

سانام
SANAM



SANAM Group Holding
Sustainability Report
2025

With Gratitude and Respect



**His Highness Sheikh Mishal Al-Ahmad Al-Jaber
Al-Sabah**

Amir of the State of Kuwait

May Allah Grant Him Protection



**His Highness Sheikh Sabah Al-Khaled Al-
Hamad Al-Sabah**

Crown Prince of the State of Kuwait

May Allah Grant Him Protection

Table of Contents

OVERVIEW

01 Chairman's Message

02 CEO's Message

**03 Director of
Communications
Message**

04 Report Overview

05 About SANAM

**06 Shareholders &
Ownership Structure**

07 Scope of Reporting

ESG PERFORMANCE & APPROACH

08 ESG Highlights 2025

**09 Environmental
Stewardship**

**10 Sustainability & ESG
Approach**

SOCIAL & HUMAN CAPITAL

**11 Social Impact &
Human Capital**

12 Diversity & Inclusion

GOVERNANCE

**13 Corporate
Governance**

14 Board of Directors

ESG IMPLEMENTATION

**15 ESG Implementation
Across the Portfolio**

CASE STUDIES

16 Case Study: TIAC

17 Case Study: Abyan

OUTLOOK

**18 Future Outlook &
ESG Roadmap**

A Foundation Built on Governance and Trust



Walid Hamad Al Sumait

Chairman of the Board

Dear Valued Stakeholders,

SANAM Holding continues to strengthen its position as a diversified holding company, guided by a disciplined approach to investment and a clear focus on long-term value creation.

Governance remains the cornerstone of our strategy, ensuring transparency, accountability, and alignment with shareholder interests. As we expand across key sectors, we continue to integrate sustainability into our investment approach - not as a compliance requirement, but as a strategic driver of resilient and sustainable growth.

This report reflects our ongoing efforts to enhance ESG practices across our portfolio and to establish a structured foundation for the future. It also reflects the dedication of our teams, the continued trust of our shareholders, and our ambition to position SANAM among the region's most responsible holding companies.

We are encouraged by the progress made in 2025 and remain focused on further strengthening governance and embedding ESG principles across all our subsidiaries and platforms.

2025 also marks the establishment of SANAM's ESG baseline, forming the foundation for more structured and measurable reporting in the years ahead.

A Significant Step in SANAM's ESG Journey



Dr. Sulaiman Tareq Al Abduljader

Chief Executive Officer

Dear Valued Stakeholders,

This report marks SANAM's first consolidated view of ESG performance across its reporting subsidiaries, providing greater transparency into governance practices, workforce dynamics, and environmental data tracking.

It also positions SANAM among the early adopters within the Main Market in establishing a consolidated sustainability reporting framework at the holding level.

2025 represents a defining milestone for the group, as we implemented a structured ESG data collection framework across our portfolio companies. This initiative reflects a coordinated effort across the organization and establishes a strong foundation for more consistent, comparable, and robust ESG reporting in the years ahead.

Our approach is anchored in three key priorities: strengthening governance as the foundation of every investment decision, expanding social impact through workforce development and community engagement, and progressively enhancing environmental practices across our portfolio.

The data presented in this report reflects our current position while setting a clear direction for future progress. We remain committed to advancing ESG integration across the Group and to delivering long-term, sustainable value for our stakeholders.

The 2025 reporting cycle establishes a baseline for ESG performance measurement, enabling SANAM to introduce more defined targets and standardized KPIs in future reporting periods.

Strengthening Transparency Through Strategic Communication



Monira Adel Al Wugayan

Director of Communications

Dear Valued Stakeholders,

At SANAM, communication is a core enabler of how we build trust, articulate our strategy, and present our performance to stakeholders.

This report represents more than a summary of ESG data - it reflects a structured effort to enhance transparency across the Group and establish a consistent narrative around how we create long-term value.

Throughout 2025, our focus has been on aligning messaging across our portfolio, strengthening the clarity and consistency of disclosures, and supporting the integration of ESG into the Group's broader strategic framework. As a diversified holding company, our role is not only to report on individual entities, but to present a cohesive and consolidated view of performance, progress, and direction.

This report also positions SANAM among the early adopters within the main market in developing a consolidated sustainability reporting framework at the holding level, reflecting our proactive approach to transparency and disclosure.

