover excellent governance, positive environmental impact, excelling in the marketplace, engaging with our community, and advancing innovation. All are in line with global and national sustainability frameworks, namely, the United Nations Sustainable Development Goals (SDGs), New Kuwait Vision and the Global Reporting Initiative (GRI).

Being on a journey means that the path is long, requiring continuous improvement. In this report we present some of our major sustainability and ESG developments, of which we are justifiably proud, including increasing women employees, supporting health and safety, and training and development among others.

Finally, I welcome all stakeholders to learn more about our sustainability and ESG developments here in our third sustainability report, ''Leading Sustainability by Example'', with the confidence that we meet your expectations.

Dr. Shuaib A. Shuaib
Chairman, RSM Kuwait

Message from the Office Managing Partner

(102–14, 102–26, 102–27, 102–32)

> We believe that with our commitment to sustainability and ESG we will be able to address stakeholder concerns proactively, and maintain the vital strong relationships that will allow our business to thrive.

I am delighted to introduce you to our third sustainability report, with the title "Leading Sustainability by Example", which affirms our commitment to transparency, integrity and responsiveness to stakeholder needs. As the world is recovering from the impact of COVID-19, this year's report is in the context of our post COVID-19 adaptation measures, as well as our various sustainability advancements and developments.

We believe that with our commitment to sustainability and ESG we will be able to address stakeholder concerns proactively, and maintain the vital strong relationships that will allow our business to thrive. At RSM Kuwait we adopt a holistic approach to sustainability, taking into account everything from our corporate governance, quality services, employment and health and safety to community development and environmental impacts among others.

An organization's backbone is its corporate governance. It stands to reason that without a proper system to direct and manage organizations, it will be very difficult to meet business objectives and optimize performance. With this in mind, we have placed much emphasis on our corporate governance and have set clear roles and responsibilities for each of our senior management members. Moreover, COVID-19 pandemic has led us to revisit our business continuity planning procedures that include data backup, remote working technology, and risk management procedures to enable operational continuity in case of external disasters or uncontrolled events.

With the aim to maintain our value "Excellence in Service Delivery", we make sure to follow a series of review processes prior to delivering our services, as well as maintaining continuous communication with our clients. We also follow the values of integrity and respect in business dealings through our strict data and information security procedures.

As part of our efforts to support the local community and economy, we continue to support local suppliers. With a 64% representation for local suppliers, we expect to benefit our local economy as well as the environment, reducing distance travelled and greenhouse gas (GHG) emissions. Another way we support the local community is through volunteering. During this year we held 1 volunteering event with a total KD 5,750 invested into this by RSM Kuwait.

Implementing sustainability in terms of employment means that we embrace diversity, encourage local employment and support employee development. This year, we have increased the percentage of females in our workforce by 6%, and provided a total of 5,808.2 training hours to our employees.

Our commitment to occupational health and safety has been visible in 2021 through our investment of KD 4,375 in this area, as well as through maintaining a healthy and sanitized workplace that prevents infectious spread of diseases and protects our employees. As a result of such strict health and safety procedures our occupational health incidents remain at 0 for the third reporting year in a row.

From an environmental point of view, we continue to recycle paper as it forms the majority of our waste production. This year we have recycled a total of 6,210 kgs of paper, resulting in various benefits in terms of resource savings and GHG emission reduction. Another crucial contributor to paper use reduction in our premises is effective digitization and technology usage. This year a total 1,030,855 sheets of paper were saved as a result of digitization. Moreover, we continue with our commitment to transparently disclose our GHG emissions in Scope 1, 2, and 3. This year we have successfully reduced our total GHG emissions by 6%; the details of our emissions per scope are provided in the final chapter of this report.

In conclusion, we are delighted to present this year's report, covering several outstanding milestones, with the ambition to stay on this track of continuous improvement throughout the years to come.

Nayef M. Albazie
Office Managing Partner, RSM Kuwait

RSM Kuwait
Overview

RSM: a world leader in providing audit, tax and consulting services to ambitious and growing companies.

About us

The evolution of basic accounting and auditing services started in the State of Kuwait from the time of its independence in 1961. In 1963, Kuwait Auditing Office – Bader Al Bazie & Company was established to meet the country's auditing needs. The firm has continued to evolve since then, and eventually became a member of RSM Global in 2003. We offer a wide range of services including Audit, Tax, and Consulting. Our clients come from a range of sectors / industries, including, but not limited to, financial services, real estate, retail, healthcare, oil & gas, telecommunications, and automotive, among others.

Our long journey of 50 uninterrupted years of professional service is clear evidence of our top-quality services. Currently, RSM Kuwait has 11 partners and 165 professionals, offering 11 service lines with independent service level heads – including Audit, Tax and Consulting.
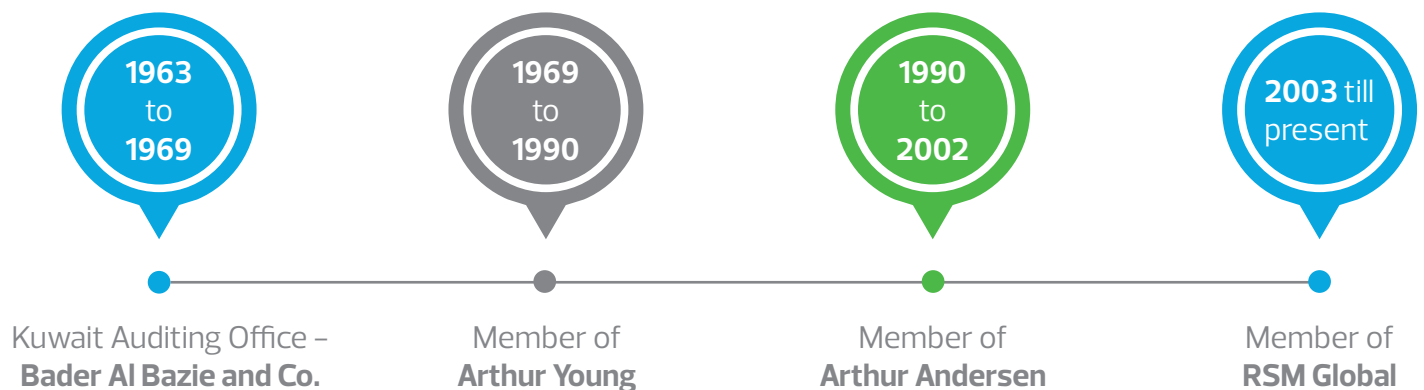
Association:

Since 2003 we have been associated with RSM Global, the world's sixth largest network of independent Audit, Tax and Consulting firms, covering over 120 countries and in each of the top 40 major business centers in the world. RSM Global has a combined staff of over 51,000 in over 860 offices across the Americas, Europe, Middle East and North Africa (MENA), Africa and Asia Pacific. The network's total fee income is US $7.26 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 recognizing 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 Global does not itself provide any Accounting or 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.

Over the years, RSM Kuwait ("the Firm") has associated with international firms from time to time, as illustrated in the timeline below. For 21 years the Firm was associated with Arthur Young; following this it was associated with Arthur Andersen for another 12 years. The Firm has now been associated with RSM Global for 21 years.

Figure 1.1: RSM Albazie & Co. Timeline

1963 to 1969
Kuwait Auditing Office – **Bader Al Bazie and Co.**

1969 to 1990
Member of **Arthur Young**

1990 to 2002
Member of **Arthur Andersen**

2003 till present
Member of **RSM Global**

Vision, mission and values

Our vision is "To be the premier professional services firm and the country's most respected and trusted name in improving the quality, reliability, and use of information — to exceed client expectations and assure maximum opportunity for our people through growth." We go a long way toward achieving this purpose with our mission of "Exceeding client expectations through a team of highly qualified professionals leveraging our global, regional, and local network."

Our daily operations ensure the achievement of our core values of respect, integrity, teamwork, excellence and stewardship. Ultimately this serves our commitment to maintain quality across all business activities, as well as our commitment to safeguard our clients' trust.

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

Ideas and insight, collaboration, and understanding

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SOCIAL AND ENVIRONMENTAL

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01 | Our Sustainability Journey

"Sustainability takes forever, and that's the point."

Willem McDonough
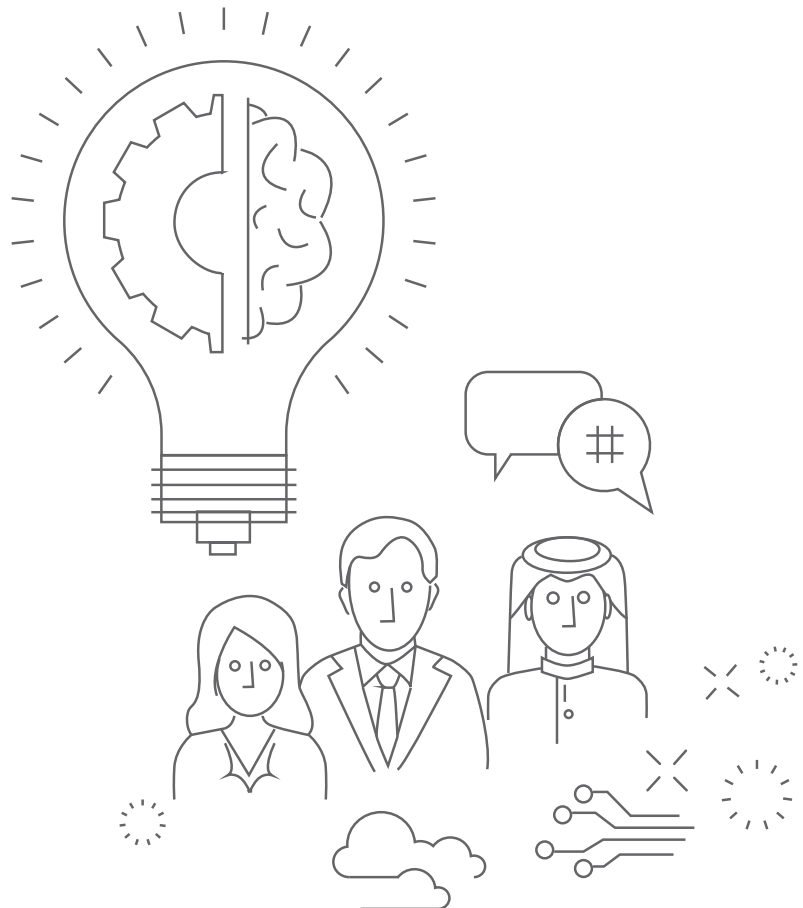
We view sustainability as a journey, rather than a destination. In other words, it is a commitment of continuous improvement that our team implements in their everyday interactions as they lead by example. In this chapter we show our sustainability status in terms of stakeholder engagement, and materiality assessment. Guiding our next steps in this journey are our redefined sustainability directions, which are explained in further detail in section 1.3 of this chapter.

1.1. Stakeholder engagement

As we model and lead in applying sustainability, we consider stakeholder engagement throughout our operations. We understand the importance of continuous engagement of all our stakeholders, including suppliers, clients, partners and employees. Various communication methods are utilized as a means of enhancing stakeholder engagement, in turn improving our decision-making processes and accountability.

Stakeholder engagement methods used are according to each stakeholder category as summarized in figure 1.1. With our clients, we communicate mainly through meetings, emails and phone calls.

Our internal stakeholders are our partners and employees, and we carry out an annual employee feedback survey with them. Based on survey results, proper action and decisions are taken by our leadership to enhance our processes and/or policies.

With our suppliers, communication is mainly via email, at a frequency based on the reorder level of our office supplies and contract renewal period. As the year-end approaches, we assess supplier services and determine whether to remain with them or not.

In addition, the HR Department maintains contact with the recruitment vendors and provides feedback about the quality of hires periodically. There is an annual maintenance contract for the systems which is signed every year.

Figure 1.1: Stakeholder Engagement Table

Stakeholder Category	Stakeholder	Engagement Mechanism	Stakeholder Expectations	Frequency of Engagement
External	Clients	· Sustainability report · 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 · Social media · RSM Kuwait Insights	· Client privacy and confidentiality · Responsive services · Efficiency · Meeting deadlines · Innovative solutions · Data disclosure	High
	Government	· Letters · Compliance/ governmental reports · Direct meetings · Emails · Phone calls	· Compliance with policies, legal and regulatory requirements · Transparency · Business ethics, integrity and code of conduct · Management of risks · Support governmental plans	Low
	Suppliers and Vendors	· Emails · Contracts and invoices · Meetings · Phone calls	· Economic value · Ongoing relationship management · Transparency	Low
	Community	· Sustainability Report · Website · Social media · Events	· Awareness and volunteering · Environmental and social welfare support · Social development	Low

Stakeholder Category	Stakeholder	Engagement Mechanism	Stakeholder Expectations	Frequency of Engagement
Internal	Employees	· Training · HR announcements · MenaMe HR 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 · Client Relationship Management (CRM) system · RSM Kuwait Insights · Employee engagement events · Social media	· Compliance with labor law rights · Equal opportunities · Diversified career development · Work–life balance · Occupational health & safety · Work ethics · Recognition & rewards · Kuwaitization	High
	Management Compensation	· HR announcements · MenaMe HR system · Reports including sustainability report · Evaluations · Policies on intranet · Meetings · Emails · Phone calls · Client Relationship Management (CRM) system · Client satisfaction and feedback results	· Clear policies and guidelines · Corporate governance · Compliance · Compensation	High

Low — Rarely during the year

Medium — Periodically throughout the year

High — Several times during the month

1.2. Materiality assessment

Pivotal to every sustainability report formulated in accordance with the Global Reporting Initiative (GRI) standards is the materiality assessment. Through materiality assessments, companies are able to identify the most important issues to cover in their sustainability reports and disclosures that ultimately influence stakeholders' decisions in relation to the business. Moreover, materiality assessments provide organizations with an understanding of where they reduce or create value for society, and help in spotting trends and anticipating emerging issues.

Our materiality assessment approach is based on the following three steps: topics' identification, topics' prioritization, topics' validation. The identification of material topics is a year-round process that is embedded largely within our strategic client engagement and interaction processes. During our meetings with clients, scheduled weekly and monthly depending on the project requirements, we record the perceptions and priorities of clients and discuss the implications of those topics to the business, external environment, society at large and sustainable development. Via RSM Engage tool we also capture all essential issues that are considered important to clients. In addition, we listen to internal stakeholders, via our internal meetings, consultations, surveys and other official processes and channels. We also take into account trends, legislation and national directions. As a result of this process, in 2021 we identified 11 material topics (figure 1.3). These topics were prioritized through an online survey which was sent to both our internal and external stakeholders. The purpose of the online surveys was to prioritize the material topics. A total of 21 stakeholders participated in this process anonymously, 12 of whom were internal (employees) and 9 of whom were external stakeholders. The validation of the topics and their ranking was validated by senior management.

As a result of the feedback received, a graph was plotted where the x-axis is the internal stakeholders' response, and the y-axis is the external stakeholders' response. The graph provides a visual representation of which issues should be prioritized according to their importance to RSM Kuwait's success and stakeholders' expectations, as displayed in figure 1.2. Additionally, material topics were aligned to the SDGs and the New Kuwait 2035 Vision as displayed in appendix 5.2.

Top ranking in 2021 was for Quality of services and offerings, Business ethics and compliance, Client experience, Data privacy and information security, Employee health and wellbeing, Diverse human capital, Internal environmental impact and action, and Governance. On the other hand, the topics of Social contribution, Talent management and development, and Operational performance were of medium importance to stakeholders. No material topic was considered of low importance.

A few topics have gained momentum in 2021 as their ranking increased from medium to high importance. Those are: Governance, Client experience, and Environmental impact. Meanwhile, Talent management remained of medium importance to stakeholders.

