

Boubyan Petrochemical Company (K.S.C.P)

SUSTAINABILITY REPORT 2025

**In the Name of Allah,
The Most Gracious,
The Most Merciful.**



H. H. Sheikh

**Mishal Al-Ahmed Al-Jaber Al-
Sabah**

The Amir of the State of Kuwait



H. H. Sheikh

**Sabah AL-Khaled Al-Hamad Al-
Mubarak Al-Sabah**

The Crown Prince of the State of Kuwait

Table of Contents

01

Executive summary

ESG thesis, headline metrics and management implications.

02

Reporting boundary and basis

Scope, methodology, assumptions and current data limits.

03

Boubyan Petrochemical Company at a glance

Business model, history, portfolio context and revenue mix.

04

Holdings and operating chains

Direct and indirect holdings across core ESG segments.

05

ESG priorities and scorecard

Material issues, applied SDGs and the current maturity view.

06

Environmental performance

Energy, water, effluent, waste, noise and proxy emissions.

07

Social performance

Safety, capability building, education and community value.

08

Governance framework

Board architecture, controls, disclosure and asset integrity.

09

SDG mapping and action roadmap

Integrated maturity view and priorities through 2028.

10

Closing message

Management conclusions and the strategic direction ahead.

Navigation: environmental impacts are primarily driven by industrial subsidiaries, social value is materially supported by the education platform, and governance oversight is centered at BPC.

Board Chairman Letter



Board Chairman

Dabbous Mubarak Al Dabbous

Environmental performance, then, is the natural byproduct of a business that is genuinely governed and genuinely aware of its responsibilities toward society, country and planet. When governance is strong and social accountability is real, environmental discipline follows. We are building the baselines, consolidated dashboards and formal GHG methodology to demonstrate that — and our 2026–2028 roadmap takes us from data ownership and quarterly review today, to full ESG integration in investment decisions, to external assurance by 2028.

This report reflects that conviction.

At Boubyan Petrochemical Company, we approach ESG differently. Where most organizations lead with the environment, we start from the other end — Governance, Social, then Environmental. Not because the environment matters less, but because we believe the order matters.

Governance shapes our culture. It is the foundation from which everything else follows — the accountability structures, the decision-making discipline, the oversight that reaches from our Board down to every operating entity in the group. Our committee architecture, IFRS-based reporting and audit environment are not just compliance requirements. They are the mechanism through which we embed responsibility into our day-to-day operations — woven into how we already make decisions, not bolted on as a parallel structure.

Social is our drive. Through our industrial workforce and, most meaningfully, through our educational portfolio — representing nearly half of our group revenue — we carry a direct responsibility toward the people we serve. For our students, we are committed to preparing them for the future and helping them be part of shaping it. For our teaching staff, we are focused on giving them the right tools and development pathways to deliver on that mission. This is not philanthropy. It is the core of what we do.

Key Goals

- Formalize a Board-approved ESG reporting policy with clear data ownership across subsidiaries
- Launch consolidated environmental and HSE dashboards at key operating entities
- Establish a formal GHG accounting methodology replacing current proxy estimates
- Report education KPIs externally as a core social pillar for the first time
- Standardize ESG definitions, templates and escalation thresholds across the group

Executive Summary

BPC's ESG profile

Boubyan Petrochemical Company (K.S.C.P), later referred to as “BPC” is a Kuwait-based premier listed holding company with two clearly material ESG engines. Environmental intensity is concentrated in industrial and petrochemical subsidiaries, while social value is materially supported by the education platform in addition to manufacturing and contractor employment.

Where the impact sits

Al Kout is the main environmental hotspot in the available operating data, accounting for about 89% of measured electricity use and roughly 97% of measured water withdrawals. Packaging and plastics entities contribute more meaningfully to recyclable waste streams and circularity opportunity.

What this means for management

BPC's strongest ESG lever is governance. The Board, committees, reporting discipline and investment oversight already exist. The next step is to apply the same control architecture to ESG data, targets, escalation thresholds and subsidiary review.

Electricity

231.8m

kWh

Water

869k

m³

Recyclable waste

915k

kg

Recordables

2

2024; 0 DAWC

Proxy Scope 2

115.9k

tCO₂e screening estimate

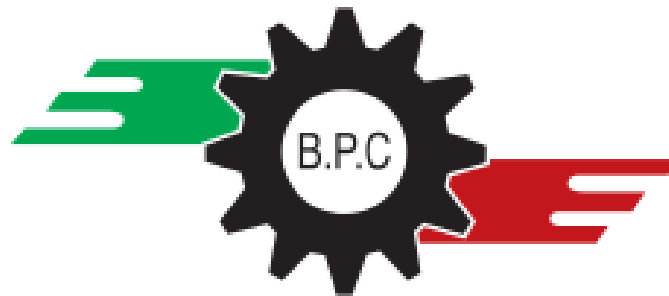
Education revenue

41%

of FY2024 group revenue

Priority conclusions

- 1) BPC to manage ESG as a portfolio issue, not as a single-site narrative.
- 2) Al Kout to be the first focus for energy, water, effluent and asset-integrity improvement.
- 3) Education to be elevated from a side note to a core social pillar in external reporting.
- 4) Governance maturity already exists; ESG data discipline now needs to catch up.



Board-level message

BPC is already positioned to tell a credible ESG story, provided the company reports the business the way it is actually built: governance at the parent and all entities, environmental intensity in chemicals and manufacturing, and social value across education and workforce safety. That framing is sharper, more defensible and more decision-useful than a generic holding-company sustainability narrative.

Reporting Boundary and Basis

Reporting perimeter

This report covers BPC at parent-company level together with the subsidiaries and indirect holdings that drive environmental, workforce-safety, education and operating-service outcomes. Governance is assessed primarily at BPC level. Environmental and social performance is assessed where operating evidence is available.

Periods used

This report covers the reporting financial year 2025 of the parent company. In this lens, the financial year ended 2025 covers the period 1st May 2024 – 30th April 2025.

Analytical treatment

Electricity-based emissions are shown as a screening proxy only, using 0.5 kgCO₂e per kWh for prioritisation. These figures are not a GHG Protocol inventory. Where site-level files are AI Kout-specific, conclusions are presented as site-level evidence rather than group-wide certification.

How to read this report

BPC is a holding company, so the most useful ESG question is not “What is the parent's direct footprint?” but rather “Where does the portfolio create risk, value and control responsibility?” That lens drives the structure of this report: governance is concentrated at BPC; environmental performance is concentrated in their subsidiaries that special in the Manufacturing and trading of packaging material industry. The social performance is split between industrial HSE and the education platform with heavy focus in the Educational Services Industry.

What is robust today

Ownership structure, board committees, IFRS reporting, audited financial statements, electricity / water / waste operating data, accident monitoring, noise monitoring, effluent reports, chemical hazard standard and maintenance manual.

What still needs formalisation

Group-wide ESG definitions, emissions methodology, common subsidiary reporting templates, entity ownership of KPI submission, escalation thresholds for ESG exceptions, and external assurance over non-financial metrics.

How to use the conclusions

Use the findings to prioritise management focus and deck narrative. Numerical indicators are strong enough for direction-setting and board discussion, but BPC should standardise collection and sign-off before using them as an assured public scorecard.