We recognize that effective communication plays a critical role in bridging operational performance with stakeholder understanding. As we move forward, we will continue to refine our reporting approach to ensure it reflects both the maturity of our platform and the evolving expectations of our stakeholders.

This report introduces a structured ESG data framework across the Group, marking the transition from narrative-driven reporting toward more data-led and comparable disclosures.



REPORT OVERVIEW

Report Overview

This report presents SANAM Group Holding Company (KPSC)'s environmental, social, and governance (ESG) performance for the year ended 31 December 2025.

Reporting Period & Scope

1 January to 31 December 2025; covering healthcare, education, real estate, industrial, and strategic investment platforms across 7 reporting entities.

Frameworks

Principles for Responsible Investment (PRI)
United Nations Global Compact (UNGC)

Key ESG Priorities

SANAM's ESG priorities are defined based on the nature of its diversified portfolio and operational footprint:

- Governance and regulatory compliance
- Workforce development and talent management
- Environmental data tracking and resource efficiency
- Portfolio-level transparency and reporting

Data Collection and Methodology

01

Qualitative Assessment

A structured qualitative framework was applied to evaluate governance, environmental, and social practices across reporting entities.

02

Quantitative Data Collection

Standardized templates were used to capture ESG metrics related to resource consumption, workforce data, and governance practices.

03

Group-Level Review

All submissions were reviewed, validated, and consolidated at the Group level to ensure consistency and comparability.

☐ Purpose of the Report

- Provide a clear overview of SANAM's ESG approach
- Enhance transparency across the Group's operations and portfolio
- Support informed decision-making for investors and stakeholders

☐ ESG Reporting Maturity

2025 represents SANAM's first consolidated ESG reporting cycle, establishing a baseline for future performance tracking, KPI standardization, and the development of measurable ESG targets.

A Diversified Strategic Investment Holding Company

SANAM Holding Company (KPSC) is a publicly listed strategic investment holding company headquartered in Kuwait. Founded in 1982 and listed on Boursa Kuwait since 2004, SANAM has evolved over four decades into a diversified platform spanning healthcare, education, real estate, and innovation-driven sectors across Kuwait and the broader GCC region.

Investment Philosophy

SANAM's approach to investment is anchored in three core principles that guide every strategic and operational decision across multiple entities:



Active Ownership

Hands-on engagement with portfolio companies to drive performance and governance.



Governance-Led Decision Making

Every investment decision is evaluated through a structured governance lens.



Long-Term Value Creation

A patient capital approach that prioritizes sustainable returns over short-term gains.

Key Facts

1982

Founded

Over four decades of investment expertise in Kuwait and the GCC.

2004

Listed on Boursa Kuwait

Publicly traded with institutional-grade transparency obligations.

4+

Core Sectors

Healthcare, education, real estate, and industrial.



Major Shareholders

SANAM Holding has a diversified base of institutional and strategic shareholders, reflecting confidence in the Company's vision and sustainable growth strategy. Ownership details are disclosed on Boursa Kuwait.

Top Shareholders

Wafra International
Investment Company
K.S.C.C.
Direct | 11.361%



Al-Deera Holding Company
K.P.S.C.
Direct | 18.697%



Evli Emerging Frontier
Fund
Direct | 8.00%



Ownership percentages are based on shareholding data as of 31 December 2025.

Portfolio Coverage: 2025 ESG Report

This report reflects ESG data collected from SANAM Holding and its reporting subsidiaries for the fiscal year 2025. The scope of reporting has been defined to capture the most operationally significant entities across the Group's diversified platform, ensuring that the data presented is both representative and actionable for stakeholder decision-making.



NATMED

National Medical Consumable Industries

A leading medical and consumer healthcare distribution company, providing a wide range of pharmaceutical, medical, and wellness products across the region.



TIAC

The Integrated Aquaculture Company KPSC

Advanced aquaculture operations demonstrating leading environmental implementation.



Addax

Addax Holding Company

Education platform reporting at the holding level, encompassing underlying school operations.



ABYAN

Abyan

Abyan Building Construction

Construction innovation platform that leverages advanced manufacturing technologies.