Figure 1.2: Materiality Matrix
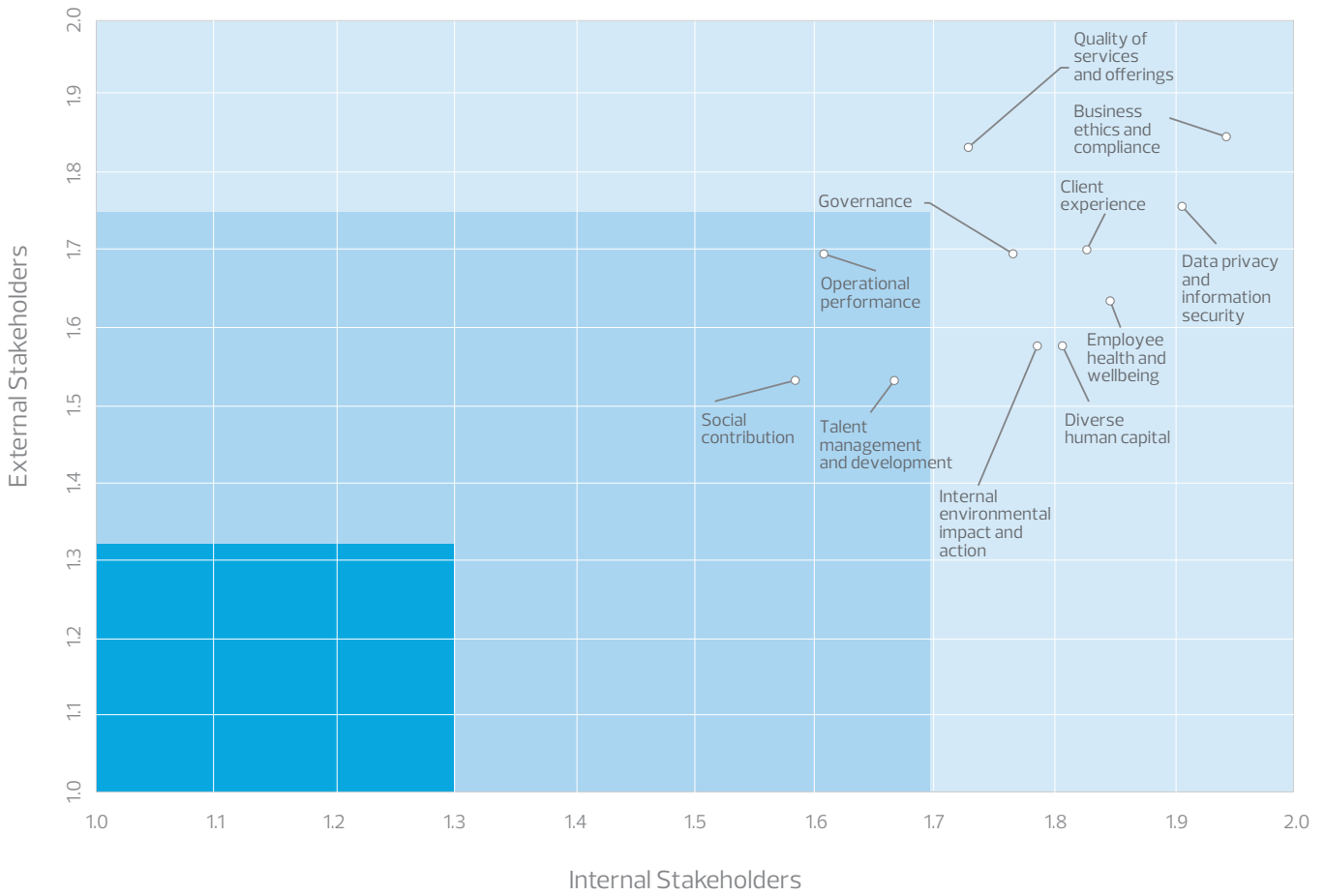
Figure 1.3: RSM Kuwait Materiality Topics for 2021
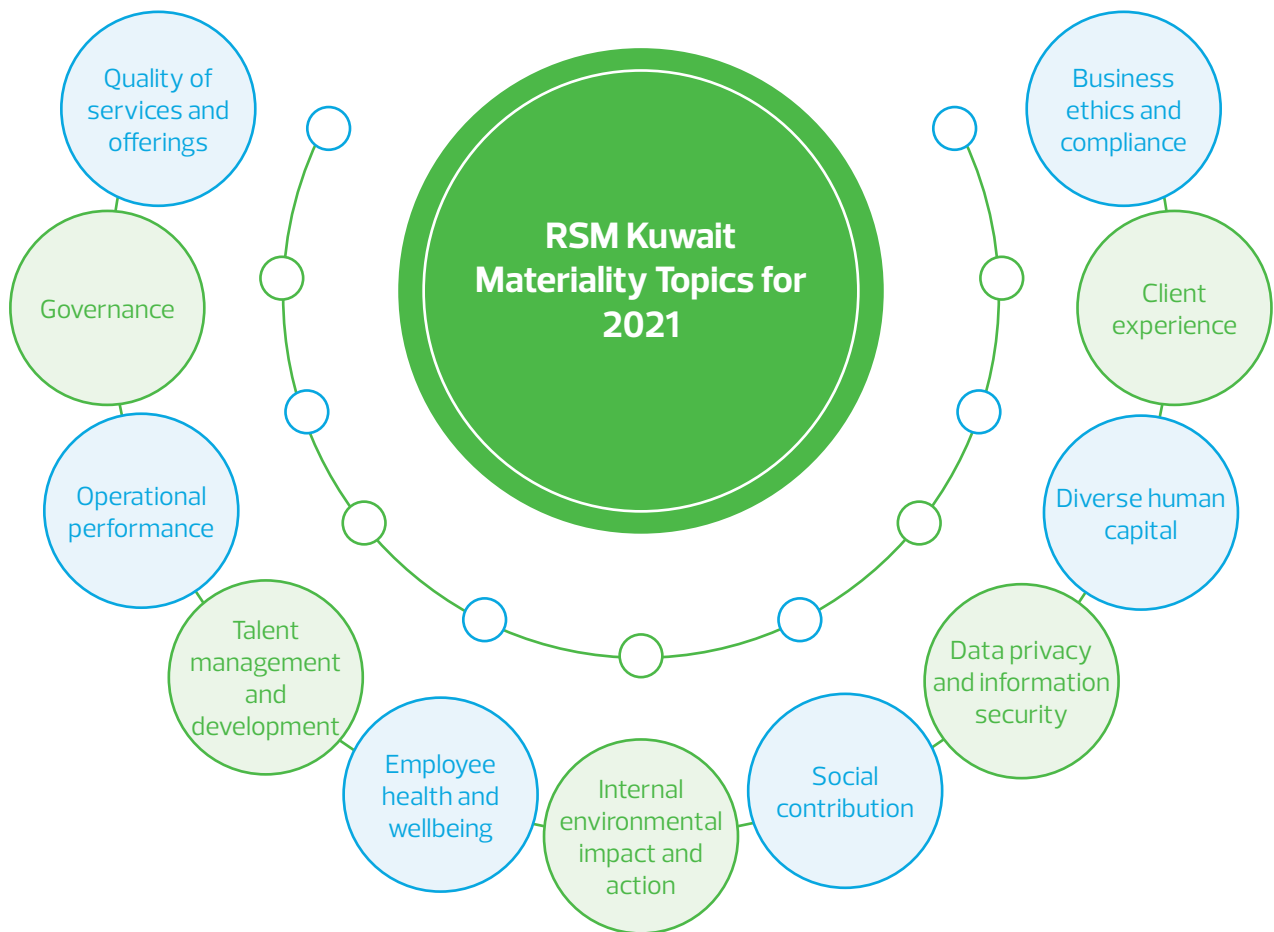
1.3. Redefining our sustainability directions

As we continue on the path of sustainability, we ought to have clear directions, as well as a clear understanding of what is meant by "Sustainability". In a broad sense, sustainability refers to the ability of something to maintain or "sustain" itself over time. For a business, sustainability is a balancing act through which business decisions take into account the impacts of both financial and non-financial aspects of their performance, and consider those impacts in relation to their internal and external stakeholders.

Non-financial aspects for business performance are often expressed in the form of Environmental, Social, and Governance (ESG) aspects, or in the form of the 4 sustainability dimensions—namely: marketplace, workforce, community, and environment. Steering global sustainable

development are the 17 United Nations Sustainable Development Goals (SDGs), and the Global Reporting Initiative (GRI). On a national level, the Kuwait Vision 2035 is used as a reference for sustainable development endeavors.

The aforementioned sustainability enablers represent the essence of our sustainability journey. In fact, we have developed a set of sustainability focus areas in line with global sustainability and ESG enablers as listed in figure 1.4. RSM Kuwait's 6 sustainability focus areas revolve around governance, environmental impact, marketplace, workplace, community work and digitization.

Figure 1.4: RSM Kuwait Sustainability Focus Areas
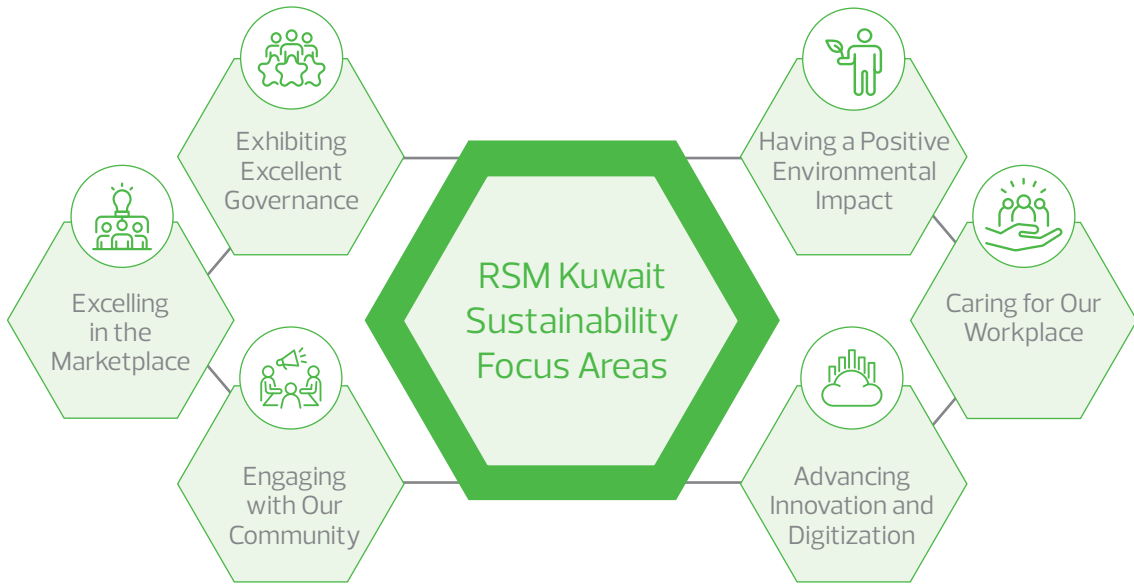
1.4. Sustainability Return on Investment (SROI)

One useful tool used for quantifying our sustainable performance and impacts is the Sustainable Return on Investment (SROI). The SROI uses "proxies" to identify environmental, societal, and economic impacts of investments and allows for assessment of certain values that are considered intangible. In this report we identified and assessed 3 SROI topics, namely: paper recycling, paper savings from technology, and GHG scope 3 reduction. All clarified in their respective chapters in tables showing the SROI percentage, SROI level, interpretation, and value outcomes. The SROI scale range is unified according to figure 1.5.

Figure 1.5: SROI Scale Range
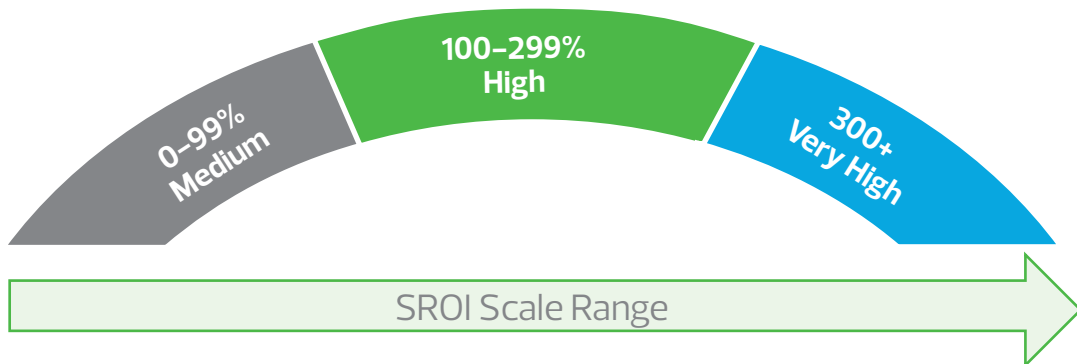
02 | Responsible Business Practices

Kuwait National Development Plan (KNDP):

Global positioning
Sustainable diversified economy
Effective public administration

UN Sustainable Development Goals (SDGs):

Peace, justice & strong institutions
Decent work & economic growth

Stemming from our belief in the substantial value gained from running our business responsibly, we seek to deliver all our services in line with our values of integrity, excellence and respect. We ensure integrity by transparently disclosing our robust governance practices in this chapter. Enhancement in service delivery is highlighted in the sections below that describe our services and offerings, business ethics and compliance, operational performance, and client experience. Additionally, in this chapter we describe our stringent data security and information security procedures that affirm our values of integrity and respect in business dealings.

2.1. Governance

Under the stewardship of The Office Managing Partner together with the consultative guidance from the Chairman and Founder / Consultant, who all represent our executive management members, RSM Kuwait spearheads the market in its quality of service and timely deliverables. Our senior management members oversee the performance of our 4 service lines: Assurance, Tax, Consulting, and Shared Services. Our partners, managers and experts have a diverse range of experience attained in the Middle East, India, Canada and the United States. Our detailed organizational structure is displayed in figure 2.1.
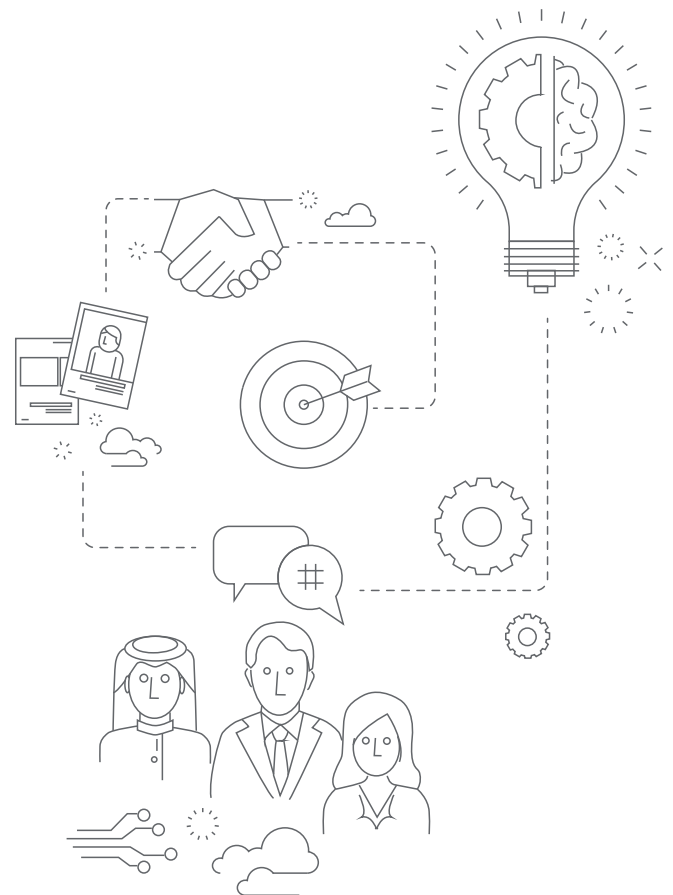
Figure 2.1: RSM Kuwait Organizational Structure