Boubyan Petrochemical Company at a Glance

Corporate profile

BPC is a Kuwaiti shareholding company established on 12 February 1995 and listed on Boursa Kuwait since 1997. BPC states that it was the first private-sector company in Kuwait to invest in the government-controlled petrochemical sector and that it began with a 9% stake in Equate.

Founded

1995

Established 12 February 1995

Listed

1997

Boursa Kuwait

Equate stake

9%

Direct stake disclosed on website

FY2025 revenue

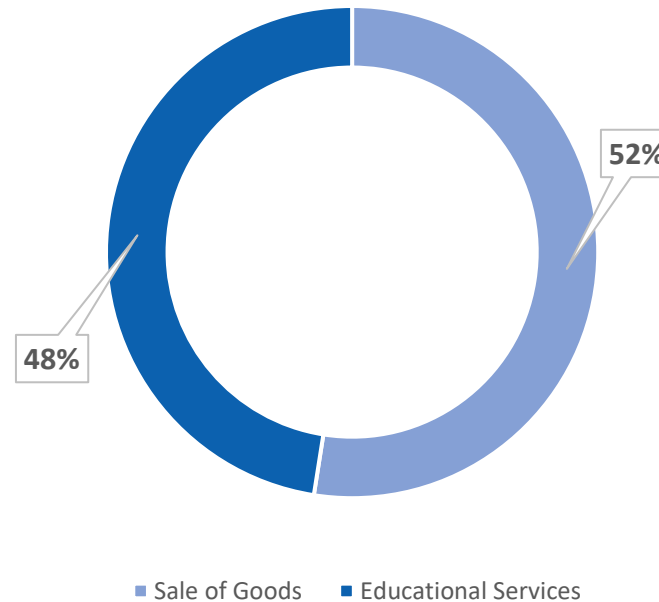
KD 102.4m

Total revenue from contracts with customers

Business model implication

BPC's revenue base is not purely industrial. FY2025 disclosures show KD 53.8m from sale of goods and KD 48.7m from educational services, making social performance through the education platform financially material as well as reputationally important.

Revenue mix in FY2025



Primary investments

The 2025 financial statements identify Equate and The Kuwait Olefins Company (TKOC) as BPC's primary investments at reporting date. Both are principally engaged in the manufacture and sale of petrochemical products.

Portfolio diversification

The official website also highlights diversification into industrial, manufacturing, health care and educational fields. The group ownership schedule confirms that education, plastics, chemical blending and industrial services are material parts of the current group structure.

Why this matters for ESG

The revenue mix and ownership perimeter mean that BPC's ESG story cannot be treated as a single petrochemical asset only. Environmental management, education outcomes, industrial HSE and governance all matter at group level.

Direct Holdings and Core ESG Segments

Packaging and plastics

- Boubyan Plastic Industries Company – 100%
- Muna Noor Group – 100%
- Jubail Integrated Packaging Company – 100%

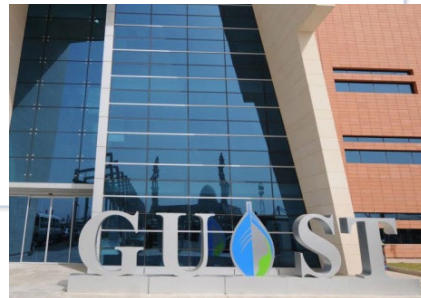
ESG reading: these entities drive electricity use, recyclable waste generation and product-circularity opportunity.



Education platform (directly held)

- Eyas for Higher and Technical Education – 62.84%
- Afaq Educational Company – 90.32%
- Knowledge Village Educational Company – 84.58%

ESG reading: these assets make education a primary social pillar rather than a peripheral activity.



Chemicals, industrial and other direct holdings

- Al Kout Industrial Projects Company – 54.14%
- Yaleen Steel Company Limited – 55% (51% in 2024)
- Digital Projects for General Trading Company – 100%

ESG reading: Al Kout is the main environmental hotspot; Yaleen adds industrial materials exposure; Digital Projects contribute more through governance, investment and service relationships than direct environmental load.



Management interpretation

The direct holdings already explain why BPC's ESG profile is diversified. Environmental concentration comes from Al Kout and manufacturing entities, while the education platform gives BPC a structurally significant social footprint. The portfolio should therefore be managed and presented by segment, not only by legal entity.



Indirect Holdings and Operating Chains

Education chain

- Through Eyas: Gulf Academy Company for Business Incubators, Communications and Technology – 100%
- Through Digital Projects: English Educational Group Company – 100%
- Through EPG: Abaad Educational Service Company – 98%; Royal Britannia Education Company – 100%; Royal Britannia Company for Operating Private Universities – 100%

ESG reading: these entities deepen BPC's exposure to human-capital development, educational access, student services and governance over education quality.



Al Kout chain

- Al Kout Logistics and Transport Company – 100%
- Al Kout Petrochemical Products Company – 100%
- Safewater Chemicals LLC – 100%
- United Materials General Trading Company – 100%
- Al Mawad Chemicals Trading Company – 100%
- Through United Materials: CISCO Trading Company – 100%; Safwan Enviro-Chem Technologies Company – 100%

ESG reading: this chain extends BPC's exposure from core production into blending, chemical sales, logistics and environmental technologies.



الكوت للإمداد
al kout logistics

MNMT and Afaq chain

- Through MNMT: Muna Noor General Trading LLC – 100%
- Through Afaq: Kuwait Lab General Trading and Contracting Company – 70%

Management view: indirect holdings matter because risk, controls and ESG opportunity can sit one layer below the parent. BPC's reporting model should therefore identify material subgroups and require minimum data submissions from each chain, especially Al Kout and education.



Material ESG Priorities and Applied SDGs

Environmental priorities

- Electricity intensity in chemicals and manufacturing
- Water withdrawal and effluent quality management
- Waste recovery, scrap recycling and circular packaging opportunity
- Chemical handling, noise and operating compliance
- Screening emissions concentration in AI Kout



Social priorities

- Workforce safety and contractor protection
- Chemical hazard communication and training
- Education access, teaching quality and student outcomes
- Employment, capability building and regional economic contribution
- Community value through education and industrial activity



Governance priorities

- Board and committee oversight
- IFRS / audit discipline and public disclosure quality
- Risk management, asset integrity and maintenance governance
- ESG data ownership, escalation and policy formalisation
- Capital allocation and portfolio stewardship



BPC uses these material themes as the foundation for its future public ESG architecture. They are grounded in the group's actual revenue mix, operating data and governance structure.

ESG Scorecard Snapshot

Al Kout share of electricity

88.6%

of measured kWh

Al Kout share of water

97.2%

of measured m³

JIPC non-recyclable waste

74.6k

kg

Muna Noor recyclable waste

513.7k

kg

2024 DAWC

0

no days away cases

Board members

5

shown on official website

Environmental reading

BPC's environmental footprint is highly concentrated. This is strategically helpful: the company does not need to fix every site at once to make reporting and performance meaningfully better. It should start with Al Kout and then extend controls across manufacturing entities.