SPIRIT

Spirit Health Care

Specialized healthcare entity with focused workforce and operational footprint.



FEH

First Education Holding

Education holding platform focused on strategic school investments and the development of quality learning environments across the GCC.



ERADAT

ERADAT

Eradat Real Estate Investment Company

Real estate investment platform focused on acquiring and managing diversified, income-generating assets across Kuwait and the GCC.

ESG data for the education platform is reported at the holding level through Addax, which includes its underlying school operations across multiple entities.

The scope reflects the most operationally significant entities, with ESG coverage expected to expand in future reporting cycles.

The following indicators represent SANAM's baseline ESG performance across reporting entities.

ESG Snapshot 2025 (Baseline Indicators)

ESG data was collected across 7 entities within SANAM's portfolio, spanning healthcare, education, real estate, and industrial platforms.

SANAM continues to enhance ESG data coverage and strengthen responsible practices across its portfolio.

Governance

Strong foundations: 100% management oversight, 100% internal controls, ~85% formal policies adopted

Social

Workforce & community: 71% provide employee training and CSR participation across multiple entities.

Environmental

Progressing: Energy (57%), water (57%), waste (57%) tracking underway

Governance Coverage

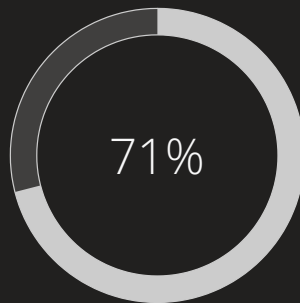


Entities with management oversight



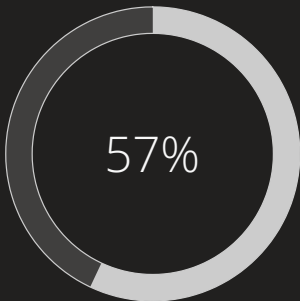
Entities with internal controls

Workforce & Social Indicators

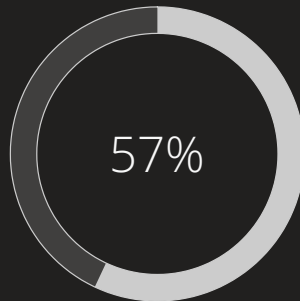


Entities providing employee training

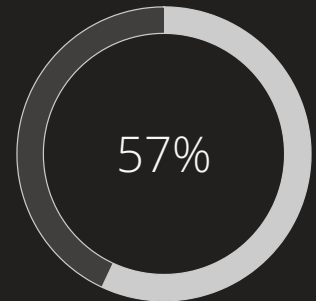
Environmental Tracking Coverage



Entities monitoring energy consumption



Entities tracking water usage



Entities tracking waste generation

Coverage across all ESG metrics will be expanded and standardized across 100% of the portfolio by 2026.

Percentages represent the proportion of reporting entities capturing and monitoring each metric.

Progressively Strengthening Environmental Practices

SANAM is actively building environmental stewardship capabilities across its portfolio, with implementation levels varying by operational maturity and sector. The Group's approach recognizes that different businesses are at different stages of environmental readiness, and a phased, structured model is the most effective pathway to meaningful and measurable progress across the full portfolio.

Environmental data reflects partial coverage across reporting entities and will be expanded as part of SANAM's ESG roadmap.

Environmental Maturity by Entity

Advanced

TIAC - Structured tracking of electricity, water, and waste. Full environmental reporting in place.

Developing

FEH & Abyan - Partial environmental data collection underway with improving coverage year-over-year.

Early Stage

NATMED & SPIRIT - Environmental frameworks being established; data collection to expand by 2026.

Key Environmental Metrics (2025)

Metric	TIAC	FEH
Electricity (kWh)	165,000	839,380
Water (m ³)	2,724	1,732,877
Waste (tons)	36	N/A

FEH's high water and electricity consumption reflects the operational scale of its school campus network serving thousands of students.

Differences in consumption levels reflect operational scale and sector-specific requirements.

- Environmental Outlook: SANAM aims to expand environmental tracking across all of the portfolio companies by 2026, implement standardized environmental policies group-wide, and improve the availability, quality, and comparability of environmental data in future reporting cycles.