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                    ┌─────────────────┐
                    │    Founder      │
                    └────────┬────────┘
                             │
                    ┌────────▼────────┐
                    │    Chairman     │
                    └────────┬────────┘
                             │
                    ┌────────▼────────┐
         ┌──────────┤ Office Managing ├──────────┐
         │          │    Partner      │          │
    ┌────┼──────────┴─────────────────┴──────────┼────┐
    │    │                                        │    │
┌───▼──┐ ┌──▼──┐              ┌──────▼──┐  ┌──────▼──────┐
│Assur.│ │ Tax │              │Advisory │  │Shared Serv. │
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| Assurance | Tax | Advisory | Shared Services |
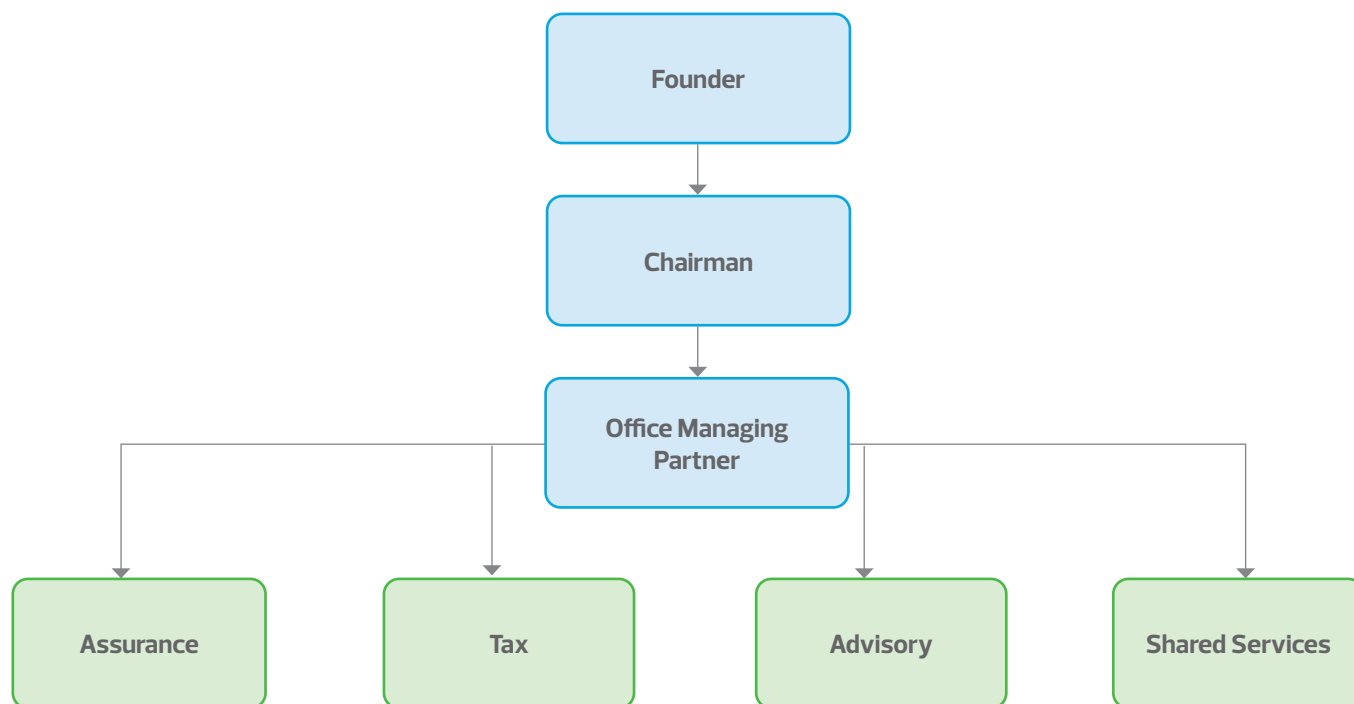
Senior Management

According to the Roles and Responsibilities Policy, RSM Kuwait's senior management members' main roles include overall oversight of the Firm, strategic direction, setting of purpose and values, conducting approvals, and issuing policies. In terms of selecting the right senior management members, we refer to certain key performance indicators (KPIs) for evaluation and selection criteria.

Jointly with the Chairman and Office Managing Partner, RSM Kuwait's senior management is composed of the 4 partners in the Consulting division, 3 partners in the Tax division, 6 partners in the Audit division, and 7 partners in the Advisory division.

Frequent meetings for our senior management members ensure our quick response to client–related concerns, as well as continuous monitoring of meeting objectives and targets. Figure 2.2 provides further details on our Founder, Chairman and Office Managing Partner.

Figure 2.2: RSM Founder, Chairman and OMP (Executive Managers)

Founder

Founded the Firm in 1963 as Kuwait Auditing Office – Bader Al Bazie & Co., leading from 1963 to 1989.

Chairman

Joined the Firm in 1976, took the role of Office Managing Partner (OMP) in 1992, and currently is the Chairman.

Office Management Partner (OMP)

Joined the Firm in 1993, and has been co–managing it since 2002.

Business continuity and risk management planning

At RSM Kuwait, we place emphasis on business continuity planning in order to sustain operations in case of external disasters or uncontrolled events. Our business continuity planning establishes risk management processes and procedures that aim to prevent interruptions to mission–critical services, and reestablish full function to the firm as quickly and smoothly as possible.

Stemming from our understanding of the critical role technology plays in business continuity and resilience, we have invested substantially in our IT infrastructure. We utilize programs such as Microsoft Teams to ensure smooth remote work and communication among employees and clients in case of lockdowns or travel restrictions. Moreover, our virtual private network (VPN) supports the virtual workplace transformation through connecting users remotely to the office network.

To prevent data losses that might occur in cases of outside risk factors impacting data records we continuously back up and record all data to the cloud every 12 hours through Teamviewer. As a result of our flexible, reliable and secure IT infrastructure, top–quality and accountability standards are ensured.

Our goal is to help our clients achieve their ambitions
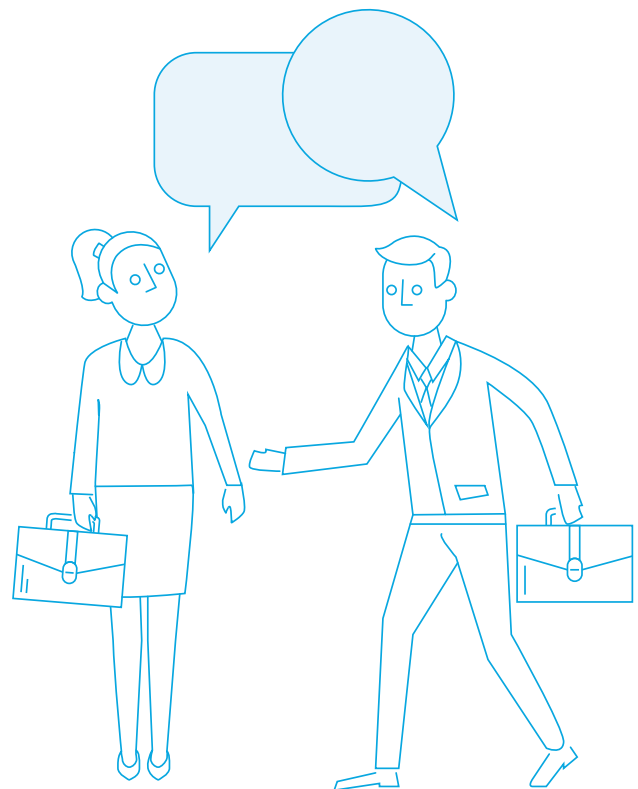
2.2. Services and offerings

We seek to be a consultant who thinks ahead and rapidly responds to our clients' changing needs. Hence, we provide various service lines and offerings tailored to each client, including Tax, Audit, and Consulting. Further details are provided on our service lines in the following sections.

2.2 a. RSM Kuwait services

Whether serving public sector organizations, owner–managed businesses, private individuals or listed companies with overseas operations, our goal is to help our clients achieve their ambitions. Our services are composed of Audit, Tax, and Consulting, as displayed in figure 2.4. More details on each service are provided on our website at https://www.rsm.global/kuwait/.

Audit — Tax — Consulting

1) Audit

Our audit approach for each client is determined by our assessment of the client's systems and controls and our assessment of risk. Generally speaking, we seek to place reliance on management controls for all high-risk material account balances. Our policy looks to understand the controls operating on all high-risk balances or assertions and identify the key issues to report to management.

2) Tax

RSM's tax advisory is a globally renowned service, able to take the reins on a client business' tax operation, offering detailed and up-to-date tax solutions that carry both commercial and social relevance. Our experienced tax professionals are committed to developing tailored tax solutions for each enterprise, utilizing RSM's global network where necessary to support clients' goals. Our tax services consist of: Income Tax Service, National Labour Support Tax (NLST) and Zakat, and Value Added Tax (VAT).

3) Consulting

IT Consulting

Our ethos surrounds the value of long-term business relationships. Thus, our services are delivered to a standard that aims to retain our clients' business for many years to come. RSM Kuwait's business consulting division comprises professionals who provide a comprehensive portfolio of business consulting services, which include: strategy consulting services, performance improvement, and human capital.

Corporate Finance

Our corporate finance consulting practice offers clients a unique combination of financial and transaction support consulting, all based upon the expertise of RSM's global network. Because our fee is not transaction-based, we can maintain genuine objectivity, integrity and interest in our clients' long-term success. Indeed, developing long-term

relationships remains at the heart of what we do within our financial consulting services and the wider business. The areas of expertise within our corporate finance service include: transaction support, valuation advisory services, restructuring support, financial consulting services, and capital markets support.

Sustainability Consulting

RSM Kuwait's sustainability services focus on continual improvement of business operations by covering the "triple bottom line" aspect in the areas of: sustainability reporting, sustainability assurance, sustainability diagnosis and maturity assessment, risk management, and compliance, sustainability communication and digitization, social impact and sustainability return on investment, and energy efficiency & energy management systems, as well as carbon footprint and greenhouse gases and Sustainability Data Management Systems (SDMS).

Risk Consulting

RSM Kuwait's risk consulting approach is pragmatic, timely and focused on the solutions at hand. We start by clarifying the client's business objectives and identifying the source of the problem. We then find the most practical solution, tailored specifically for the client, and the barriers they currently face. Once we have established the issues facing the client and proposed a suitable fix, we will assist them in the implementation process. Our risk consulting includes: business risk consulting, technology risk consulting, and internal control review

Data Analytics

Almost every transaction in a business is initiated, recorded and processed through a technology-driven platform, thus providing the ability to leverage 100% of business and transactional data. With the help of this data, our data analytics experts are able to see more in less time and provide value-based insights to our clients.

CASE STUDY — The Magnifier

The Magnifier is a tool that our data analytics team have developed in-house and which is an integral part of all our audits today. It works across various Enterprise Resource Management (ERP) systems and third-party applications (Microsoft Dynamics, Oracle, System Applications and Products (SAP), etc.). It helps in reducing manual input and aligns factual transactional data with audit findings, for a seamless audit experience that benefits client boards, owners, management and others.

For more details on the Magnifier: https://www.youtube.com/watch?v=fACrbyB0P3Q

2.3. Business ethics and compliance

To be the adviser of choice, RSM Kuwait strives to meet the highest standards of business ethics and compliance. We make sure that both we and our clients comply with the existing regulations and industry standards. We know that any ethical lapses are a threat to our business continuity, thus we have put in place several policies that we seamlessly adhere to. Additionally, we contract a third-party external agency for legal counsel, mainly for matters requiring a third-party view on ethics, lawful behavior, and organizational integrity.

2.3 a. Policies

In line with our value of integrity, we adhere to the Office Protocol, the Code of Conduct (which is updated annually), the Ethics and Independence Policy, and the Kuwait Labor Law. Various other policies are in place to make sure that we exhibit proper compliance, quality of work, methodology, ethics, regulatory standards, etc. All of our policies are uploaded to our 4Policies system on our Intranet and all our colleagues are required to accept the policies after reading them. A list of our selected policies from the 4Policies system are listed in Annex 5.3.

CASE STUDY — 4Policies System

To ensure that employees are continuously updated on policies, the 4Policies system is in place. The 4Policies system enables RSM Kuwait to educate employees on policies and procedures, identify levels of awareness and record their acceptance and acknowledgement of these policies. In addition, 4Policies is used to demonstrate compliance with RSM Kuwait obligations under various regulations and legislation. Via the 4Policies system, policies are easily displayed to employees and their understanding of them is monitored through the extensive reporting facilities built into the software.

RSM Kuwait policies are deployed to employees through a web-based interface. These policies are grouped into convenient categories, and a simple "traffic light" system shows employees which policies they need to review and accept. RSM Kuwait employees are automatically alerted via email of any new or overdue policies.

A comprehensive review mechanism is built into the system to ensure policy owners keep their policies up to date. Alerts are sent out allowing the policy owner to review and make changes to the policy. Version control then ensures users are provided with the latest version of the policy as well as a comprehensive audit trail of acceptance.

2.3 b. Confidentiality

As a trusted advisor, we take the confidentiality of our clients' information very seriously. We leave no place for data leakage in any of our projects, and our long track record of safeguarding client information is proof of our stringent procedures.

We firmly believe that every one of our clients deserves to be treated with complete confidentiality. Thus, all employees are required to sign a confidentiality agreement upon joining the RSM Kuwait team.

2.3 d. Non-discrimination

Respect and equality among employees is a firmly-rooted value at RSM Kuwait. Our code of conduct further emphasizes this through prohibiting discrimination among employees whether according to race, color, status, gender, nationality etc. Employee treatment is entirely based on performance. In case of any discrimination complaints, those are raised to our Human Capital Committee and are addressed fairly and objectively. Additionally, our HR Department ensures RSM Kuwait's full compliance with the Kuwait Labor Law.

Figure 2.3: Reports to CMA

Report Category	Date of Submission	Report Elements
Annual Reports Submission	June 2021	Employee list with nationality
		Client list
		Training list
		Employee qualification and experience
License Renewal Report	August 2021	Employee list with nationality
		Client list
		Training list
		Employee qualification and experience

2.3 c. Regulatory compliance

As part of our regulatory compliance activities, we submit a number of reports to government bodies. Specifically, figure 2.3 presents the 4 reports sent to 2 different entities that we annually submit to the Kuwait Capital Markets Authority (CMA).

2.3 e. Anti–Bribery and Corruption Policies and Procedures

Guided by the regulations of RSM Global, at RSM Kuwait we have a zero tolerance approach to bribery and other forms of corruption. A set of policies and procedures have been compiled by RSM Global that guide the formulation of RSM Kuwait's anti–bribery and corruption policies, by which all colleagues are required to abide.

As a result of our strict compliance and ethics procedures, RSM Kuwait has recorded zero (0) confirmed incidents of corruption or bribery in 2021. To continue to guard against this, we continuously update and monitor our policies, focusing on those related to independence and bribery.

Recorded Number of Bribery and/or Corruption Incidents in 2021: **Zero (0)**

2.4. Operational performance

In this fast–paced world, it is important to deliver services in a timely manner without compromising quality. Hence, with every service delivered, quality is assured through strict review processes, utilizing technology, client assessment, and following ISO standards for our IT operations.

Additionally, each project / service is carefully recorded in our client relationship management (CRM) system from the time the opportunity arises to the stage when the job is closed. This helps us to clearly identify the stages and define the roles and responsibilities of personnel at different stages of the job. Also, it helps us to take corrective actions when and where required.

Generally, all our projects undergo a project management cycle as displayed in figure 2.4.

Figure 2.4: Project Management Cycle

Project Phase	Actions
A. Initiation through CRM	The project is initiated by entering the required fields and files on the CRM system.
B. Proposal and engagement letter (EL)	A proposal is prepared for the potential client, and an engagement letter (EL) is subsequently signed by both the Firm and the client.
C. Billing and invoicing	The related project in CRM is submitted to the Billing system for invoicing.
D. RSM Kuwait Engage	The project is enabled for RSM Kuwait Engage by uploading the relevant files, which are then available for use by colleagues and clients for continuous update.
E. Project implementation	The project is delivered to the client in phases, while ensuring quality assurance. Systems, such as Transfora, are also used throughout project implementation.
F. Project closure	The project is closed after being delivered to the client, and resources record their time and expenses against the project.