Social reading

The education platform is large enough to change the shape of the group's ESG story. BPC should therefore disclose student, quality and education-access metrics alongside workforce HSE and training metrics.

Governance reading

BPC already has a credible governance backbone. The immediate opportunity is to route ESG through existing Board and committee channels rather than setting up a parallel sustainability structure.

What the operating and HSE files add

The operating and HSE files materially strengthen BPC's ESG evidence base. They show monthly electricity, water, waste and fuel data; accident monitoring; site noise monitoring; recurring effluent water analysis; a chemical hazard communication standard; and a maintenance manual with KPI thresholds. That is a stronger operational base than the public website alone would suggest.

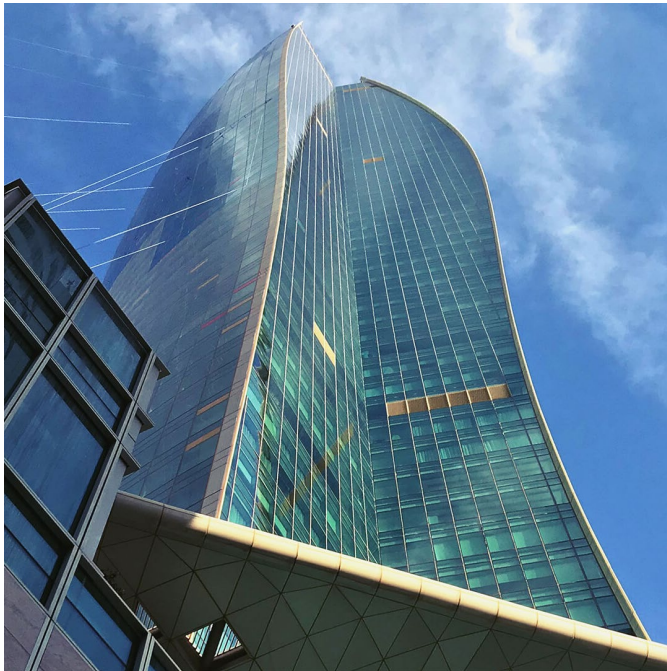
What still needs to be added next cycle

Building on its existing ESG foundation, the next reporting cycle will incorporate formal GHG accounting, standardized training and incident definitions across subsidiaries, clearly defined education outcome indicators, entity-level management sign-off on ESG submissions, and a Board-approved ESG reporting protocol. These enhancements will further strengthen BPC's reporting framework, supporting its evolution into a robust, investor-ready ESG disclosure.

Environmental Overview

Where BPC's environmental load sits

BPC's measured environmental load is concentrated in Al Kout and, to a lesser extent, in packaging and plastics entities. Al Kout combines chlorine-related manufacturing, utility demand, water use, effluent management and chemical handling. The packaging and plastics cluster adds energy demand plus a large recyclable waste stream that creates circularity opportunity.



Primary environmental topics

- Electricity intensity
- Water withdrawal by stream
- Effluent quality against KEPA limits
- Waste segregation and recovery
- Noise monitoring and compliance
- Chemical hazard communication
- Asset integrity and maintenance reliability

What the data shows

- Electricity measured across key entities totals 231.8m kWh
- Measured water totals 869k m³ across distilled, demineralized and other streams
- Recyclable waste totals 915k kg
- Al Kout accident monitoring shows 2 recordable injuries in 2024 and 0 DAWC
- Noise readings across Apr 2024 to Mar 2025 remained below the upper KEPA bands in the monitoring file

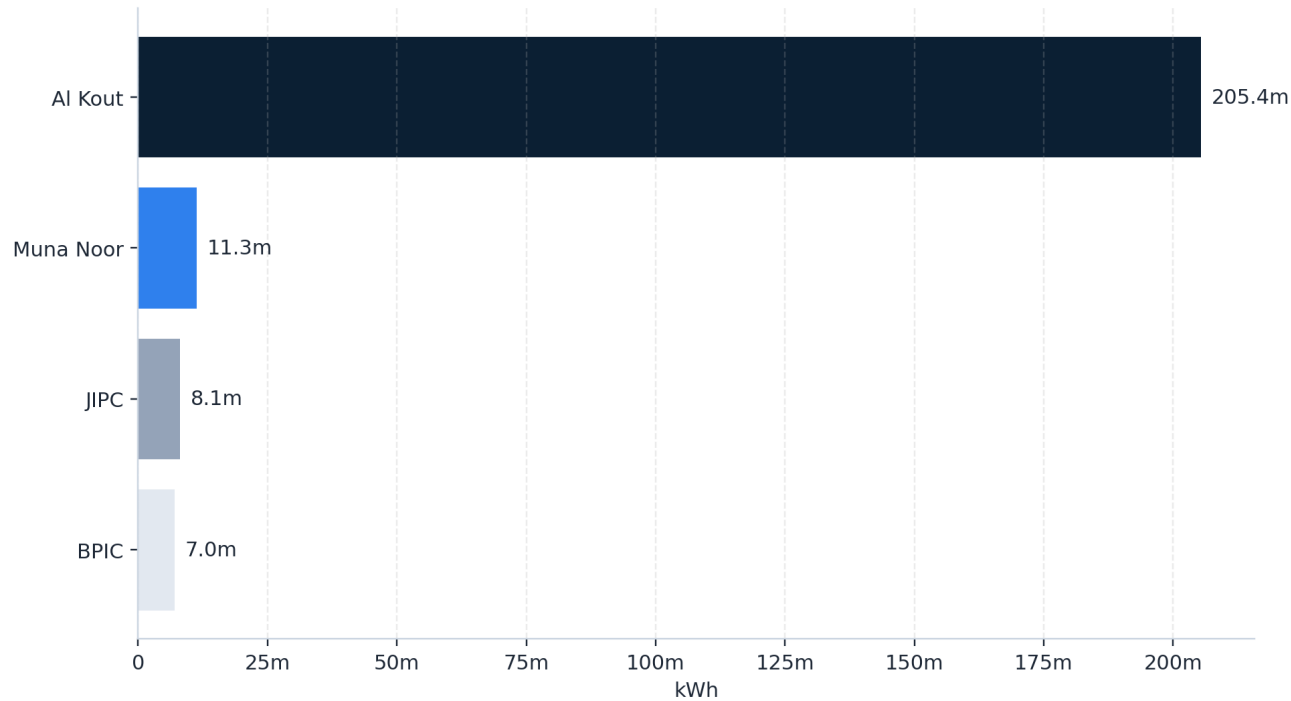
Environmental management stance

BPC treats environmental improvement as a targeted portfolio-management exercise. A focused programme at Al Kout, combined with waste and efficiency improvements in packaging / plastics, would address most of the measurable footprint currently visible in the data.

Management implication

Environmental reporting can become clearer very quickly once BPC separates hotspot metrics from portfolio metrics. The company should show Al Kout separately, the packaging / plastics cluster separately, and all remaining entities together where direct environmental load is limited.

Electricity Consumption by Entity



Headline finding

Al Kout accounts for 205.4m kWh out of 231.8m kWh measured across the key operating entities, or approximately 88.6% of the total. BPC's environmental footprint is therefore highly concentrated rather than evenly distributed.