SUSTAINABILITY & ESG APPROACH

Sustainability & ESG Approach

Sustainability is an integral part of SANAM's strategic framework, embedded across its investment approach and portfolio operations. The Group integrates environmental, social, and governance considerations to support long-term value creation and responsible growth.

"SANAM is a signatory to the Principles for Responsible Investment and aligned with the United Nations Global Compact, reinforcing its commitment to responsible investment and globally recognized standards across governance, environmental management, and social responsibility."



Climate & Environmental Responsibility

Progressively building environmental stewardship capabilities across multiple entities.



Workforce Development

Investing in talent, training, and inclusive workplace practices across all subsidiaries.



Strong Governance Practices

Governance-led decision making embedded at every level of the Group.

The Group continues to enhance its ESG framework through structured data collection, ongoing monitoring, and continuous improvement across its portfolio.



United Nations
Global Compact

Future reporting cycles will progressively align ESG disclosures with internationally recognized reporting standards such as GRI and other applicable frameworks.

Building a Resilient and Engaged Workforce

SANAM's social strategy centers on workforce development, employee well-being, and community engagement across its portfolio.

498

Total Employees

Across all reporting subsidiaries in 2025.

1,752

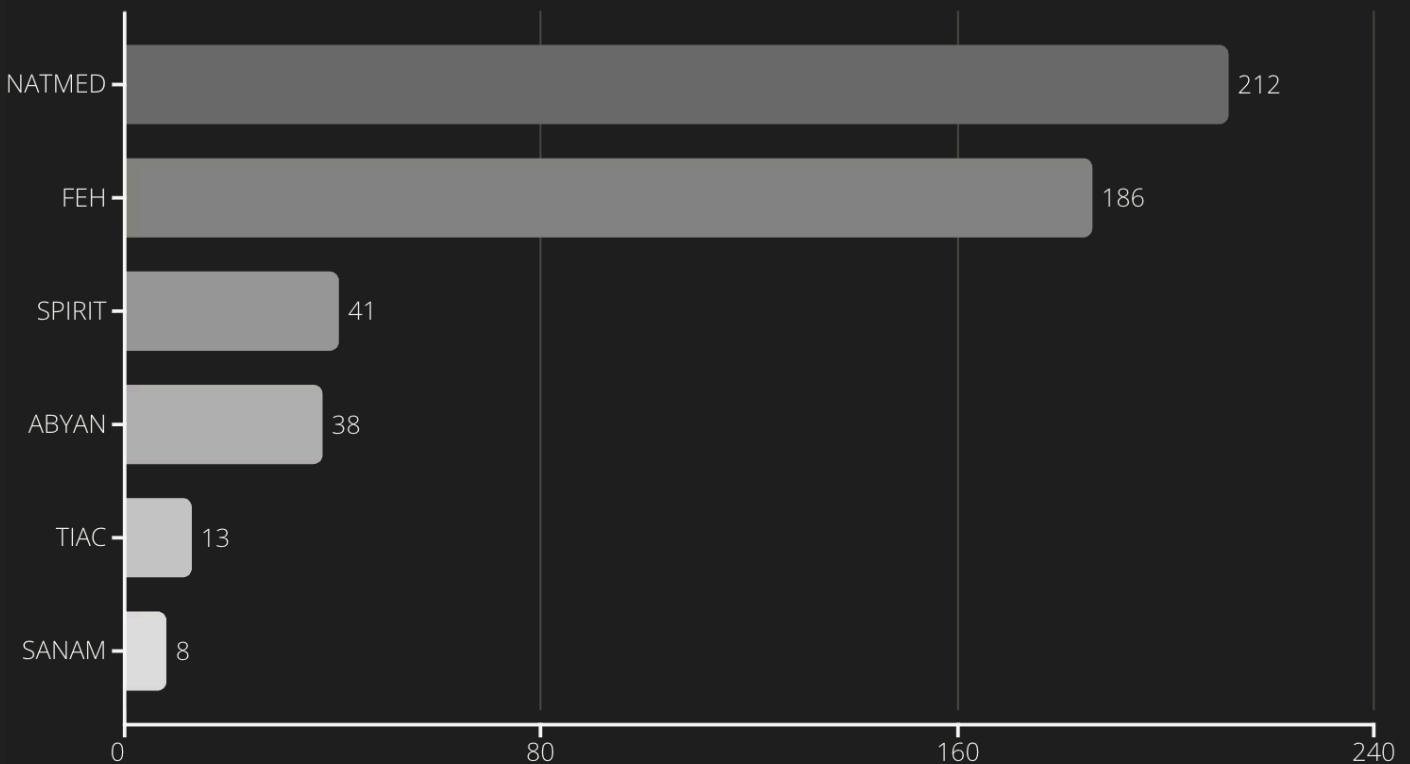
Training Hours

Delivered across FEH, SPIRIT, and SANAM Holding in 2025.