2.4 a. Client assessment

To ensure credibility, a firm must be independent from the client — for example, to be able to give an independent audit opinion during the audit project without conflicts of interest that may arise from conducting other non-audit projects with the client. Accordingly, as part of the CRM process, we assess and prepare a number of standard documents that focus on the credibility of the client, before the acceptance of any client project. These files include the Client Recurring Form, and the Client Acceptance Form.
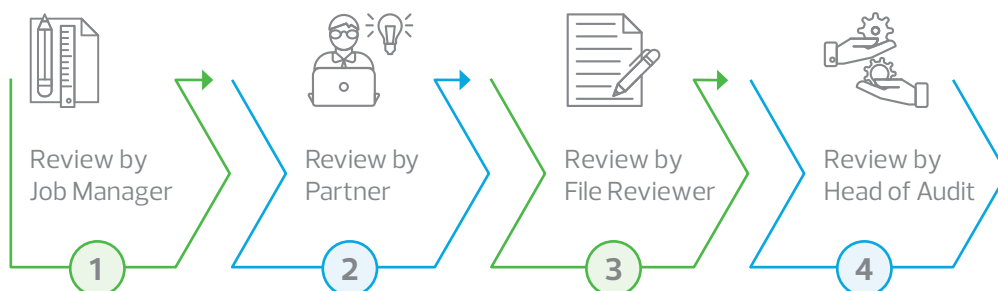
In addition, RSM Global has developed a detailed Global Relationship Tracker (GRT) database which provides details of clients and engagements taken up by various RSM member firms across the globe. This database is updated by member firms on an annual basis. Throughout the project initiation procedures through CRM, we must demonstrate our independence by looking up the client in the GRT database, attaching any GRT information, and proving that RSM Kuwait is independent with regards to providing services to that client.

In cases where any other firm has been dealing or is currently dealing with the potential client, we make sure that there is no conflict of interest and also determine the creditworthiness of the potential client before taking up the assignment.

2.4 b. Internal review procedure

Once a project is initiated, it goes through a well-defined set of procedures and system checks (based on standard policies), and further goes through a detailed review process by various colleagues at different levels to ensure optimum output and quality. As shown in figure 2.5, there are 4 stages of review for each project starting with the Job Manager and ending with the Head of Audit.

2.4 c. Utilizing technology

At RSM Kuwait, we utilize technology with the objective of ensuring a smooth workflow, a proper record of all business activities in a systematic manner, and the completion of tasks within a specified time frame. This results in smooth functioning of our business as a whole, and increases client satisfaction as well as goodwill in the market. Utilizing technology builds RSM Kuwait's resilience, especially at a time where constant change is the new norm.

In this respect, all of our potential and current projects must run through systems like CRM and Transfora from start to finish, and these systems have clearly defined roles and functions to be undertaken at various stages. Through these systems, each activity can be directly linked to a specific division, department, team, or personnel — further ensuring quality, accountability, transparency, and proper project governance and oversight. Figure 2.6 further clarifies the functions of each technology utilized by RSM Kuwait to ensure optimum quality in service delivery.

Figure 2.5: Internal Review Procedure Steps

| Review by Job Manager | Review by Partner | Review by File Reviewer | Review by Head of Audit |
| 1 | 2 | 3 | 4 |

Figure 2.6: RSM Kuwait Technologies

#	Name / Type	Description / Purpose of Use	Business Impact	Main Users
1	Virtual private network (VPN)	Supports the virtual workplace transformation through connecting users remotely to the office network	Higher employee productivity through accessibility to information	Internal
2	Microsoft (MS) Teams	Virtual meeting and collaboration application	Higher productivity through more efficient communication	Internal and Clients
3	Transfora	Workflow management system used to issue, approve, and sign various documents, including financial statements and reports, while keeping track of their progress	More efficient and faster business operations	Internal
4	Transfora Business Intelligence	Dashboard development	More efficient business operations	Internal
5	Microsoft Dynamics Client Relationship Management (CRM) system	Developed to record all client and prospective client information and track opportunities	Data access	Internal
6	TeamViewer	Provides endpoint/user data backup to cloud	Data loss prevention	Internal
7	Tookan—Document delivery app	Tookan is a cloud application to keep track of delivery and pickup of company internal documents (eg. financials, documents pickup, etc.)	Faster service delivery	Internal
8	Followme / Equitrac App	Application for printing purposes	Faster operations	Internal
9	Mename Human Capital Software	Human Capital software for employment-related matters and transactions for colleagues. It allows employees to submit leave requests and keep record of them. As well as allowing employees to calculate salaries due and amount to be deducted based on their leave	Effective HR management	Internal
10	0365 Feedback	Anonymous peer performance evaluation	Effective HR management	Internal
11	Intranet portal on Sharepoint	Developed as an internal information portal	Effective communication with employees	Internal

#	Name / Type	Description / Purpose of Use	Business Impact	Main Users
12	Enterprise Resource Management (ERP) System	A software that manages RSM Kuwait's financials, supply chain, operations, reporting, and human resource activities	Effective resource management	Internal
13	Cloud Applications	Supporting the virtual workplace transformation	Easier remote working	Internal
14	4Policies Portal	Updating employees on policies	Employee engagement	Internal
15	RSM Engage	Client portal on web and mobile for publishing project status updates to clients. Involves clients at all stages of a project through providing them with regular updates and receiving their feedbacks	Effective communication with clients	Clients (external)
16	Caseware	A workflow management system that is mainly used for auditing purposes	More efficient and faster business operations	Internal
17	Timesheet Entry portal (Microsoft Dynamics for CRM)	To record time spent on each job by colleagues, helping boost productivity and calculating exact job fee to be charged to clients	More efficient and faster business operations	Internal

A clear indicator of our ongoing commitment to utilizing technology is the total KD amount invested in digitization, which has increased by 128% from 2020 to 2021 as shown in figure 2.7.

Figure 2.7: Total Amount Invested in Digitization

	2021	2020	%Change
Total (KD)	8864.4	3880	128%

2.4 d. ISO standards

Furthermore, our Information Technology (IT) Department follows ISO standards, namely: ISO 9001, 20000, 27001, and Quality Management processes.

Figure 2.8: Information Technology Department Standards

ISO 9001:2015	ISO 27001:2013	ISO 20000-1:2011
Quality management systems	Information security management	ITIL compliance for ServiceDesk

We aim to give clients more. More excellence. More expertise. More confidence
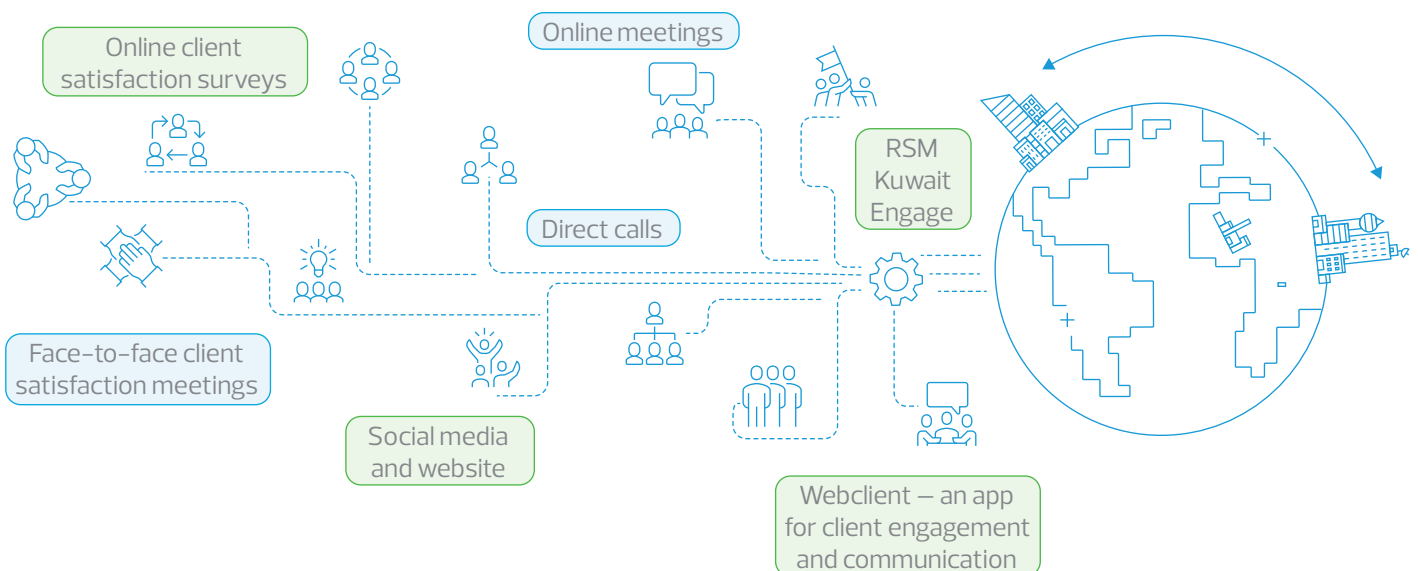
2.5. Client experience

RSM Kuwait colleagues work round the hour to provide all our clients with a consistent service that goes above and beyond their expectations, wherever they are. Through our client-centric approach we provide valuable expertise from a local perspective combined with the international knowledge insights of our global professionals. This dual perspective empowers each client to face the future with confidence.

Our client relationships are based on mutual respect and collaboration. We seek to gain a deep understanding of each of our clients, including what they believe in and what motivates them. We take a 360-degree analysis of markets, laws and customs, enabling us to identify opportunities or challenges before they arise. Fully understanding client goals and measures of success enables us to support and empower them every step of the way — maximizing their potential.

The RSM Kuwait colleagues seek not only to meet client expectations but to exceed them. Hence, we gather client feedback and improve our services accordingly. Additionally, regular meetings are held between clients and our Head of Audit to evaluate the services provided. In case of negative feedback, immediate action is taken to solve any client issues through an organized action plan, while following up with the client(s) on a bi-weekly basis. In 2021, no major complaints were received from clients nor from employees.

Figure 2.9: Client Feedback Channels

- Online client satisfaction surveys
- Online meetings
- RSM Kuwait Engage
- Direct calls
- Face-to-face client satisfaction meetings
- Social media and website
- Webclient — an app for client engagement and communication

CASE STUDY

RSM Kuwait Engage

RSM Kuwait has invested in technology that is centered around improving client experience in terms of communication and service delivery. Specifically, it has developed a mobile application and a web portal named RSM Kuwait Engage. RSM Kuwait Engage provides a platform through which clients can constantly monitor the progress of their projects and provide feedback and ideas at different stages of the project. Whether the project is audit, consulting or tax, all clients are able to interact with colleagues and be engaged throughout the project phases with close monitoring and collaboration.

This user-friendly portal / mobile app is easy to use and rich in information, enabling our clients to be updated on the project status and related data within seconds. Another crucial function of the portal / mobile app is to share the list of requirements with our clients through a secured platform, which will ensure a smooth and efficient handling of all the required documents. By utilizing this technology, RSM Kuwait has opened the doors of transparency at every stage of an engagement: where the client can always be involved and informed.

For more information on RSM Kuwait Engage visit our website Engage | RSM Kuwait

2.6. Data privacy and information security

The importance of information security in organizations cannot be overstated. At RSM Kuwait, we are committed to taking the necessary steps to protect priority information from data breaches, unauthorized access, and all disruptive data security threats to our business and client data.

RSM Kuwait's IT Department plays a crucial role in data protection and information security. Information is secured through passwords, and only available to authorized users. Actions, requests, and information flow are also based on job positions, assigned to reflect proper segregation of duties and responsibilities, and the required validations across positions.

We make sure to treat data privacy and confidential information with utmost professionality. Our efforts in this area include mandatory data security training for all colleagues as most company data leakages result unintentionally from employees. Furthermore, all external contractors are required to sign binding data security and protection commitments as part of their contracts.

As a result of our strict data protection and information security procedures, we have recorded zero incidents of data leakage in 2021. We also make sure to allow clients and employees to send us their complaints related to information technology in order to address them and enhance our performance. In 2021, 13 IT complaints were received from clients through RSM Kuwait Engage.

''All external contractors are required to sign binding data security and protection commitments as part of their contracts.''

Figure 2.10

Recorded Number of Data Leaks in 2021: **Zero (0)**

Recorded Number of Data leakage Complaints: **Zero (0)**

Figure 2.11

Number of Information Technology Complaints from Clients: **13**

Number of Information Technology Tickets from Colleagues: **819 tickets**

Average Response Time Elapsed for Closing Colleagues' Information Technology Tickets: **13 hours 47 minutes 40 seconds**

Average Time Elapsed for Closing Colleagues' Information Technology Tickets: **15 hours 11 minutes 49 seconds**
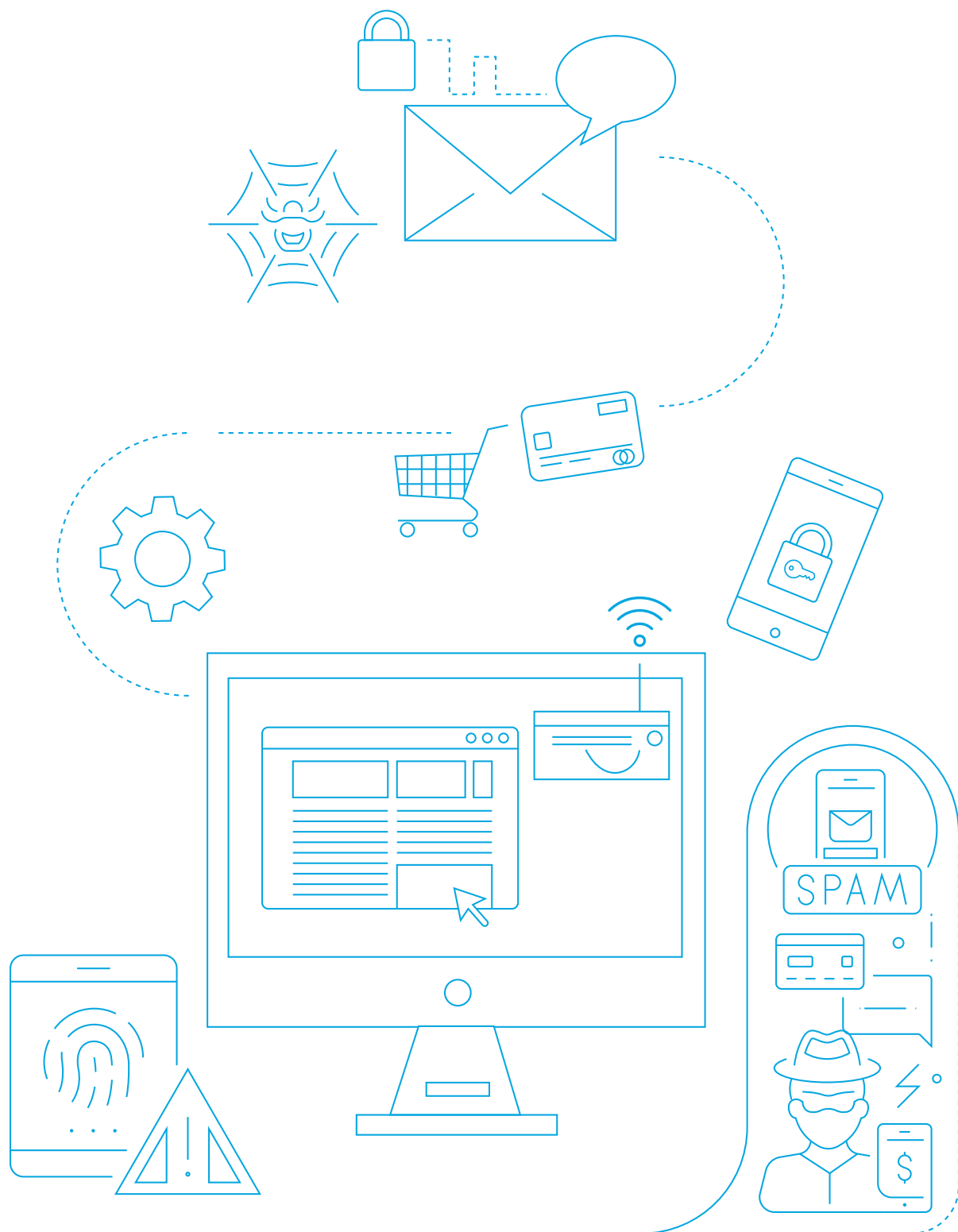
03 | Our People

Our colleagues are the crucial system underlying our ability to grow and thrive.