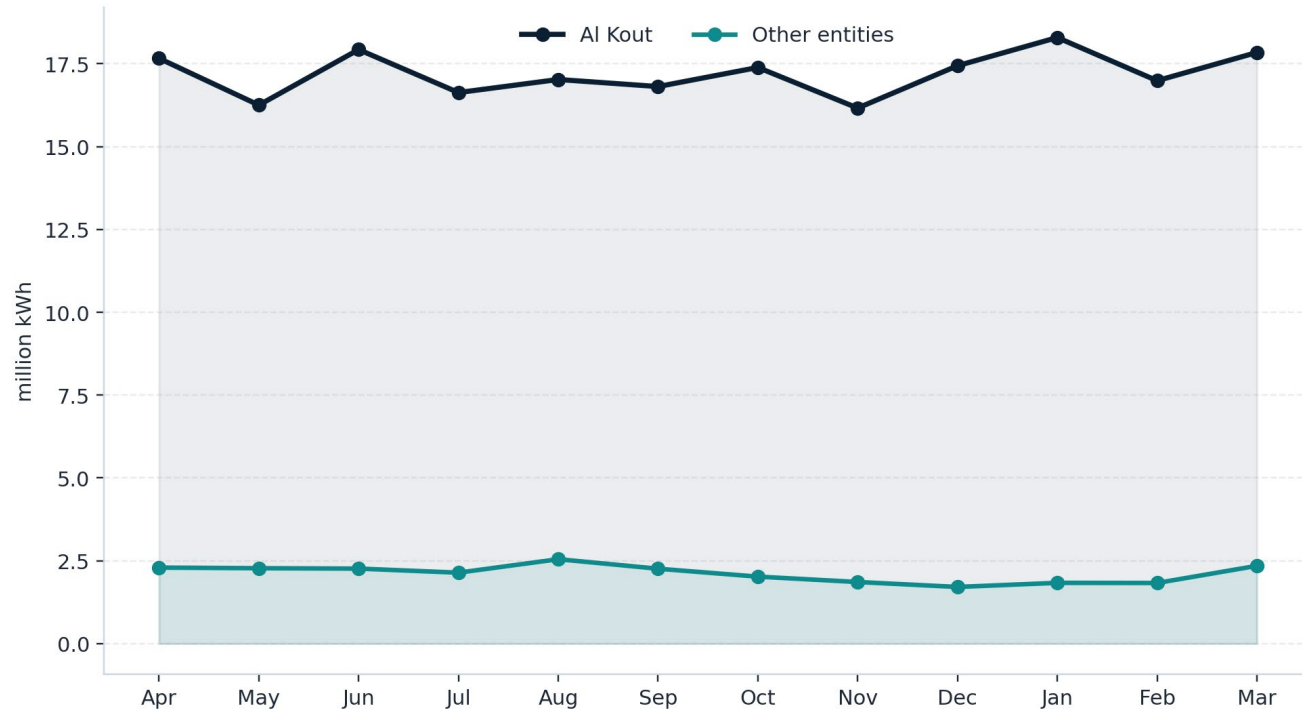
Entity-level reading

Muna Noor, JIPC and BPIC each consume between 7.0m and 11.3m kWh annually. These entities still matter for efficiency and cost optimisation, but they do not change the portfolio-level environmental ranking: Al Kout remains the first priority.

Management action

BPC may set an Al Kout electricity baseline, identify the main process and utility drivers, and then require a specific reduction plan. Packaging and plastics entities should be placed on a second-wave efficiency programme focused on operational discipline, scrap reduction and equipment optimisation.

Monthly Electricity Profile



Stability across the year

The monthly electricity series suggests that Al Kout ran at a relatively stable high load across the year, mostly between 16.2m and 18.3m kWh per month. Other entities combined remained close to 1.7m–2.5m kWh per month.

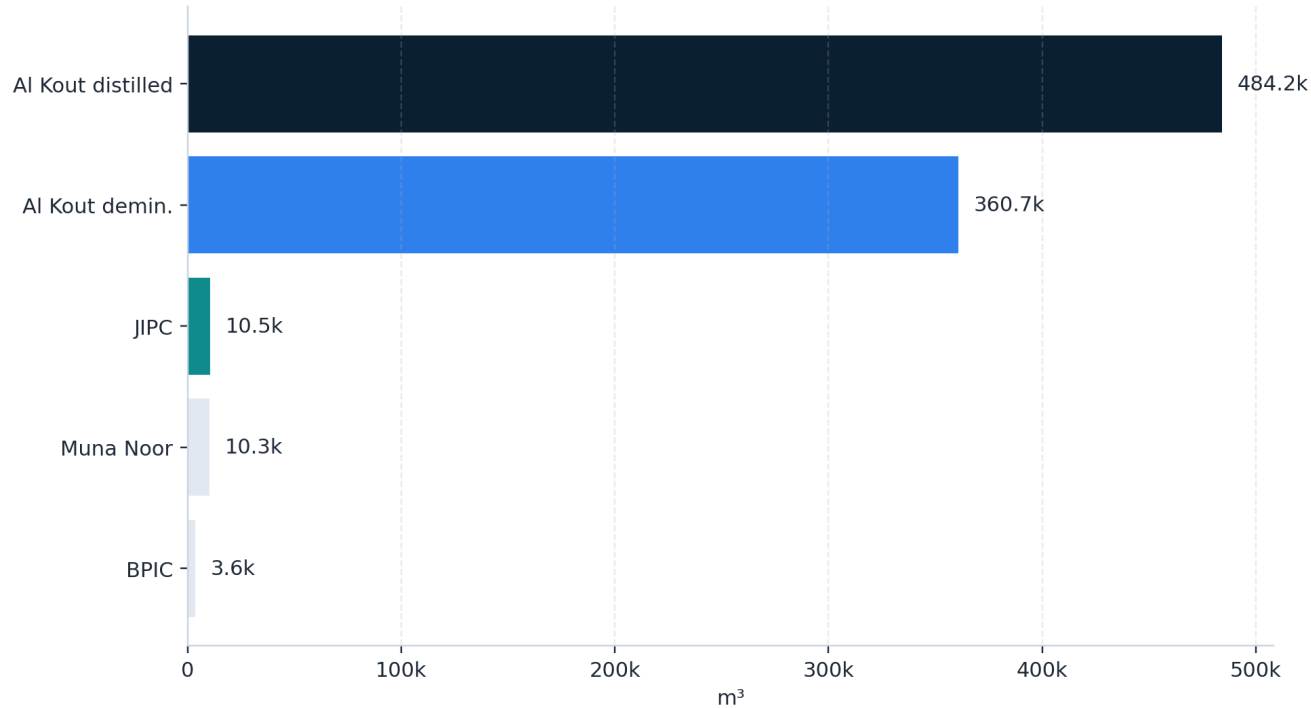
Interpretation

Because the profile is stable rather than volatile, BPC treats electricity reduction primarily as a structural efficiency and process-improvement challenge rather than as a one-off abnormality. Stable loads also make future target-setting easier because the baseline is clearer.

Recommended KPI view

BPC to track monthly kWh by entity, annual intensity per ton where production data exists, and progress against targeted reductions. A monthly dashboard would also allow early escalation of abnormal consumption spikes and provide a data trail for future emissions accounting.