7

Reporting Entities

Subsidiaries contributing workforce and social data to this report.



Training & Development

Training programs across multiple entities focus on professional development, regulatory compliance, and operational excellence. FEH leads the Group with 1,645 hours delivered, reflecting its commitment to educator and staff development within its school network.

Expanding standardized training programs across all subsidiaries is a key social priority for 2026 and beyond.

2025 data represents initial workforce reporting across key subsidiaries, with plans to standardize workforce metrics Group-wide.

Entity	Training Hours
FEH	1,645
SPIRIT	80
SANAM	27



PORTFOLIO SNAPSHOT

INCLUSION

Diversity & Inclusion Across multiple entities

NATMED

92% Male / **8% Female**

ABYAN

95% Male / **5% Female**

FEH

78% Female / 22% Male

TIAC

93% Male / **7% Female**

SANAM Holding

75% Male / **25% Female**

CSR & Community Initiatives



Educational Programs

Awareness initiatives and educational campaigns led by FEH and SANAM subsidiaries contributing to knowledge-sharing and community empowerment.



Environmental Campaigns

Environmental awareness activities spearheaded by TIAC and FEH, aligned with sustainability education and ecological stewardship.



Community Engagement

Targeted community engagement activities across subsidiaries, strengthening SANAM's role as a responsible corporate citizen in Kuwait.



Health Awareness

Health awareness initiatives led by NATMED and SPIRIT Healthcare, contributing to public health education across the communities they serve.

Diversity data coverage will be expanded and standardized across all subsidiaries in future reporting cycles.



CORPORATE GOVERNANCE

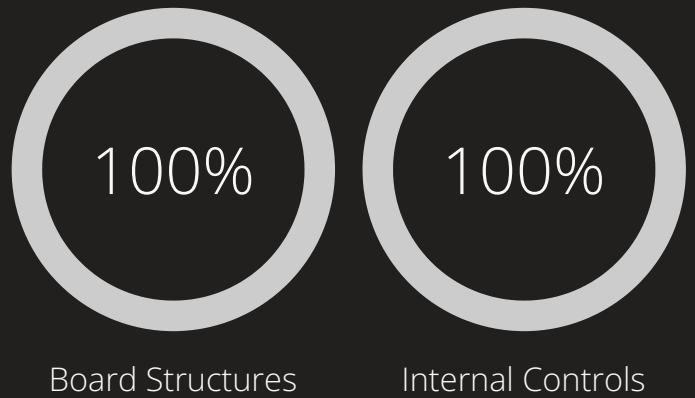
Institutional-Grade Governance Framework

SANAM's governance aligns with Boursa Kuwait requirements and global best practices, supporting disciplined investing and stakeholder trust.

Governance Pillars

- Board of Directors
Strategic oversight and expertise.
- Independent Internal Audit
Ensures financial compliance.
- Risk Management Systems
Covers key business risks.

Key Governance Metrics (2025)



Committee Structure

Audit Committee

Reviews reporting, audits, and controls.

Nomination & Remuneration Committee

Guides board composition and pay.



Risk Committee

Reviews exposure and mitigation.

SANAM continues to align its governance practices with Boursa Kuwait requirements and evolving international best practices.

ESG-related risks, including environmental, regulatory, and operational considerations, are progressively being integrated into SANAM's broader enterprise risk management framework.