Kuwait National Development Plan (KNDP):

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

UN Sustainable Development Goals (SDGs):

Quality education
Gender equality
Decent work & economic growth
Reduced inequalities

Over 4 decades RSM Kuwait has engaged and supported the career development of many outstanding professionals. The foundation pillars on which RSM Kuwait and its people stand strong are Integrity and Intellectuality. In this section we provide a deeper look into our people in terms of diversity, talent management, training and development, as well as how we care about their health and wellbeing.

3.1. Diverse workplace

What makes our professionals stand out from the competition is the dedication and commitment with which they serve clients. RSM Kuwait currently employs 172 dedicated professionals. The staff composition, with service retention of between 1 year and 30 years, reflects our office's policy of blending fresh thoughts and ideas with years of sound experience. Other factors considered for workplace diversity include gender, and nationalities.

3.1 a. Gender diversity

We fully acknowledge the value added to RSM Kuwait through hiring more female employees. This is apparent from our rising numbers of female employees, as displayed in figure 3.2 and figure 3.3. Between 2020 and 2021 there was a notable increase in the proportion of female employees at RSM, rising from 18% to 22%.

Figure 3.1: Numbers of Female and Male Employees in 2021

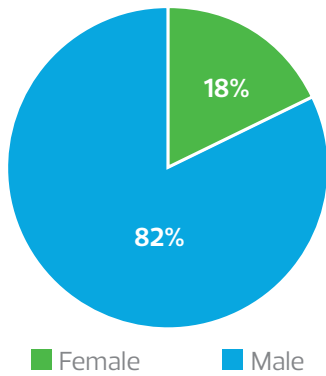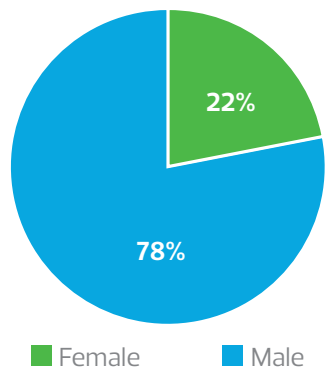|	2021
Number of females	37
Number of males	135
Total employees	172

Figure 3.2: Female and Male Employees in 2020

3.1 b. Kuwaitization

At a time when local economies are threatened with instability, it is more important than ever to empower communities through hiring more local employees. At RSM Kuwait we understand the importance of giving back to the community we operate in, and the benefits this brings in terms of resilience and business continuity. Hence, for 3 consecutive years, we have maintained a Kuwaitization rate of 9%, which is above the minimum required for firms in our industry.

Figure 3.5 displays the segregated number of employees in terms of both nationality and gender. It is important to note that all employees are considered as full-time employees, with total working hours of 8.5 most of the year, with the exception of 9.5 working hours from January 1 to April 30 from each year.

Figure 3.3: Female and Male Employees in 2021

Figure 3.5: Employees Segregated According to Gender and Nationality in 2021

Employment Contract	Nationality: Kuwaiti		Nationality: Non–Kuwaiti	
	Men	Women	Men	Women
Total Staff	14	2	121	35
Total Staff (all nationalities)	172			

An important aspect of comparison between males and females is the turnover number. As depicted in figure 3.4, a larger proportion of the turnover of personnel were male at a total of 50 as compared to females which were 17. Nonetheless, more males were hired in 2021 than females at a total of 27 as compared to 20 new female hires. In total, 47 new employees were hired in 2021.

Figure 3.4: Female and Male Turnover Employees and New Hires in 2021

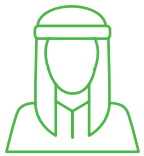| Category	New Employees Turnover	
	Number of New Employees	Number of Turnover Employees
Female	20	17
Male	27	50
Total	47	67

Figure 3.6

Kuwaitization Rate: **9%**

In comparison with 2020 the Kuwaitization rate in senior management positions remained unchanged at 14% Kuwaiti managers out of the total in senior management positions. This is displayed in figure 3.7.

Figure 3.7: Comparison between 2020 and 2021 Kuwaitization in Managerial Positions

Year	2021	2020	% Change
Kuwaitization rate in senior management positions	14%	14%	0%

3.2. Talent management

Underlining our value of cultivating genuine collaboration and teamwork in the workplace, as well as our vision of maximizing growth opportunities for our people, a comprehensive performance management system has been put in place.

Our performance management system ensures the achievement of overall organizational goals and ambitions while aligning them with employee goals. As a result, performance management and business objectives entwine with employee wellness and morale.

3.2 a. Evaluation Policy

RSM Kuwait's Evaluation Policy has proved to be effective in terms of improving employee engagement, retention and productivity. By analyzing successes, strengths, learning from mistakes and examining potential for growth and development, RSM Kuwait continues to develop talent, enhance individual performance and identify problems early on.

Our Evaluation Policy includes all full-time staff members and is performed on a bi-yearly basis. This year, due to COVID-19 circumstances, all the evaluations and orientations were done online and meetings were done on MS Teams.

The purpose of the evaluation is to:

· Coach and mentor the employee by developing a meaningful communication with them

· Enhance employee performance

· Create an environment of success

Evaluations are performed in an objective manner using a skills and competency matrix in the MenaMe system. Employees are evaluated on the basis of competencies and performance included in the Job Description of each level. A summary of the evaluation process steps is provided in figure 3.8.

Figure 3.8: The Process followed by the Assigned Evaluator in the MenaMe System

1. HR conducts Evaluation Orientation Sessions for all levels prior to releasing the Evaluation Forms.

2. HR sends the Evaluation Forms of the employees to the respective assigned evaluator as per the evaluation schedule.

3. The respective assigned evaluator accesses each Evaluation Form for the respective employee and fills the evaluation.

4. The assigned evaluator evaluates the functional competencies. Each category contains a number of questions to be evaluated (different for each level).

5. Based on the recommendations, the assigned evaluator selects training for the employee and/or suggests specific counseling sessions for the employee in collaboration with the HR Committee.

6. Once the assigned evaluator finishes the evaluation the Appraisal Form is then sent to the Appraisal Auditor (Partner/Service Line leader).
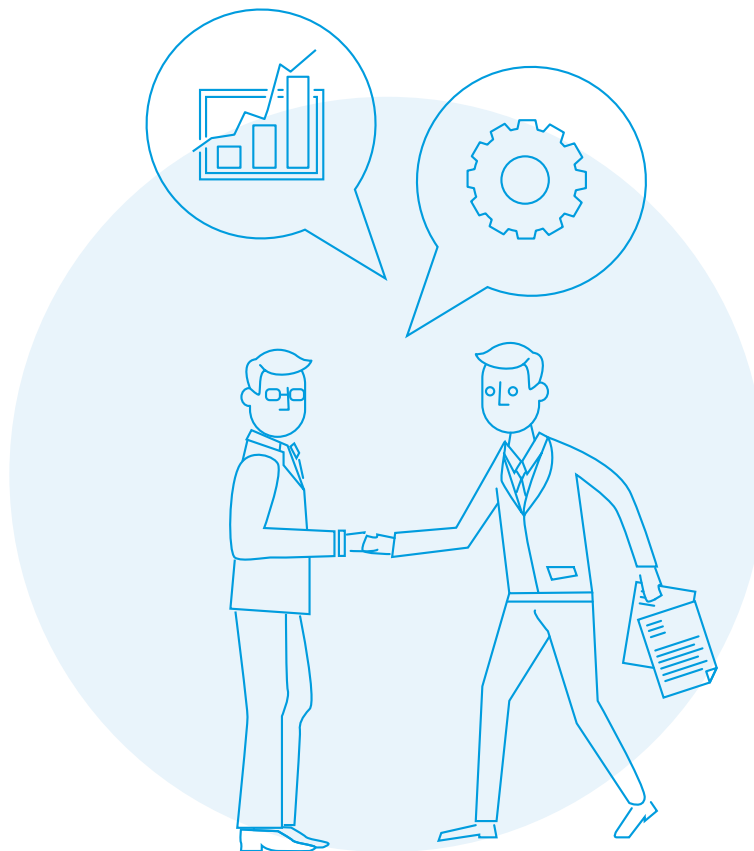
3.2 b. Employee benefits

Our people are the crucial system underlying our ability to grow and thrive. We ensure employee satisfaction and wellbeing through providing them with various benefits, including compensation, healthcare provision, parental leaves, retirement provision, and life insurance. Moreover, satisfaction surveys are conducted annually to assess and enhance employee satisfaction.

In our efforts to ensure fair compensation to employees, we benchmark salaries with our competitors in the region. Accordingly, based on evaluation ratings, our employees receive salary increments. Additionally, we have a Compensation Policy in place that determines compensation procedures. For disclosure of our standard entry–level wage, this amounts to KD 450 per entry–level colleague per month, or approximately KD 5,400 annually.

Furthermore, realizing the importance of healthcare coverage in keeping colleagues, and their families, healthy, we provide our workforce with healthcare benefits, and all new mothers are provided with 70 calendar days of maternal leave in line with the national labour law. Further details on the various benefits provided to colleagues are listed in figure 3.9.

Figure 3.9: RSM Kuwait Colleagues' Benefits

Benefits	Description
Health care	100% of colleagues and their families are covered by health insurance
Parental / maternal leave	Parental / maternal leave is available to be provided to each new mother colleague
Retirement provision / indemnity	Compensation is provided to each colleague who leaves the firm
Air tickets	Compensation related to air tickets is provided
Life insurance	A number of colleagues are covered with life insurance

In addition to the above benefits, mentorship and coaching is provided to employees in line with our Coaching and Mentoring Policy. As part of this policy, counselors are assigned to develop employees' skills and experience according to a Counselor Framework derived from 3 important Leadership Development Processes: Mentoring, Coaching and Guiding. A Counselor thus helps an employee to improve their performance by helping in goal–setting, and giving valuable constructive feedback on their performance (technical as well as behavioral) thereby enabling the employee to achieve the set goals and thus helping the Firm to achieve its goals. All partners are counselors by default, and each counselor must possess the following qualities: competent, approachable, a good listener, and a leader.

3.3. Training and Development

Knowing the benefits of training and development on employee retention, satisfaction, productivity, and engagement, we invest extensively in employee training and development. We are committed to continuously improve employee knowledge and skills through providing them with access to a variety of training courses. Our trainings take place at our training center "Chandra Training Center" as well as online via several platforms including Udemy, RSM campus, ACIPA, Mazars, and Bloomberg among others. This year a total of 5,808.2 training hours were conducted, which is significantly higher than 2020's training hours total of 4,389 (figure 3.10). Figure 3.11 lists a range of mandatory courses assigned to all RSM Kuwait employees in 2021.

Figure 3.10

Total Training Hours in 2020:
4,389

Total Training Hours in 2021:
5,808.2

Our employee training procedure follows a systematic format whereby courses are segregated into either administrative or technical. For administrative courses, those are sent by the HR Department to employees with email follow ups on course completion. Regarding the technical and employee-specific training courses, RSM Kuwait line managers receive a list of suggested trainings for their employees from which they choose the most relevant according to each employee's development needs. Follow up on course completion is also made via email, by mid-year and at the end of each year's performance appraisals, which consider completed courses for assessing employee performance.

Figure 3.11: Mandatory Training Courses Provided to RSM Kuwait Employees in 2021

Training course	Hours	# of participants	Total hours	Training tool/ platform	Department	Level
Working from Home Effectively	2.5	109	272.5	Udemy	All	All
Master Microsoft Word Beginner to Advanced	7	67	469	Udemy	Audit, Advisory, Tax	Professional
EXCEL at Work – Complete MS Excel Mastery Beginner to Pro	7	74	518	Udemy	Audit, Advisory, Tax	Professional
Beginner to Pro in PowerPoint: Complete PowerPoint Training	4.5	63	283.5	RSM Campus	Support	All
Leading Through Change Leading Virtual Teams	1	21	21	RSM Campus	Support	All
How to Help Others	0.2	21	4.2	RSM Campus	Support	All
Growth Mindset	0.3	21	6.3	RSM Campus	Support	All
Declutter your Schedule	0.2	21	4.2	RSM Campus	Support	All
Master your Decision						
Making, and Critical Thinking Skills	4	21	84	RSM Campus	Support	All
Project Management Fundamentals: Crash Course for Beginners	6	21	126	RSM Campus	Support	All
Data Analytics Core Concepts Certificate	8	54	432	AICPA	Audit	Eng. Auditors to Senior Managers
Part 2 – Application of Data Analysis Essentials Certificate	14	15	210	AICPA	Audit	Supervisor & above
Part 3 – Data Analytics Modeling Certificate	14	15	210	AICPA	Audit	Supervisor & above
Project Finance Modelling	24	6	144	Mazars	Corporate Finance	All
2021 IFRS Training	22	80	1,760	RSM Global	Audit	All
ISQMI Webinars 2021	2.5	122	305	RSM Global	All office	All
Due Diligence & Transactions	21	2	42	RSM Campus	Corporate Finance	Professional
Virtual RSM Academy 2021	55	4	220	RSM Global	Consulting	Professional
Office Audit Training 2021	4	80	320	RSM Kuwait	Audit	All
Tax Training	1.5	6	9	RSM Kuwait	Tax	All
RSM InTrust Training	2	18	36	RSM Kuwait	All leaders	All
Outsourcing Training	1.5	15	22.5	RSM Kuwait	Audit	Professional

Training course	Hours	# of participants	Total hours	Training tool/ platform	Department	Level
RSM Kuwait's Sustainability Report 2020 Presentation	1	122	122	RSM Kuwait	All office	All
IAASB / IFAC Quality Management	1	80	80	IASB	Audit	All
IFRS Webinar – IAS 32 Debt v Equity in Practice	1	80	80	RSM Global	Audit	All
Bloomberg Terminal Training	1	2	2	Bloomberg	Corporate Finance	Professional
Advance Excel Formula and Function	11	1	11	Udemy	Corporate Finance	Professional
Excel Dynamic Arrays – Beginner to Expert (Microsoft 365)	7	1	7	Udemy	Corporate Finance	Professional
Investing in Stocks	7	1	7	Udemy	Corporate Finance	Professional
Total	**231.2**	**1143**	**5,808.2**			

3.4. Employee health and wellbeing

The health and wellbeing of our people is pivotal to our success in delivering quality services to our clients. Thus, we continue on our post COVID–19 pandemic precautions of office sanitization, and partial remote working, and undertake vaccination rounds in the office on a regular basis as preventative measure.

As a way of communicating health and safety updates with our employees, we use emails and a WhatsApp group to send regular massages on health risks related to external factors (eg. weather, pandemic etc.).

On a monthly basis, RSM Kuwait premises are sanitized to safeguard the health of employees who have returned to office. Remote work is still ongoing for some of our employees, which is running smoothly, and communication with several clients is dependent on remote working technology. Additionally, support teams are available in the office and on call for any queries or support required by employees.

During Q4 2021, RSM Kuwait provided employees with the option to register for a free of charge flu shot in one of the major hospitals in Kuwait.

The increase in health and safety expenditure across the past 3 years is a clear indicator of how we have put employee health and safety at the top of our priorities. As can be seen in figure 3.13, health and safety expenditure has more than doubled between 2019 to 2020, and has increased further from KD 2,538 to KD 4,375 in the past year. As a result of such stringent health and safety precautions, no work–related injuries were recorded in 2021 (figure 3.12).