Water Withdrawal by Stream and Entity



Water concentration

Measured water totals 869k m³. Of this, Al Kout distilled and demineralized streams together account for 844.8k m³, or approximately 97.2% of the total measured footprint. Other entities are comparatively small water users in the available data.

Management implication

BPC's water-management narrative starts all over the group. Process optimisation, recirculation, loss management and quality control at that site will matter more than diffuse water programmes across lower-intensity entities.

Reporting future

Going forward, BPC will continue to strengthen its water reporting approach, further enhancing data capture and presentation to support operational clarity and responsible resource management. This will enable the Company to drive efficiency, support informed decision-making, and advance sustainable water management across its operations.

Effluent Monitoring and Water Quality Control



Review of the effluent reports

The available 2024 effluent reports show repeated monthly testing against KEPA App.3 limits. Across the reviewed sample months, pH remained within 7.3–8.7 against a 6–9 limit, COD remained at or below 185 mg/L against a 200 mg/L limit, BOD remained at or below 28 mg/L against a 30 mg/L limit, and fluoride stayed at or below 1.90 mg/L against a 2.0 mg/L limit. All results presented during the year are normal levels with the clearest abnormality being June 2024, where TSS reached 23 mg/L against a 10 mg/L limit.

Compliance reading

The available reports support a credible monitoring regime and show that most parameters were within the stated KEPA limits across the reviewed sample months. However, the June TSS exceedance indicates that BPC should not present effluent as uniformly perfect; it should present monitoring plus corrective discipline.

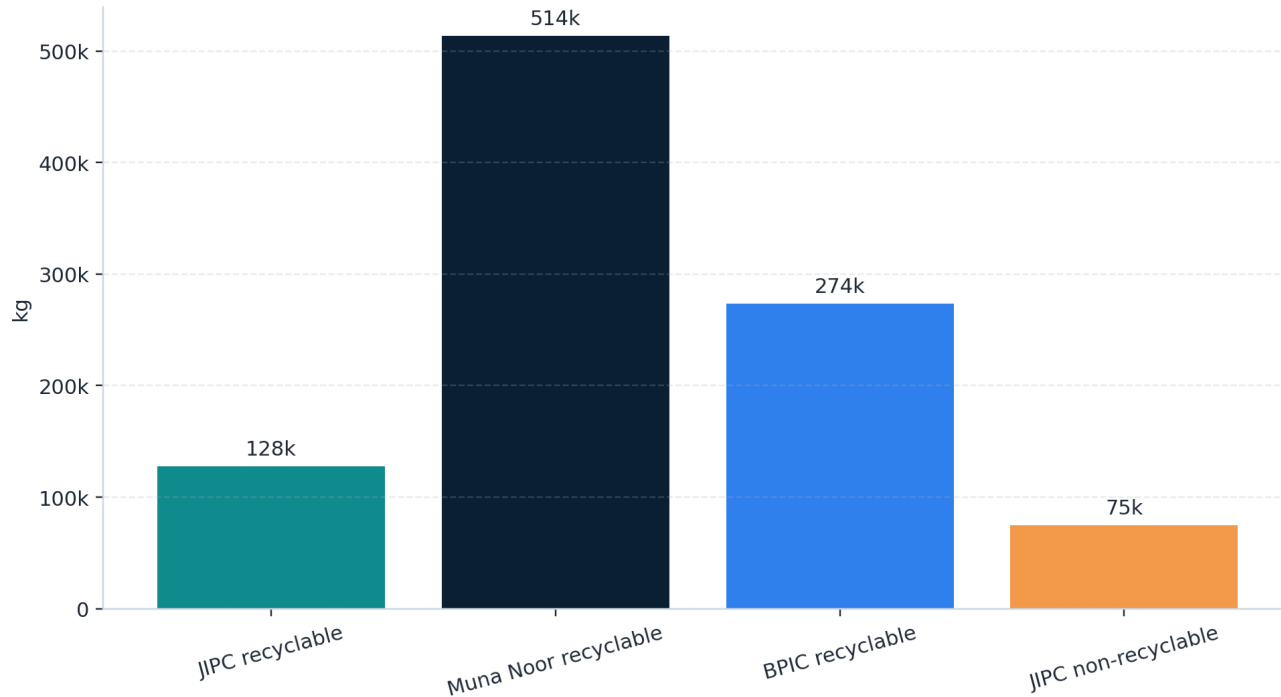
Management response

A simple site dashboard should track TSS, pH, BOD, COD, fluoride and any other sensitive parameters monthly against permit limits, identify outliers immediately, and require root-cause / corrective-action logging for exceedances or near-limit readings.

Reporting future

BPC going forward will include a compact annual effluent table in future ESG disclosures showing monthly averages, maximum readings, exceedances and corrective actions. That approach is more credible than relying on broad qualitative statements alone.

Waste and Circularity Opportunity



Waste profile

Measured recyclable waste totals approximately 915k kg: 513.7k kg at Muna Noor, 273.7k kg at BPIC and 127.9k kg at JIPC. JIPC also reports 74.6k kg of non-recyclable waste. This is one of the clearest circular-economy datasets in the monitoring files.