Board Members Leadership Team



Saad Nasser Al-Munaifi

Board Member (Non-Executive)



Waleed Hamad Al-Sumait

Chairman (Non-Executive)



Bader Jassim Al Hajery

Board Member (Non-Executive)



Dr. Sulaiman T. Al-Abduljader

Vice Chairman (Executive)

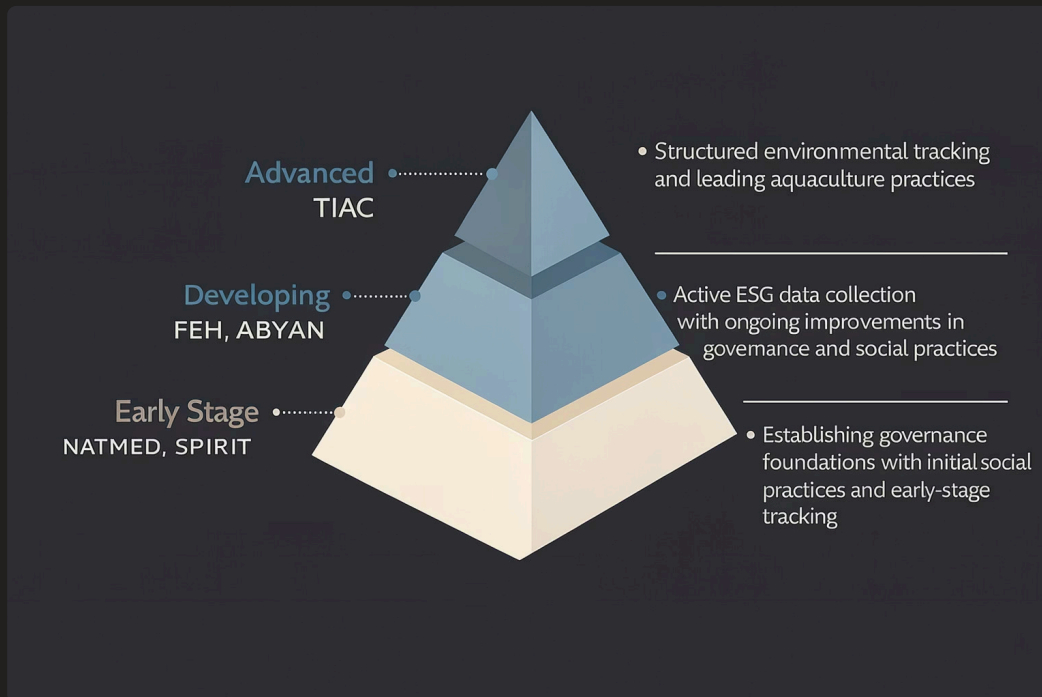


Bander Sulaiman Al-Jarallah

Board Member (Independent)

Phased ESG Implementation Across Subsidiaries

SANAM adopts a deliberate, phased ESG implementation approach that recognizes the differing operational maturity, sector characteristics, and resource capabilities of each subsidiary. Rather than imposing a uniform framework that would be superficially applied, the Group works with each entity to advance ESG practices at a pace that is ambitious yet achievable - building genuine capability rather than check-box compliance.



This tiered structure enables SANAM to scale ESG practices progressively and systematically across its portfolio, ensuring that resources are directed where they will have the greatest impact. The maturity model serves as both a diagnostic tool and a roadmap, guiding each subsidiary toward more advanced and integrated ESG performance over time.

Advanced - TIAC

- Full environmental data tracking
- Structured waste, water, energy reporting
- Sustainable aquaculture systems
- Leading CSR engagement

Developing - FEH & ABYAN

- Active ESG data collection underway
- Growing training and workforce programs
- Construction innovation reducing waste
- Environmental frameworks in progress

Early Stage - NATMED & SPIRIT

- Governance foundations established
- Workforce data collection initiated
- Social practices being formalized
- Environmental tracking planned for 2026

This phased approach reflects SANAM's commitment to building ESG capabilities progressively rather than applying a uniform framework prematurely.



Pioneering Sustainable Aquaculture: The TIAC Project in Kuwait

The TIAC (Technical Integrated Aquaculture Company) project showcases SANAM Holding's commitment to 'Blue Economy' solutions and regional food security in Kuwait, a nation that imports 70% of its seafood. TIAC overcame challenges like water scarcity and climate extremes using advanced Recirculating Aquaculture Systems (RAS) and controlled environments, ensuring sustainable operations.

50% Reduction in Freshwater Use

Achieved via advanced RAS technology.

Lower Carbon Footprint

Local production reduces transportation emissions.