Figure 3.12

0 Occupational Injuries
Recorded in 2021

Figure 3.13: Health and Safety Expenditure Increase from 2019 to 2021
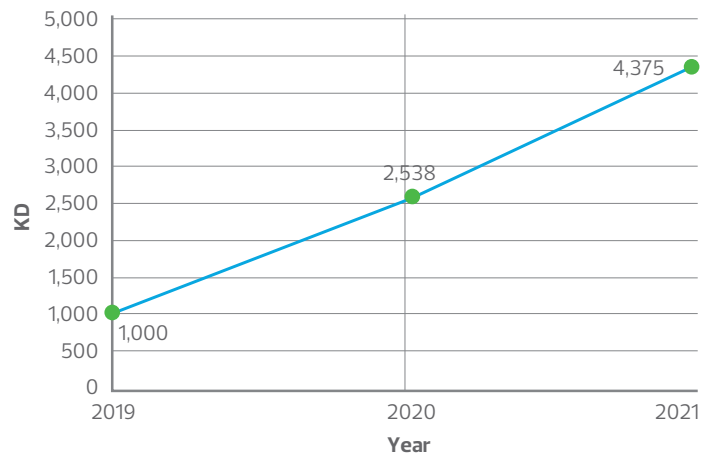
04 | Social and Environmental Impacts

Stewardship means that we develop our people, build our brand, and support our communities

Kuwait National Development Plan (KNDP):

Global Positioning
Sustainable living environment
Sustainable diversified economy
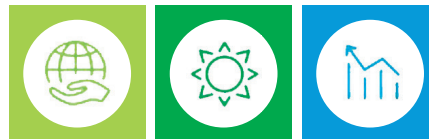
UN Sustainable Development Goals (SDGs):

Quality education
Gender equality
Responsible consumption & production

Sustainability and Environmental, Social and Governance (ESG) have become imperative to businesses worldwide. Since RSM provides the service of sustainability and ESG reporting to our clients, we ought to practice what we preach. Emanating from our core value of stewardship, we seek to develop our people, build our brand, and support our communities. The following sections demonstrate our emphasis on this value by describing our positive contribution to society and environment, through communication, awareness raising, internships, local procurement, resources management and carbon footprint reduction.

4.1. Social contribution

Capitalizing on our core value of supporting the community we reside in, we maintain continuous communication with our clients and stakeholders through social media channels, our website, sustainability report, and quarterly newsletters, among others. Another way we contribute to our society is through community events. All of which are to be described further in this section.

4.1 a. Social communication

In terms of social communication, our strategy is communicated to the public on a monthly basis by stating our Return On Investment (ROI) across RSM Kuwait's social media channels. We also communicate our sustainability updates in our annual sustainability report, which is uploaded on our website and social media channels, and hard copies are sent to clients. All RSM Kuwait Insights are also available as links under employees' email signatures.

RSM Kuwait Insights and publications uploaded on our website inform audiences on our expert opinions regarding key global topics in our field. In 2021, 4 Insights were published on our website, tackling the topics of economy, and sustainability as shown in figure 4.1. Additionally, an article titled "How to do business in Kuwait" was published on our website on September 2021, which described ways through which foreign entities can carry out business in Kuwait.

We also issue quarterly newsletters on our website that give macroeconomic updates on Kuwait, specifically consumer price inflation, growth in money supply, and local bank deposits, as well as monthly production and oil prices. The newsletter also summarizes and provides updates on major projects in Kuwait.

Figure 4.1: RSM Kuwait 2021 Published Insights

Topic	Number of Insights	Insights Topics
Economy	3	· RSM Kuwait – Tax Services · Business in Kuwait · Kuwait Education Sector Report
Sustainability	1	Conference of Parties (COP 26) Insights

Marketing communication channels

For marketing purposes, all services are described in detail on our official website. Social media channels are utilized for marketing as well. We also make use of print media through the classifieds column.

RSK Kuwait in social media

Through our social media channels we communicate and raise public awareness on sustainability among other crucial topics. Sustainability–related published material during 2021 on our website includes: our 2020 Sustainability Report "The Power of Being Resilient", and Conference of parties (COP 26) Insights. Our social media platforms were also used to publish various sustainability related topics, namely: Exhibiting

Excellent Governance and Services, Business Continuity and Resilience, Virtual Workplace Adaptation, Social and Environmental Impacts, Managing Health Crisis Through SDG, and Sustainable Technologies. Figure 4.2 gives details of our social media engagement regarding sustainability topics.

Figure 4.2: RSM Kuwait Social Media Communication on Sustainability Topics

Communication Channels	Number of Followers	Sustainability Topics Posted (specifically a topic related to health, economy, community, environment)	Frequency of Posting
Website	NA	2	1–2 per year
Instagram	5,856	17	1–2 posts per month
Facebook	41,933		
Twitter	4,757		
LinkedIn	30,405		
YouTube	957	0	N/A

A clear indicator of our ongoing social media engagement with the public is the number of social media followers of 83,908 which has increased by 9% between 2020 and 2021.

Figure 4.3

Total Social Media Followers	2021	2020	% Change
	83,908	77,312	9% increase

4.1. b Community events

Besides communication, RSM Kuwait holds yearly community events that foster individual knowledge and skills. This year, our team volunteered to teach a course in the American University of Kuwait in the fall semester of 2021. The course was provided by 1 of our team members, with a total estimated 120 volunteering hours over a 3–month period.

Figure 4.4

Expenditure on Community Events in 2021: **KD 5,750**

4.2. Internships

Stemming from our belief in the importance of providing internships that help students put their education into practice, develop their leadership skills and give them a competitive advantage as they pursue a permanent position, RSM Kuwait provides a number of internship opportunities to fresh graduates every year. Interns are accepted based on a thorough assessment of their applications as well as a preliminary interview.

A total of 12 students benefited from our internship program in 2021, 5 of whom were Kuwaiti nationals.

Figure 4.5

Total Number of Interns in 2021: **12**

Number of Kuwaiti Interns in 2021: **5**

Number of Non–Kuwaiti Interns in 2021: **7**

Figure 4.6: Percentage of Local vs Foreign Suppliers

36%

64%

■ Foreign Supplers   ■ Local Suppliers
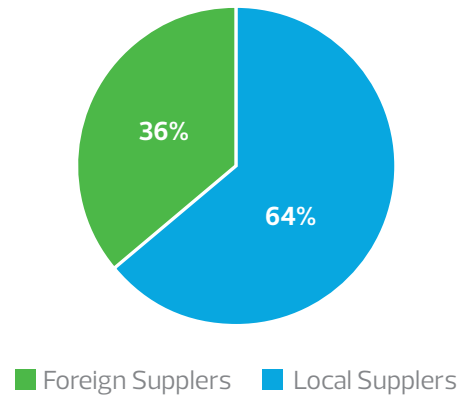
4.3. Local procurement

Localizing our supply chain, by sourcing from suppliers based in Kuwait, does not only reduce costs, but it also benefits the environment greatly by curbing greenhouse gas (GHG) emissions resulting from long transport routes. It stands to reason that sourcing locally benefits the local economy, which ultimately benefits our firm as well.

At RSM Kuwait, we ensure taking local procurement to the maximum level possible through the practice of prioritizing local sourcing of most of our supplies. Specifically, in 2021 the total number of local suppliers was 82, forming 64% of the total suppliers as shown in figure 4.6. Whereas foreign suppliers totaled to 47, representing 36% of total suppliers.

During 2021, most of our procurement was focused on office hygiene and sanitization requirements to safeguard the wellbeing of our colleagues, and by extension their families. Additionally, we have entered into procurement agreements for paper, stationery supplies, storage, plants, kitchen supplies, brochure printing, and courier services, among others.

Similarly, the percentage of spending on local suppliers is almost 3 times that spent on foreign suppliers, as shown in figure 4.7. To clarify, the proportion of local suppliers in terms of count is 64% while the proportion of local suppliers in terms of spending is 74%.

Figure 4.7: Procurement Spending on Local and Foreign Suppliers in 2021

	%
Local	74%
Foreign	26%
Total	100%

4.4. Resources management and savings

Anchored on the value of stewardship, RSM Kuwait remains committed to managing resources and minimizing waste. We recognize the benefits waste reduction has on our environment in terms of averting landfill GHG emissions and reducing pollution caused by producing new raw materials. Ultimately this saves energy, operational costs and allows products to be used to their fullest extent.

Due to the nature of our operations, waste produced is composed of paper, organic waste and plastic. As part of our efforts to reduce waste generation, we segregate waste produced, recycle most of our paper waste, and limit paper printing through utilizing various technologies. All of the above will be described in detail in this section.

4.4 a. Waste segregation and recycling

For waste disposal, we have a total of 100 waste bins in our premises. In terms of waste segregation, we have specialized bins for every waste type on both of our office floors. Bins are categorized into plastic, organic and paper waste bins. Concerning e-waste, no electronics were disposed in 2021.

Figure 4.8: Number of Waste Bins of Each Type

Waste Type	Number of Bins
Plastic waste	2
Paper waste	3
Organic waste	2

Waste recycling is mainly done for paper waste. Our paper waste is recycled through a storage and paper waste management company called Sultan Records. Sultan Records have installed metal containers (to collect paper) on both our office floors (i.e. Floor 41 and 42). Containers are collected and emptied on a bi-weekly basis by Sultan Records.

In 2021, we recycled around 6,210 Kg of waste, which is 289% more than in 2020 as shown in figure 4.9. Such a large difference in paper recycling is mostly due to the COVID-19 lockdown in 2020 where all staff worked remotely, whereas in 2021 most of our staff returned to office. Additionally, a total of KD 1,200 was invested in waste management in 2021.

Figure 4.9: Paper Recycling Comparison Between 2020 and 2021

	2021	2020	% Change
Kg of waste Recycled	6,210	1,596	289%

We have estimated our paper recycling impact on the environment as shown in figure 4.10. Our results show that a total of 55 MT CO2eq of GHG emissions were avoided, 146,000 US gallons of water were saved, and 51,287 KWh of energy were saved.

Figure 4.10: Environment Savings Due to Paper Recycling

	Environment Savings	Unit
GHG	55	MT CO2eq
Water	146,000	US gallons
Energy	51,287	KWh

SROI Topic	SROI Level	Interpretation	Value Outcomes
Paper recycling	Very High	KD 13 sustainability value created for each KD 1 invested.	*Energy savings value *Water savings value *Greenhouse gas (GHG) emissions savings value

4.4 b. Paper waste reduction

RSM Kuwait is keen on promoting environmental awareness by encouraging our staff to print less paper and use soft copies for documents instead. Several technologies are utilized to avoid paper printing, some are described in detail in figure 4.11. Consequently, almost 90 percent of our projects are done in paperless format.

For the reporting year, a total of 1,030,855 papers were saved as a result of digitization. The resulting environmental savings amounted to 42,495 kWh of energy, 45.9 MTCO2e of GHG emissions and 122,000 US gallons of water, as shown in figure 4.12.
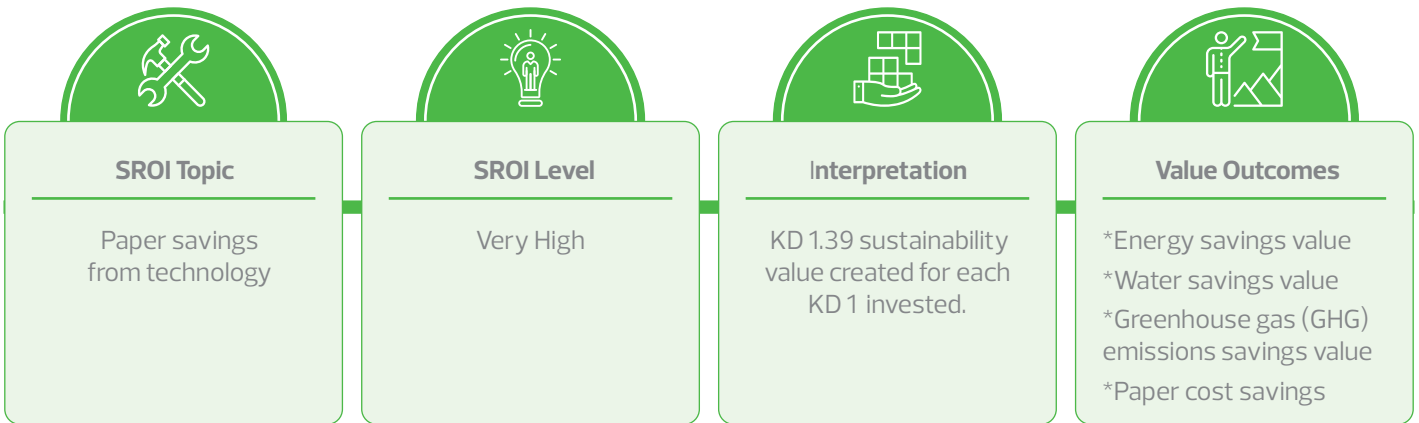
Figure 4.11: Technologies that Contribute to Paper Saving

Technology	Description	Papers Saved
ERP	As part of the ERP system, our Finance Department generates invoices and receipts electronically. Digital invoices play a vital role in saving paper, including envelopes that would otherwise be used for printed invoices.	9,864
CRM	The Client Relationships Management (CRM) system by Microsoft Dynamics reduces paper usage. Representing one of our fundamental business tools, the CRM system tracks potential and won opportunities, records time entry from resources, integrates with RSM Kuwait Engage functions, and integrates further with Finance Department functions including invoicing and billing.	94,929
RSM Kuwait Engage	By using RSM Kuwait Engage portal to interact virtually with our clients, we not only speed up our operations, and respond quickly to client requests, but we also end up reducing paper usage. This ultimately benefits the environment through saving trees, and reducing GHG emissions, as well as saving energy and water that would otherwise be used for paper production.	30,230
CaseWare and Transfora	Caseware and Transfora are 2 systems that we use to prepare our documentations, including those requiring management signatures and approvals, and other Audit procedures. These 2 systems add efficiency and automation elements to work procedures, which would have otherwise been traditionally done through paper-based documents. Consequently, these systems come with a variety of sustainability outcomes (ie. governance, transparency, accountability, and convenience), in addition to their paper-saving related environmental benefits.	895,832
Printing System (Equitrac)	Paper and cost savings are recorded from printers, due to printing features that force monochrome, and delete paper printing after an expired time period. This printing system (Equitrac) has been vital for us to realize efficiencies, namely in terms of paper, ink, energy, etc., from unprinted (expired or deleted) or monochrome pages (without ink).	NA
RSM Auditor Assistant	The RSM Auditor Assistant is a system used primarily by our Risk Consulting Department to provide support in conducting and analyzing deliverables. This system adds layers of governance and automation into the Risk Consulting projects, realizing various benefits such as quality, accountability, and paper use reduction.	NA
Total pages saved	1,030,855	

Figure 4.12: Total Environmental Savings from Digitization

Saving	Value	Unit
Total energy	42,495	kWh
GHG	45.9	MTCO2e
Water	122,000	US gallons

SROI Topic

Paper savings from technology

SROI Level

Very High

Interpretation

KD 1.39 sustainability value created for each KD 1 invested.

Value Outcomes

*Energy savings value

*Water savings value

*Greenhouse gas (GHG) emissions savings value

*Paper cost savings

4.5. Carbon footprint

We believe that what is not measured cannot be managed. Thus, we consider calculating our carbon footprint to be pivotal to assessing our firm's contribution to global warming in order to enable emission reduction measures. For the reporting year, we have calculated our Scope 1, Scope 2 and Scope 3 emissions. In this section we describe what each scope refers to, and emission sources at RSM Kuwait. Please note that for all GHG emission calculations we used the emission factor of 0.00236 MTCO2e/liter (EPA,2019).

Scope 1 GHG emissions

Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles). At RSM Kuwait, our main source for Scope 1 emissions is our owned cars, which have emitted an estimated value of 54 MTCO2e in 2021. It is important to note that this value was estimated based on our 2019 values, not 2020 figures as 2020 was adjusted for COVID-19.

Accordingly, our Scope 1 emissions have increased by 100% as compared to the previous year. The main reason behind this increase is the return to work as usual post COVID-19 lockdown and curfew.