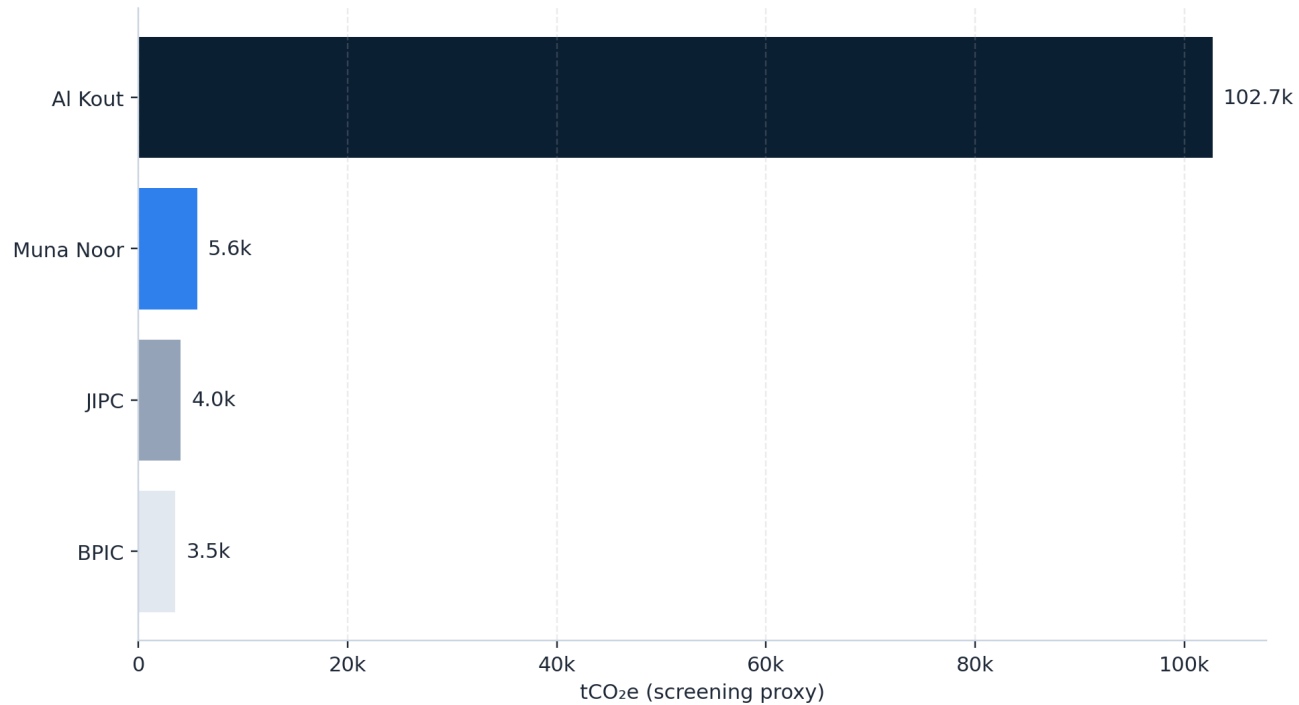
Strategic value

Because a large portion of measured waste is already classified as recyclable, BPC has a credible opportunity to build a stronger circularity narrative around plastics, packaging and manufacturing recovery rather than focusing only on disposal.

Management actions

BPC defines common waste categories, report recyclable versus non-recyclable recovery rates, identify the end use of recovered material, and link waste reduction to cost, yield and product-stewardship programmes.

Fuel Inputs and Proxy Emissions



Screening emissions view

Using a simple screening factor of 0.5 kgCO₂e per kWh, measured electricity translates into an indicative 115.9k tCO₂e, of which AI Kout represents roughly 102.7k tCO₂e. This is a prioritisation tool, not an official GHG inventory.

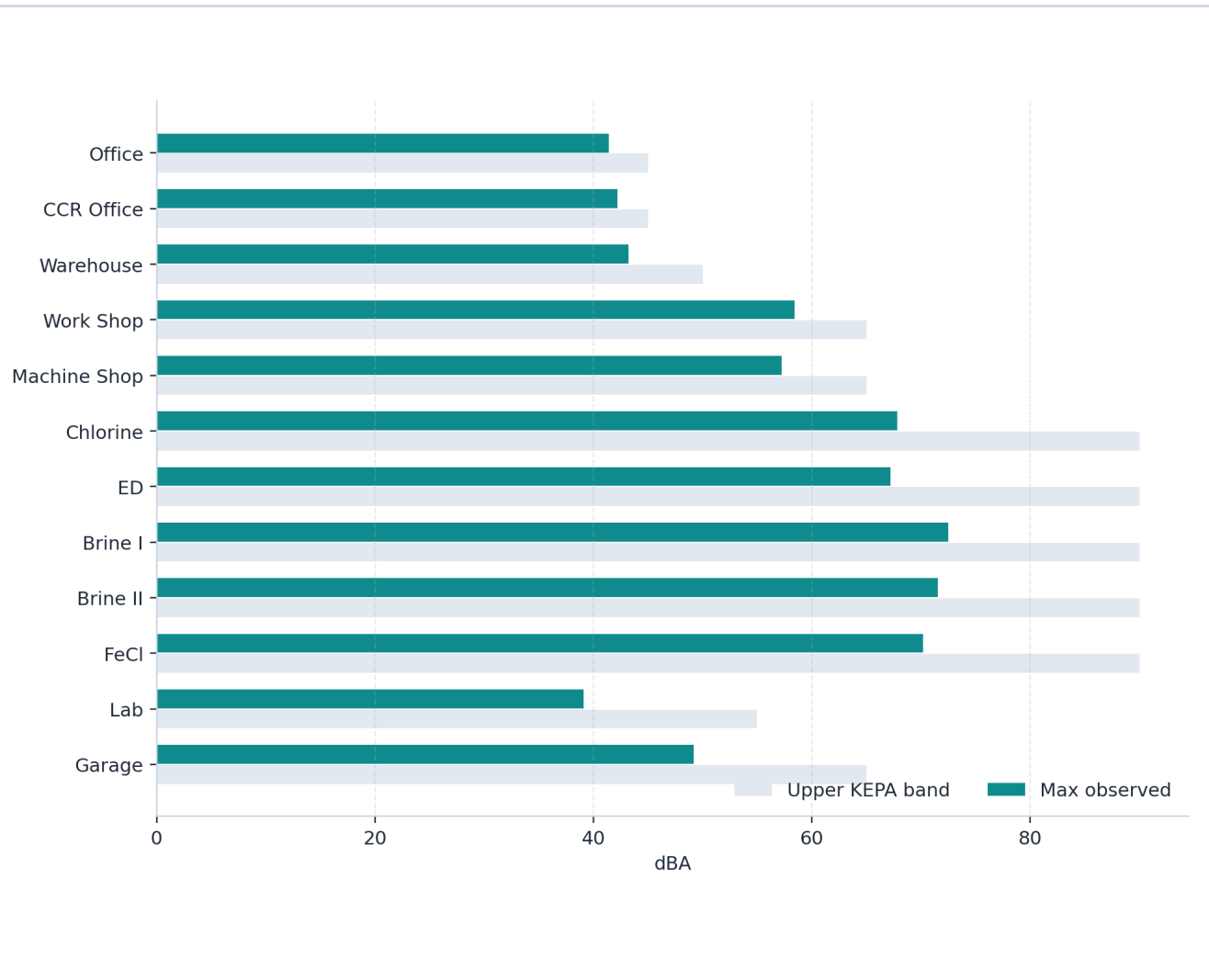
Additional energy inputs

The Energy tracking sheet shows Muna Noor vehicle fuel consumption of approximately 316.5k litres, LPG consumption of 90.7k litres, nitrogen use of 444.5 kg and oxygen use of 60.4 kg across the period. These values indicate additional energy and logistics-related emissions outside the electricity proxy.

Reporting future

BPC going forward will convert this screening estimate into a formal GHG methodology by defining scope boundaries, fuel types, emission factors and entity ownership of activity data. A practical first step is to finalise a site-by-site Scope 1 and Scope 2 inventory for AI Kout and key manufacturing entities.

Noise Monitoring and Environmental Control



What the readings show

The noise monitoring activities covers the year 2025 across office, plant, workshop, warehouse, lab and garage locations. Maximum observed readings remained below the upper KEPA bands at each monitored location in the file reviewed.

Tighter-margin locations

The smallest headroom to the upper band appears in the Office and CCR Office areas because their allowable range is narrower than the plant areas. These should continue to be tracked to ensure they remain comfortably within limit over time.

Management use

BPC maintains routine environmental-compliance trend charts—noise, effluent and any comparable site metrics—and review them alongside production and maintenance data. That cross-view would allow earlier intervention where operating conditions start to drift.

Environmental Priorities for Management

1. Al Kout energy programme

Establish a formal baseline for site electricity, identify major utility and process drivers, assign reduction actions, and review progress monthly through management and risk channels.

2. Water and effluent dashboard

Track withdrawals by stream, monitor effluent against KEPA limits, escalate exceedances immediately and log corrective actions. Build one dashboard rather than keeping separate files.