Reliable Local Supply

Ensures consistent, fresh seafood.

Positive Consumer Feedback

Praise for freshness, quality, and taste.

Tangible Results & Impact



TIAC demonstrates the viability of sustainable aquaculture in water-scarce regions, offering a blueprint for enhancing food security and eco-friendly seafood production

TIAC represents an advanced ESG implementation benchmark within the Group.



Case Study: Abyan Revolutionizing Construction with 3D Printing

Abyan Construction, a pioneer in Kuwait's construction sector, is transforming building with advanced 3D printing technology. This case study highlights their innovative approach to addressing industry challenges and setting new benchmarks for efficiency and sustainability.

The Challenge & Solution

Conventional construction practices in Kuwait continue to face material inefficiency, cost escalation, and a shortage of skilled tradespeople, leading to project delays and environmental strain. By implementing COBOD's automated 3D concrete printing system, Abyan integrates additive manufacturing principles into construction, enabling precise layer-by-layer fabrication, optimized use of raw materials, and a substantial reduction in embodied carbon emissions. This transition reflects a broader move toward industrialized and sustainable building methods in the region.



Abyan construction is setting a new standard for efficiency, cost-effectiveness, and environmental responsibility in Kuwait's construction landscape through 3D printing technology.

Tangible Impact & Key Metrics

35%

Faster Construction

Reduced project timelines.

25%

Cost Savings

Optimized material use.

<2%

Waste Production

Near-zero material waste.

35%

CO₂ Reduction

Lower carbon footprint.

Abyan demonstrates the potential for innovation-driven ESG impact within industrial and construction sectors.

SANAM's ESG roadmap is structured across three phases: Baseline (2025), Expansion (2026), and Integration (2027 onwards).

Future Outlook & ESG Roadmap

SANAM remains committed to strengthening ESG practices across its portfolio while aligning financial performance with sustainable impact. Its long-term vision is to remain a trusted responsible investment holding company in the Middle East.

Governance Priorities

- Maintain strong standards across entities
- Harmonize policies across subsidiaries
- Align with Bursa Kuwait and global best practices

Social Priorities

- Expand to full coverage of training and development programs
- Standardize workforce data tracking
- Scale CSR initiatives group-wide
- Improve employee engagement monitoring

Environmental Priorities

- Implement full environmental tracking by 2026
- Establish standardized Group-wide policies
- Standardize and improve data transparency and comparability
- Build on TIAC's advanced practices

2025 Baseline

First consolidated ESG report; governance established



2027+ Integration

Integrated ESG framework with measurable targets



2026 Expansion

Full environmental tracking and standardized policies



SANAM's trajectory reflects leadership commitment, portfolio capabilities, and stakeholder expectations. By building ESG maturity transparently, the Group is laying the groundwork for a future where responsible investment and financial performance are inseparable.

SANAM Holding Company (KPSC) - ESG Report 2025. Prepared for institutional investors, board members, regulators, and senior stakeholders for the fiscal year ending 2025.

Disclaimer

This Sustainability Report has been prepared by SANAM Group Holding Company (KPSC) to provide an overview of the Group's environmental, social, and governance (ESG) practices and performance for the reporting period ended 31 December 2025.

The information contained in this report is based on data collected from SANAM Holding and its reporting subsidiaries, using internal reporting frameworks and reasonable assumptions at the time of preparation. While every effort has been made to ensure the accuracy and reliability of the information presented, SANAM does not make any representation or warranty, express or implied, as to the completeness, accuracy, or reliability of the contents.

This report may include forward-looking statements, including statements regarding future expectations, plans, and performance. Such statements are based on current assumptions and are subject to risks and uncertainties that may cause actual results to differ materially.

This report is provided for informational purposes only and does not constitute investment advice, a recommendation, or an offer to buy or sell any securities. Stakeholders are encouraged to conduct their own independent assessment and seek professional advice where appropriate.

SANAM Group Holding Company (KPSC) and its affiliates disclaim any liability for any loss or damage arising directly or indirectly from the use of, or reliance on, the information contained in this report.

This report may contain confidential and proprietary information and is intended solely for its intended audience. Any unauthorized use, reproduction, or distribution is prohibited without prior written consent from SANAM.