Figure 4.13: Estimated Scope 1 GHG emissions for 2019, 2020 and 2021

Year	2021	2020	2019
Total estimated Scope 1 GHG emissions (MTCO2e)	54	27	54

Scope 2 GHG emissions

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. The main source of RSM Kuwait Scope 2 GHG emissions is the grid electricity purchased. Electricity consumption during 2021 was estimated at 1,545 MTCO2e as displayed in figure 4.14. For Scope 2 emissions calculations an emissions factor of 0.637317 KgCO2e/kWh (EPA,2019) was used.

Figure 4.14: Estimated Scope 2 GHG emissions for 2019, 2020 and 2021

Year	2021	2020	2019
Total estimated Scope 2 GHG emissions (MTCO2e)	1,545	1,480	1,545

Scope 3 GHG emissions

Scope 3 emissions are all indirect emissions — not included in Scope 2 — that occur in the value chain of the reporting company. For RSM Kuwait, there are no rented cars. Hence, business air travel is the primary contributor to Scope 3 emissions. During 2021 there was only 1 business air travel from Kuwait to Riyadh, which amounted to 0.14 MTCO2e of Scope 3 emissions. As figure 4.15 shows, there was a significant drop of 98% in Scope 3 emissions as compared to 2020. For Scope 3 emissions calculations an emissions factor of 0.00878 MTCO2e/gallon (EPA,2019) was used.

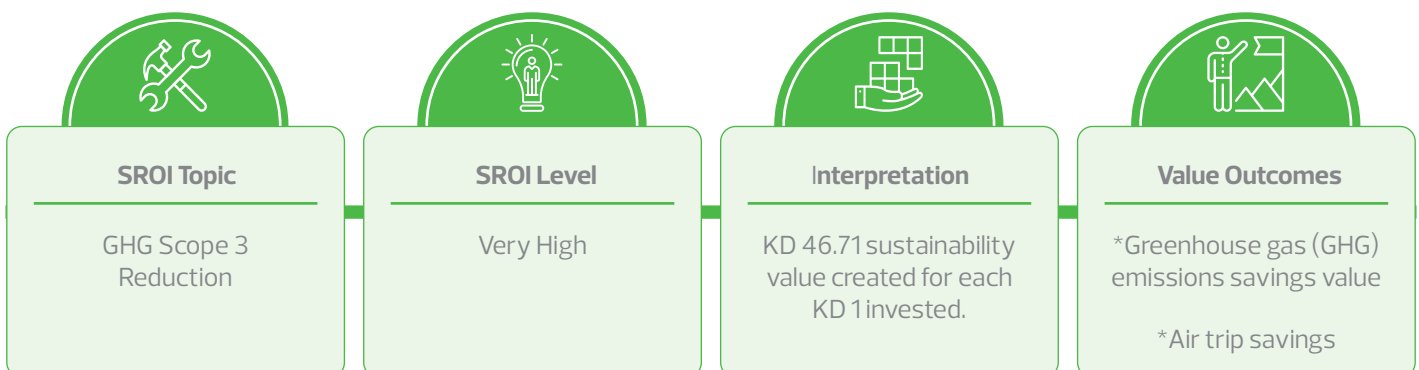| SROI Topic	SROI Level	Interpretation	Value Outcomes
GHG Scope 3 Reduction	Very High	KD 46.71 sustainability value created for each KD 1 invested.	*Greenhouse gas (GHG) emissions savings value *Air trip savings

Figure 4.15: Estimated Scope 3 GHG emissions for 2021 and 2020

	2021	2020	%Change
Total estimated Scope 3 GHG emissions (MTCO2e)	0.14	7	–98%

Total scopes

To sum up, adding up all scopes, a total of 1,599 MTCO2e were released into the atmosphere as a result of our direct and indirect operations during 2021. 97% of our emissions result from electricity usage, and only 3% result from our owned cars. For this year Scope 3 emissions were too few that they account for almost 0% of total emissions. More details on these figures are given in figure 4.16 and figure 4.17

Figure 4.16: Total GHG Emissions and Allocation for 2021
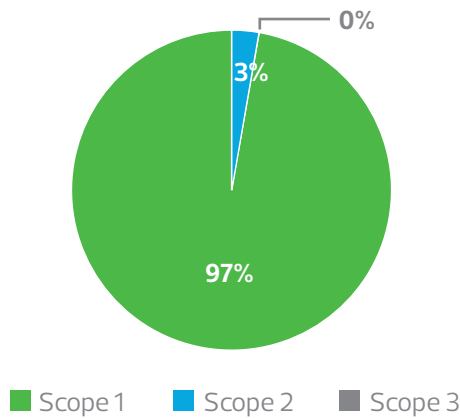
Figure 4.17: Total GHG Emissions and Allocation for 2021

Total GHG Emissions and Allocation					
GHG Scope	Scope 1	Scope 2	Scope 3	Total	Intensity (MTCO2e / colleague)
MTCO2e	54	1,545	0.14	1,599	9.3
Allocation	3.4%	96.6%	0.0%	100.0%	–

In comparison to 2020, the year 2021 witnessed an increase in both Scope 1 and Scope 2 emissions, 100% and 4% respectively. This is due to the fact that during 2020 most of our operations took place off–premises as a result of COVID–19 restrictions, requiring less electricity and less transportation. Though there was a steep drop on Scope 3 emissions, with a 98% decrease, yet total GHG emissions in 2021 have increased by 6%. This is apparent in figure 4.18 as follows.

Figure 4.18: Scope 1, 2, and 3 Comparison Between 2020 and 2021

GHG Scope	2021 (MT CO2e)	2020 (MT CO2e)	%Change
Scope 1	54	27	100%
Scope 2	1,545	1,480	4%
Scope 3	0.14	7	–98%
Total	1,599	1,513	6%

05 | Annex

5.1. Global Reporting Initiative (GRI) Index

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other Details / Omissions
General Disclosures:			
102–1	Name of the organization	2	
102–2	Activities, brands, products, and services	28,29	
102–3	Location of headquarters	11	
102–4	Location of operation	11	
102–5	Ownership and legal form	11	
102–6	Markets served	11	
102–7	Scale of the organization	11	
102–8	Information on employees and other workers	40–47	
102–9	Supply chain	51	
102–10	Significant changes to the organization and its supply chain	52	
102–11	Precautionary principles or approach	RSM Kuwait does not officially apply the precautionary principles or approach	
102–12	External initiatives	11,35	
102–13	Membership of associations	RSM Kuwait is a member of RSM Global	
Strategy			
102–14	Statement from senior decision–maker	6–9	
102–15	Key impacts, risks and opportunities	28	
Ethics and Integrity			
102–16	Values, principles, standards, and norms of behavior	12	
102–17	Mechanisms for advice and concerns about ethics	30–32	
Governance			
102–18	Governance structure	26	
102–19	Delegating authority	N/A	Not applicable and not disclosed
102–20	Executive–level responsibility for economic, environmental, and social topics	27	
102–21	Consulting stakeholders on economic, environmental, and social topics	20	

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/or URL(s)	Other Details / Omissions
102–24	Nominating and selecting the highest governance body	N/A	
102–25	Conflicts of interest	33	
102–26	Role of highest governance body in setting purpose, values, and strategy	27	
102–27	Collective knowledge of highest governance body	27	
102–28	Evaluating the highest governance body's performance	27	
102–29	Identifying and managing economic, environmental, and social impacts	48–57	
102–30	Effectiveness of risk management processes	28	
102–31	Review of economic, environmental, and social topics	Whole report	Management is closely involved in development and review of RSM Sustainability Report
102–32	Highest governance body's role in sustainability reporting	Whole report	Management is closely involved in development and review of RSM Sustainability Report
102–33	Communicating critical concerns	20,21,50	
102–34	Nature and total number of critical concerns	20,21	
102–35	Remuneration policies	45	
102–36	Process for determining remuneration	45	
102–37	Stakeholders involvement in remuneration	45	
102–38	Annual total compensation ratio	45	Information about compensation disclosed but not calculated as a specific ratio
102–39	Percentage increase in annual total compensation ratio	45	Information about compensation disclosed but not calculated as a percentage increase of the ratio
Stakeholder Engagement			
102–40	List of stakeholder groups	18	
102–41	Collective bargaining agreements	RSM Kuwait follows the Kuwaiti legislation regarding collective bargaining agreements	
102–42	Identifying and selecting stakeholders	17	
102–43	Approach to stakeholder engagement	17,18	
102–44	Key topics and concerns raised	20,21	

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
Reporting Practice			
102–45	Entities included in the consolidated financial statements	2	RSM Kuwait
102–46	Defining report content and topic boundaries	2	
102–47	List of material topics	21	
102–48	Restatements of information	RSM Kuwait does not have restatements of information	
102–49	Changes in reporting	2	
102–50	Reporting period	2	
102–51	Date of most recent report	2	
102–52	Reporting cycle	2	
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	59–67	
102–56	External assurance	70–75	
Management Approach – Material Topics			
103–1	Explaining of the material topic and its Boundary	20	
103	Quality of services and offerings	21	
103	Business ethics and compliance	21	
103	Client experience	21	
103	Diverse human capital	21	
103	Data privacy and information security	21	
103	Social contribution	21	
103	Internal environmental impact and action	21	
103	Environmental impact	21	
103	Employee health and wellbeing	21	
103	Talent management and development	21	
103	Operational performance	21	
103	Governance	21	
103–2	The management approach and its components	The whole report	All material topics discussed throughout the report
103–3	Evaluation of the management approach	The whole report	All material topics discussed throughout the report

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
Topic Specific Standards **GRI 200: Economic**			
201: Economic Performance			
201–1	Direct economic value generated and distributed	N/A	Not disclosed
201–2	Financial implications and other risks and opportunities due to climate change	N/A	Not applicable and not disclosed
201–3	Defined benefit plan obligations and other retirement plans	45	
201–4	Financial assistance received from Government	N/A	Not applicable and not disclosed
202: Market Presence			
202–1	Ratios of standard entry level wage by gender compared to local minimum wage	45	Disclosed minimum wage but ratio not calculated and not applicable
202–2	Proportion of senior management hired from the local community	43	
203: Indirect Economic Impacts			
203–1	Infrastructure investments and services supported	N/A	Not applicable and not disclosed
203–2	Significant indirect economic impacts	52–56	
204: Procurement Practices			
204–1	Proportion of spending on local suppliers	52	
205: Anti–corruption			
205–1	Operations assessed for risks related to corruption	31	Zero incidents for corruption and bribery recorded, but no disclosure of operations assessed for risks related to corruption
205–2	Communication and training about anti–corruption policies and procedures	32	
205–3	Confirmed incidents of corruption and actions taken	32	
206: Anti–competitive Behavior			
206–1	Legal actions for anti–competitive behavior, anti–trust, and monopoly practices	N/A	Not disclosed and not applicable
207: Tax			
207–2	Tax governance, control, and risk management	28	

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
GRI 300: Environmental			
301: Material			
301–1	Materials used by weight or volume	52–55	
301–2	Recycled input materials used	52–55	
301–3	Reclaimed products and their packaging materials	N/A	Not applicable, not disclosed
302: Energy			
302–1	Energy consumption within the organization	56	
302–2	Energy consumption outside of the organization	56	
302–3	Energy intensity	57	
302–4	Reduction of energy consumption	53,55,56,57	
302–5	Reduction in energy requirements of products and services	54,55	
303: Water and Effluents			
303–1	Interactions with water as a shared resource	N/A	Not disclosed and not relevant
303–2	Management of water discharge–related impacts	N/A	Not disclosed and not relevant
303–3	Water withdrawal	N/A	Not disclosed and not relevant
303–4	Water discharge	N/A	Not disclosed and not relevant
303–5	Water consumption	52–55	Presented as savings not as actual consumption
304: Biodiversity			
304–1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	Not disclosed and not relevant
304–2	Significant impacts of activities, products, and services on biodiversity	N/A	Not disclosed and not relevant
304–3	Habitats protected or restored	N/A	Not disclosed and not relevant
304–4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	Not disclosed and not relevant

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
305: Emissions			
305–1	Direct (Scope 1) GHG emissions	56	
305–2	Energy indirect (Scope 2) GHG emissions	56	
305–3	Other indirect (Scope 3) GHG emissions	56	
305–4	GHG emissions intensity	57	
305–5	Reduction of GHG emissions	56	
305–6	Emissions of ozone–depleting substances (ODS)	N/A	Not disclosed and not relevant
305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	N/A	Not disclosed and not relevant
306: Effluents and Waste			
306–1	Waste discharge by quality and destination	N/A	Not disclosed and not relevant
306–2	Waste by type and disposal method	52,53	
306–3	Significant spills	N/A	Not disclosed and not relevant
306–4	Transport of hazardous waste	N/A	Not disclosed and not relevant
306–5	Water bodies affected by water discharges and/or runoff	N/A	Not disclosed and not relevant
307: Environmental Compliance			
307–1	Non–compliance with environmental laws and regulations	N/A	Not disclosed and not relevant (for the industry)
308: Supplier Environmental Assessment			
308–1	New suppliers that were screened using environmental criteria	N/A	Not disclosed and not relevant (for the industry)
308–2	Negative environmental impacts in the supply chain and actions taken	N/A	Not disclosed and not relevant (for the industry)
GRI 400: Social			
401: Employment			
401–1	New employee hires and employee turnover	42	
401–2	Benefits provided to full–time employees that are not provided to temporary or part–time employees	45	
401–3	Parental leave	45	
402: Labor/Management Relation			
402–1	Minimum notice periods regarding operational changes	N/A	Not disclosed

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
403: Occupational Health and Safety			
403–1	Occupational health and safety management system	47	
403–2	Hazard identification, risk assessment, and incident investigation	N/A	Not disclosed and not relevant (for the industry)
403–3	Occupational health services	47	
403–4	Worker participation, consultation, and communication on Occupational health and safety	47	
403–5	Worker training on occupational health and safety	N/A	Not disclosed and not relevant (for the industry)
403–6	Promotion of worker health	47	
403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47	
403–8	Workers covered by an occupational health and safety management system	45	
403–9	Work–related injuries	47	
403–10	Work–related ill health	47	
404: Training and Education			
404–1	Average hours of training per year per employee	47	Training disclosed but not as an average
404–2	Programs for upgrading employee skills and transition assistance programs	46	
404–3	Percentage of employees receiving regular performance and career development reviews	46	100%
405: Diversity and Equal Opportunity			
405–1	Diversity of governance bodies and employees	41,42	
405–2	Ratio of basic salary and remuneration of women to men	45	
406: Non–discrimination			
406–1	Incidents of discrimination and corrective actions taken	31	
407: Freedom of Association and Collective Bargaining			
407–1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	N/A	Not relevant (for Kuwait)

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
408: Child Labor			
408–1	Operations and suppliers at significant risk for incidents of child labor	31	Our HR Department ensures RSM Kuwait's full compliance with the Kuwait Labor Law
409: Forced or Compulsory Labor			
409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	31	Our HR Department ensures RSM Kuwait's full compliance with the Kuwait Labor Law
410: Security Practices			
410–1	Security personnel trained in human rights policies or procedures	N/A	Not relevant for the industry
411: Rights of Indigenous People			
411–1	Incidents of violations involving rights of indigenous peoples	N/A	None
412: Human Rights Assessment			
412–1	Operations that have been subject to human rights reviews or impact assessments	N/A	None officially
412–2	Employee training on human rights policies or procedures	N/A	None
412–3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/A	None
413: Local Communities			
413–1	Operations with local community engagement, impact assessments, and development programs	50,51	
413–2	Operations with significant actual and potential negative impacts on local communities	N/A	None
414: Supplier Social Assessment			
414–1	New suppliers that were screened using social criteria	51	Suppliers are stated, but they are not screened using social criteria
414–2	Negative social impacts in the supply chain and actions taken	N/A	None
415: Public Policy			
415–1	Political contributions	N/A	None

GRI Standard Disclosure Number	Individual Disclosure Items	Page number(s) and/ or URL(s)	Other Details / Omissions
416: Customer Health and Safety			
416–1	Assessment of the health and safety impacts of product and service categories	N/A	None officially
416–2	Incidents of non–compliance concerning the health and safety impacts of products and services	N/A	None
417: Marketing and Labeling			
4/17/2001	Requirements for product and service information and labeling	N/A	Not applicable for RSM Kuwait
417–2	Incidents of non–compliance concerning product and service information and labeling	N/A	None
417–3	Incidents of non–compliance concerning marketing communications	N/A	None
418: Customer Privacy			
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	38	
419: Socioeconomic Compliance			
419–1	Non–compliance with laws and regulations in the social and economic area	N/A	None

5.2. Alignment of material topics with sustainability enablers

#	Material Topic	UN SDGs				KNDP		
1	Quality of Services and Offerings	8 DECENT WORK AND ECONOMIC GROWTH						
2	Governance	8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS					
3	Business ethics and compliance	8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS					
4	Operational performance	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES					
5	Client experience	8 DECENT WORK AND ECONOMIC GROWTH						
6	Talent Management and development	8 DECENT WORK AND ECONOMIC GROWTH						
7	Diverse Human Capital	5 GENDER EQUALITY	10 REDUCED INEQUALITIES					
8	Employee health and wellbeing	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES				
9	Data Privacy and information security	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE					
10	Internal environmental impact and action	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND			
11	Social contribution	11 SUSTAINABLE CITIES AND COMMUNITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS				

5.3 RSM Kuwait selected policies

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
5	CMA – Disclosure and Transparency
6	IFAC Code of Ethics
7	Audit Methodology Matrix
8	Chargeability Matrix
9	Billing Rate
10	Marketing Strategy Rewards Program
11	Office Protocols
12	Dress Code Policy
13	Business Travel Policy
14	Group Medical Insurance Policy 2019
15	Career Path Policy
16	Job Descriptions for All Levels
17	Evaluation Policy
18	Leave Policy
19	Transfer Policy

Sustainability Knowledge Group
Independent Assurance Statement

Engagement agreement
RSM Albazie & Co. ("RSM Kuwait" or "Firm") engaged SK Sustainability Knowledge Group Ltd ("Sustainability Knowledge Group") to conduct an independent third-party assurance over selected sustainability content within the Sustainability Report 2021 "Leading Sustainability by Example" (the "Report"), covering the activities that occurred in the 2021 financial year, which ended on December 31st, 2021 (01.01.2021-31.12.2021).