3. Circularity in packaging / plastics

Measure recyclable output, non-recyclable losses, recovery destinations and cost savings. Set reduction plans for non-recyclable waste, especially at JIPC.

4. Formalise emissions accounting

Move from proxy calculations to formal Scope 1 and Scope 2 accounting, starting with Al Kout and core manufacturing entities.

Environmental reporting format BPC should adopt

BPC should present the environmental section in four layers:

1. a group dashboard;
2. an Al Kout hotspot dashboard;
3. a packaging / plastics circularity dashboard; and
4. an exceptions and corrective-action dashboard.

That structure would be clearer, more honest and more actionable than a single consolidated page of totals.



What success looks like in the next cycle

By the next cycle, BPC should be able to ensure that the subsidiaries are able to conduct monthly trend charts, entity ownership of metrics, and centralize an approved emissions methodology, one approved water / effluent protocol, and a short narrative linking environmental performance to operating efficiency and capital discipline. That would materially improve investor readability and internal accountability.

Social Overview

Dual-track social story

BPC's social performance is not limited to workforce welfare at industrial sites. It has two major components: industrial HSE and human-capital development through the education platform. The FY2025 revenue mix shows that educational services are large enough to be financially and strategically material.

Industrial workforce and contractor safety

AI Kout accident monitoring, chemical hazard communication requirements and maintenance KPIs together indicate that BPC already has elements of a structured HSE environment in a core industrial asset. The main challenge is to translate those controls into a consistent group social dashboard.

Education platform and social value

The education entities create a wider social footprint through access, student services, teaching quality, technical education and supporting infrastructure. BPC should present this not as an ancillary portfolio detail but as a core part of the group's social impact.

Education revenue

KD 48.7m

FY2025 educational services

Recordable injuries

2

in AI Kout 2024 file

DAWC

0

2024 and YTD 2025 file

Initial / refresh training

Required

Under chemical hazard standard

Royal Britannia entities

2

indirectly held

Eyas

62.84%

direct stake

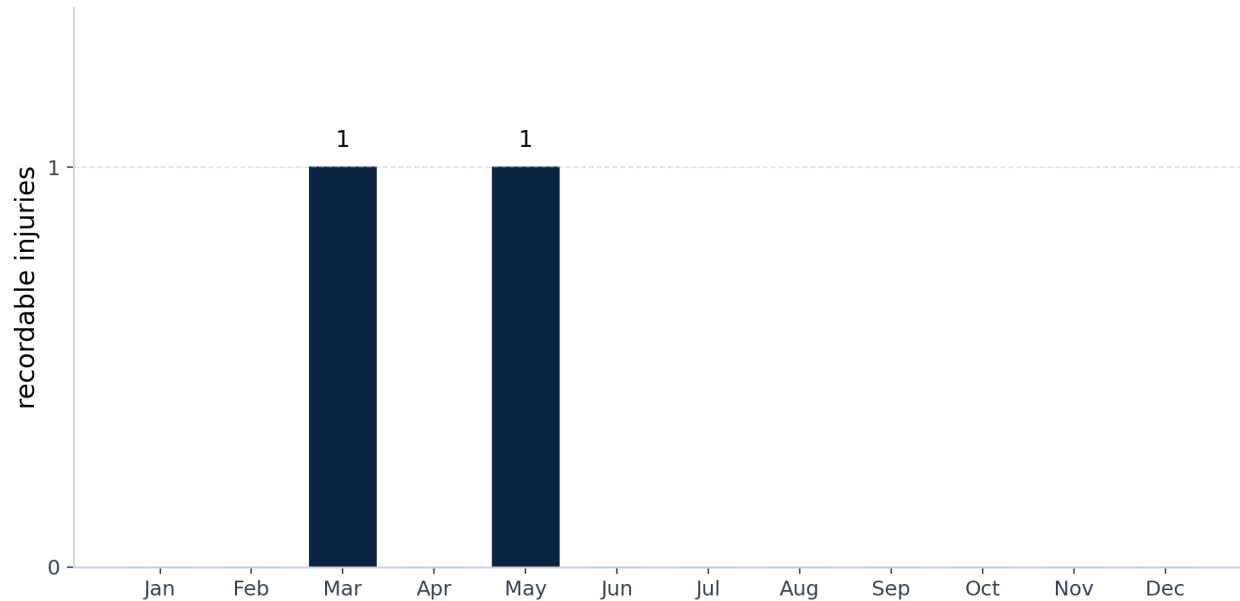
Social management implication

BPC monitors social performance through two complementary lenses through their subsidiaries and strategic investments in the group. The first focuses on industrial HSE, encompassing incidents, training, chemical controls, and contractor exposure. The second addresses education and human capital, covering education entities, student-related metrics, and service quality—providing a comprehensive view of the Company's social impact.

Disclosure opportunity

A more complete social narrative would help BPC stand out. Many industrial groups describe safety; fewer can credibly combine safety and education impact. BPC can, provided it defines the right indicators and reports them consistently.

HSE Incident Performance



Incident reading

The available Al Kout monitoring file shows 2 recordable injuries in 2024, occurring in March and May, with zero days-away cases. The same file shows zero recordable injuries and zero DAWC for Jan–Mar 2025.

Why this matters

For an industrial site, zero DAWC is positive. At the same time, two recordable injuries mean the result should be reported as controlled but not fully optimal. That is a more credible position than over-claiming.

Link to 2025 maintenance KPIs

The Jan 2025 maintenance manual sets “no recordable injuries” and “no DAWC” as KPI expectations for maintenance activities. That linkage is important because it connects HSE outcomes to operational control and management accountability.

Management use

BPC should adopt a standard monthly HSE dashboard showing recordables, DAWC, near misses, LOPC and training completion at site level. A simple dashboard reviewed through operations and risk channels would materially strengthen social reporting.

Education Platform as a Core Social Pillar

Why education is material

FY2025 financial disclosures show KD 48.7m of educational services revenue, representing about 48% of group revenue from contracts with customers. That makes education a strategically important operating pillar rather than a purely financial side investment.



Education entities in the group

Directly held:

1. Eyas
2. Afaq Educational Company
3. Knowledge Village Educational Company

Indirectly held:

1. English Educational Group
2. Abaad Educational Service Company,
3. Royal Britannia Education Company
4. Royal Britannia Company for Operating Private Universities
5. Gulf Academy and other linked education-service entities



Ongoing initiatives

BPC constantly includes education KPIs in the social ESG monitoring, such as:

1. Student numbers
2. Retention
3. Academic quality indicators
4. Scholarship or access measures where relevant
5. Student safeguarding governance
6. Teacher development
7. Operating satisfaction metrics

Reporting these would make the social section more balanced and more authentic to the portfolio.



Workforce, Capability Building and Community Value

Industrial workforce and capability

Through its' subsidiaries, packaging and plastics entities, BPC supports technical and industrial employment in Kuwait, Oman and Saudi Arabia. The uploaded files suggest that HSE discipline, chemical controls and maintenance reliability are already being treated as formal management subjects at least in core industrial operations.

Education and human capital

Through Eyas, EPG, Abaad, Royal Britannia and related entities, BPC contributes to educational access and capability development. This broadens the group's social impact from internal workforce issues to external human-capital formation and long-term community value.