Sustainability Knowledge Group Competencies, Independence, and Impartiality
Sustainability Knowledge Group is an international provider of sustainability/ESG advisory and training solutions. Sustainability Knowledge Group complies and abides by the ISSP Code of Ethical Practice and Values, a set of standards that are a fundamental part of sustainability and for making sustainability a standard practice.

Sustainability Knowledge Group has not been responsible for the preparation of any part of the Report, nor has undertaken any commissions that would conflict with our independence. Sustainability Knowledge Group was not involved in the preparation of any internal reports, information, or data included in the Report, except for this assurance statement.

Responsibilities
RSM Kuwait
The Report has been prepared by RSM Kuwait team. RSM Kuwait is responsible for the completeness and accuracy of the selected data and for maintaining records and adequate internal controls that are designed to support the reporting process.

Sustainability Knowledge Group
Our main responsibilities were to:
- Plan and conduct the External Assurance process based on the AccountAbility standards
- Check RSM Kuwait's adherence to the AccountAbility Principles
- Provide moderate level assurance over the accuracy, reliability, and objectivity of the selected information contained within the Report
- Form an independent conclusion based on the assurance procedures performed and evidence obtained

Sustainability Knowledge Group is, and remains, an independent assurer over the content and processes pertaining to the Report.

Assurance Scope, Type and Level
We performed our engagement in accordance with the AA1000 Assurance Standard (AA1000 AS v3[1]) and the AA1000 Principles Standard (AA1000AP, 2018[2]). The scope of our assurance engagement and level of assurance was agreed with RSM Kuwait.

- [1] The AA1000 Assurance Standard (AA1000AS v3) is the leading methodology used by sustainability professionals worldwide for sustainability-related assurance engagements, to assess the nature and extent to which an organization adheres to the AccountAbility Principles. The document can be consulted here: https://www.accountability.org/standards/
- [2] AA1000 Accountability Principles (AccountAbility, 2018) describes a framework for applying the four Principles of accountability when measuring sustainability performance. The four Principles are detailed below.

We were engaged to provide Type 2 moderate level assurance. The procedures we carried out were designed to provide moderate level assurance, as specified in the AA1000 Assurance Standard (AA1000 AS v3), based on which we shaped our conclusions.

A sample of 8 disclosures was selected for evaluation, in order to cover different material topics, relevant to all pillars of the Report and therefore provide balanced conclusions on the disclosed information regarding:

- Employment
- Employee development, training, and education
- Procurement practices
- Emissions
- Waste
- Occupational health services
- Substantiated complaints concerning breaches of customer privacy and losses of customer data

Methodology of work performed
Sustainability Knowledge Group performed its work in accordance with the AA1000 Assurance Standard (AA1000 AS v3), Type 2 requirements. As part of a Type 2 assurance engagement, we assessed the adherence to all four AA1000 AccountAbility Principles.

The following assessment criteria were used when undertaking the work:
■ AA1000 Assurance Standard (AA1000 AS v3)

We planned and performed our work in order to obtain the evidence we considered necessary to provide a basis for our assurance valuation and provide recommendations for improvement, regarding:

- RSM Kuwait's adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.

We assessed and evidenced the reliability and quality of specified sustainability performance and disclosed information underlying systems, processes, and data, and provided relevant findings and conclusions.

The process conducted and the evidence obtained should reduce the risk of possible errors. These processes are not as extensive as those required for providing reasonable assurance; consequently, a lower level of assurance is obtained.

For the scope of the Assurance process, we performed the following:
1. Interviews with RSM Kuwait representatives to understand the reporting process, the methodologies, approach, and internal procedures followed for data collection, monitoring, and calculations.
2. Interviews with RSM Kuwait representatives to review the steps followed for extracting and collecting data.
3. Interviews with RSM Kuwait representatives to understand the processes behind the Materiality Assessment and Stakeholder Engagement process conducted for the purpose of this Report.
4. Review the Firm's approach on the materiality process, stakeholder engagement, and subsequent results.
5. Feedback and review of the final content of the selected 8 disclosures included in the Report, as per the scope of the Assurance process.

6. Examination of internal systems, in order to validate the integrity of the statements made in the Report.
7. Collection and review of the evidence for each disclosure, in order to check for accuracy and consistency with the information disclosed in the Report.
8. Assessment of the sustainability reporting procedures, to check consistency with the Global Reporting Initiative (GRI) Standards reporting requirements.
9. Assessment of documentation and evidence that supported and substantiated claims made in the Report, including internal policies, procedures, guidance documents, guidelines, reference documents, announcements, and calculations.

Considering the Firm's sector of activity, the following GRI disclosures were selected for review as part of the sampling:
1. Proportion of senior management hired from the local community (GRI 202-2)
2. Proportion of spending on local suppliers (GRI 204-1)
3. Direct (Scope 1) GHG emissions (GRI 305-1)
4. Waste generation and significant waste-related impacts (GRI 306-1)
5. Average hours of training per year per employee (GRI 404-1)
6. Occupational health services (GRI 403-3)
7. Percentage of employees receiving regular performance and career development reviews (GRI 404-3)
8. Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)

Intended users
The intended users of this assurance statement are the stakeholders of RSM Kuwait.

Limitations
The reliability of the reported sustainability information and data is subject to inherent uncertainty, given the available methods for determining, calculating, or estimating the underlying information. It is important to understand our assurance conclusions in this context.

- Our assurance does not include assurance over claims made by RSM Kuwait that are statements of opinion, belief, aspiration, or future intent.
- Any information, statements, assumptions, or data covering previous reporting cycles included in the Report, were not the subject of this Assurance process.
- Our process included interviews with all members of the RSM Kuwait team involved in the preparation of the Report. Our process did not involve other stakeholders.
- Our review included interviews, online communication, and the review of selected documentation. We did not perform any visit to RSM Kuwait local headquarters, or other premises.
- We relied exclusively on the information provided to us by RSM Kuwait, which we accepted in good faith as being complete, accurate, real, and not misleading. Therefore, we did not submit it to any verification procedures, apart from the procedures explicitly stated in our Report, and which arise from our mutually agreed methodology.
- All communications between Sustainability Knowledge Group and RSM Kuwait, including sampling, testing, and review of the evidence documents provided by the Firm were conducted remotely, via e-mail, conference, and telephone calls.
- No other topics and disclosures have been taken into consideration, except for those described in the Assurance Scope, Type and Level section and the methodology of work performed section of this Statement.

- We did not review any activities and performance of third parties, entities, or stakeholders mentioned in the Report.
- Our engagement was limited to the English version of the Report. Therefore, in the event of any inconsistency regarding the translation between the Arabic and English versions, as far as our conclusions are concerned, the English version of the Report prevails.

Adherence to the AA1000 AccountAbility Principles: findings and conclusions

■ In relation to the **Inclusivity Principle**[3]:

The Firm has identified and presented six categories of stakeholders in its Report: Clients, Government, Suppliers and Vendors, Community, Employees and Management. The stakeholders have been grouped in two broad stakeholder categories, as "Internal" (Employees and Management) and "External" (Clients, Government, Suppliers and Vendors, Community) A table presents the Engagement Mechanisms, Stakeholder Expectations and Frequency of Engagement for each stakeholder, outlining the approach followed in engaging with them. According to the Report, RSM Kuwait has taken into account internal and external stakeholder priorities for the assessment of material topics included in the Report. The stakeholder engagement for sustainability-related topics presented in the Report is integrated in the operations of the Firm, including via meetings, consultations and the RSM Engage tool. RSM Kuwait raises awareness of sustainability issues among its clients, employees and management via engagement channels, which include Sustainability project consultations, awareness sessions, informal engagements, thus ensuring they have good understanding of sustainability related topics and can provide informed responses. Furthermore, the Firm conducted online surveys for the prioritisation of topics A total of 21 stakeholders were consulted at this stage and asked to rank 11 topics.

■ In relation to the **Materiality Principle**[4]:

The Sustainability Report 2021 presents a materiality matrix with the 11 topics identified as material and their relative importance. The materiality matrix is reader-friendly and in alignment with sector best practices. The topics are presented in the matrix in a way that reflects the significance of their impacts and the influence on stakeholder assessments and decisions. These topics are presented in detail throughout the Report. The topics are aligned with RSM Kuwait six Sustainability Focus Areas which revolve around governance, environmental impact, marketplace, workplace, community work and digitization. The topics were prioritised via online surveys conducted for internal and internal and external stakeholders. RSM Kuwait presents in the report the assessment of 3 topics based on the SROI methodology, namely: paper recycling, paper savings from technology, and GHG scope 3 reduction. This approach enables the Firm to better define and understand impacts of these topics and act accordingly. The Report provides some information on the materiality assessment process and the contribution of some stakeholders in the process.

■ In relation to the **Responsiveness Principle**[5]:

RSM KUWAIT presents via its report how it responds to the material topics identified and prioritised by internal and external stakeholders. It demonstrates how the material topics are in

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- [3] Inclusivity is actively identifying stakeholders and enabling their participation in establishing an organisation's material sustainability topics and developing a strategic response to them.
- [4] Materiality relates to identifying and prioritising the most relevant sustainability topics, taking into account the effect each topic has on the organisation and its stakeholders.
- [5] Responsiveness is an organisation's timely and relevant reaction to material sustainability topics and their related impacts.

line with its corporate commitments towards sustainability, external initiatives (SDGs) and national priorities [Kuwait Vision 2035, Kuwait National Development Plan (KNDP)].

The material topics identified and presented in the materiality matrix are described in detail throughout the Report and supported by the messages of the Chairman and the Office Managing Partner. The Report presents performance information from previous years, change compared to previous years, therefore enabling interested stakeholders to compare performance and thus make informed decisions based on the information and data presented in the Report. In its Report RSM Kuwait does not present specific targets for identified material topics and its methodologies that enable it to meet its objectives.

■ In relation to the **Impact Principle[6]:**
RSM Kuwait has published two Sustainability Reports (referring to the activities of 2019 and 2020) and the Sustainability Report 2021 is the most recent addition. RSM Kuwait considers the Report to be a platform for formal and consistent communication with its stakeholders that enhances existing trust relationships through the disclosure of economic, social, and environmental impacts of its activities. RSM Kuwait presents how it addresses its identified material topics and discloses qualitative and quantitative information where such information is available. The Report is in alignment with global frameworks, standards that enable better quantification of topic impacts. Especially the Return on Investment (SROI) is deployed to "identify environmental, societal, and economic impacts of investments and allows for assessment of certain values that are considered intangible". The topics selected for SROI in 2021 are three and fall under the "Internal environmental impact and action" material topic. This material topic is however one out of 11 and RSM Kuwait has opted to only conduct it on a limited scope and not to address a wider number of topics. The Report does not present impact boundaries per material topic and the impact of the topic across the value chain of the Firm.

Given the assessment and evaluation of internal processes, policies, and procedures, as per the Assurance Engagement, it can be stated that RSM Kuwait reasonably meets the required adherence criteria of the AccountAbility Principles.

Key observations
Based on our review of the Report, and related processes employed to collect and collate the information and data reported, we conclude:
- RSM Kuwait demonstrates its commitment to sustainability by developing a sustainability report annually since 2019
- As part of the reporting process, the Report was reviewed and approved by the Chairman and the Founder of RSM Kuwait
- RSM Kuwait follows international standards, including the GRI Standards and SROI, for the development of its Sustainability Report 2021. The Report references the United Nations Sustainable Development Goals (SDGs) and the New Kuwait Vision 2035
- The Report includes a presentation of the sustainability directions of RSM Kuwait. RSM Materiality Topics for 2021 are 11. These material topics extend across six focus areas, namely: Exhibiting Excellent Governance, Having a Positive Environmental Impact, Excelling in the Marketplace, Caring for Our Workplace, Engaging with Our Community, Advancing Innovation and Digitization

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- [6] Impact is the effect of behaviour, performance and/or outcomes, on the part of individuals or an organisation, on the economy, the environment, society, stakeholders or the organisation itself. For further information on the AccountAbility Principles, access: https://www.accountability.org/standards/

- The Sustainability Report includes a materiality matrix, with the 11 material topics. The topics are prioritized according to their level of significance as low, medium, and high. An explanation of the topics and contribution of RSM KUWAIT per topic is presented across the report
- The Report includes a list of stakeholders and information related to their key concerns and ways RSM Kuwait engages with them
- As part of the reporting process, the Report was reviewed and approved by the Board of Directors

Recommendations

The following recommendations have been issued to improve future sustainability reporting:

- RSM Kuwait to present the global megatrends impacting their line of work and how they have impacted the identification of material topics, their management and opportunities arising
- RSM Kuwait to continue reporting in accordance with the GRI Standards and proceed to adopting the new version of the GRI Standards, issued in October 2021
- RSM Kuwait to continue improving the quantitative information disclosed
- RSM Kuwait to strengthen adherence to the GRI Standards by further explaining its direct and indirect involvement with each material topic and associated impact
- RSM Kuwait to continue to strengthen formal internal structures regarding the management of environmental, social and governance topics, including waste management and data privacy
- RSM Kuwait to conduct a GHG audit and report updated information and data on GHG emissions
- RSM Kuwait to improve the communication of its commitment to sustainable development, by better communicating SMART goals
- RSM Kuwait to adopt a more human centered approach in the Sustainability Report by utilizing employee and other stakeholder interviews and testimonials, to better demonstrate the purpose and culture of the organisation
- RSM Kuwait to enhance the internal training reporting system
- RSM Kuwait to automate the collection, monitoring and analysis of sustainability related data throughout the year

Based on the review of the RSM Kuwait Sustainability Report 2021, it can be concluded that a fair representation of data and information has been included in the Report. The selected sustainability performance and data statements are accurate, reliable, and materially correct.

Aglaia Ntili
Managing Director
SK Sustainability Knowledge Group Ltd

Limassol, Cyprus
July 10th, 2022

SK sustainability knowledge group

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RSM Kuwait

sustainability@rsm.com.kw