Regional economic contribution

BPC's footprint spans Kuwait and other GCC markets through industrial, logistics, education and trading activities. The group therefore supports local procurement, service ecosystems, supply-chain activity and employment beyond the immediate parent company.

How BPC aims to strengthen the social initiatives

The social section shall move from narrative description to a structured scorecard. The industrial side should cover incidents, DAWC, training, contractor management and chemical controls. The education side should cover student / service metrics, teaching capability, governance and access. The combination would make the report more distinctive and more reflective of the real business model.

Recommended social disclosures for next cycle

Minimum indicators will include:

1. Monthly HSE metrics by major operating asset
2. Training completion rates for chemical and safety programme
3. Education platform scale and key quality metrics
4. Qualitative case studies where relevant
5. Governance ownership of social performance at subsidiary level.

BPC does not need hundreds of KPIs; it needs a coherent, decision-useful set.

Governance Overview

Why governance is one of BPC's strongest ESG lever

BPC is a listed holding company with a formal Board and committee structure, IFRS-based financial reporting, ISA audit coverage and a public investor-relations / governance presence on its official website. That matters because, in a portfolio model, governance is the mechanism through which strategy, risk appetite, oversight and disclosure discipline are extended across subsidiaries.



Public governance commitments

BPC has stated on its corporate governance page that it recognizes the importance of implementing corporate governance rules to protect and balance the interests of management, shareholders and other stakeholders. That language is a strong starting point for a formal ESG governance statement.

Governance architecture already visible

The website identifies the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Risk Committee, and provides committee roles and memberships. BPC therefore already has the structural building blocks needed for ESG oversight.

Current strength

Financial governance appears stronger than environmental and social reporting maturity. BPC already authorises formal financial reporting and operates with an auditable control environment. The challenge is to extend that discipline to non-financial reporting.

Immediate governance opportunity

BPC does not need to invent an entirely new governance model for ESG. It should assign ESG reporting responsibilities through the committees and management processes that already exist and are publicly visible.

Board and Committee Architecture

BPC Board of Directors

Audit Committee

Role: oversight of financial reporting quality, auditing and internal control framework.

Members known:

1. Khaled Abdulaziz Al-Muraikhi (Chairman)
2. Khaled Ali Al-Ghanim
3. Saud Abdulaziz Al-Babtain (independent).

Nomination & Remuneration Committee

Role: recommendations on nominations for the Board and executive management and policies for compensation and bonuses.

Members known:

1. Dabbous Mubarak Al Dabbous (Chairman)
2. Khaled Abdulaziz Al-Muraikhi (independent)
3. Khaled Ali Al-Ghanim.

Risk Committee

Role: oversight of the risk management framework and analysis of the nature and extent of risks in BPC's activities.

Members known:

1. Khaled Ali Al-Ghanim (Chairman)
2. Khaled Abdulaziz Al-Muraikhi (independent)
3. Saud Abdulaziz Al-Babtain (independent)

Governance implication for ESG

BPC has embedded ESG into existing committee work without redesigning governance from scratch. The Risk Committee is a natural home for ESG risk review, the Audit Committee can oversee data integrity and reporting controls, and the Nomination & Remuneration Committee can support accountability through leadership expectations and incentives where appropriate.

Control Environment and Disclosure Discipline

IFRS reporting

The FY2025 consolidated financial statements state that they were prepared in accordance with International Financial Reporting Standards (IFRSs).

ISA audit

The independent auditor states that the audit was conducted in accordance with International Standards on Auditing (ISA).

IESBA independence

The auditor also refers to independence under the International Ethics Standards Board for Accountants' Code (IESBA Code).

Public IR / governance pages

BPC maintains public governance and investor-relations pages, supporting transparency and accessibility for investors. In addition, there's Quarterly Analyst conferences are conducted for investors.

What this means for ESG reporting

BPC already operates with a formal reporting rhythm, a Board-authorized reporting process, an external audit environment and public disclosure channels. Those are exactly the conditions needed to build a disciplined ESG process.

Near-term governance upgrades

BPC is progressing the approval of a group-level ESG reporting policy, establishing expectations for subsidiaries to assign responsible owners for electricity, water, waste, HSE, and education metrics; requiring annual review through Risk and Audit Committees or relevant management committees; and ensuring documentation of exceptions and corrective actions. Once definitions stabilize, limited external assurance may be introduced in phases.

Asset Integrity and Maintenance Governance

Why the maintenance manual matters

Al Kout maintenance manual is more than an engineering document. It shows how governance reaches the plant floor: preventive, predictive and corrective maintenance are defined; critical equipment is reviewed; work requests run through ERP; and KPI thresholds trigger review or investigation. This is a strong example of operational governance within a material subsidiary.



Selected maintenance KPIs

| | | |
|--|------------------------|--|
| Asset Maintenance Reliability | ≥ 97.5% | Investigate if < 97% monthly |
| PM work-order compliance | ≥ 95% | Investigate if < 95% monthly |
| Recordable injuries / DAWC | < 1 incident / no DAWC | Immediate attention if incidents occur |
| LOPC Category 3 | < 2 incidents | Immediate review if event occurs |
| Customer complaints due to maintenance | < 1 | Corrective review if complaints rise |

Governance implication for BPC

BPC already has a practical template for linking risk, reliability and HSE at subsidiary level. The governance task now is to standardise a minimum control set across material operating entities: critical-equipment review, threshold-based escalation, work-control discipline, training, and monthly KPI review.

Integrated SDG Mapping and ESG Maturity

Applied SDG mapping

Environmental: SDGs 7, 9, 12 and 13 through energy efficiency, industrial operations, water / waste management and climate priorities.




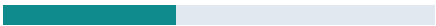
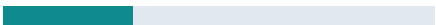
Social: SDGs 3, 4, 8 and 10 through HSE, education, decent work and inclusion.

Governance: SDGs 16 and 17 through transparency, strong institutions, partnerships and disciplined oversight.

What we are taking to “Next Cycle”

BPC transitioned from a presentation-focused ESG narrative to a structured, controlled reporting model. Governance remains the foundation of this shift. Environmental reporting will continue to highlight key hotspot metrics alongside consolidated group totals, while social reporting will continue to bring together education initiatives and industrial HSE. An existent Board-approved reporting policy, assigning clear ownership at the entity level, and implementing quarterly reviews—without adding unnecessary complexity or bureaucracy.

BPC's current ESG maturity position

| | | |
|-----------------------------------|--|---|
| Governance structure |  | Governance architecture is already visible and credible. |
| Operational data availability |  | Core environmental and HSE files exist, but not yet as one formal system. |
| Targets and KPI ownership |  | Some site-level thresholds exist; group-wide KPI ownership is still emerging. |
| External ESG reporting discipline |  | Public sustainability architecture is less mature than financial reporting. |
| Assurance readiness |  | More data standardisation is needed before assurance. |



2026–2028 ESG Action Roadmap

2026 foundation

Approve ESG reporting policy. Assign data owners. Create AI Kout environmental / HSE dashboard. Launch standard templates for electricity, water, waste, HSE and education metrics. Start quarterly review.

2027 integration

Integrate ESG into investment papers and management reviews. Expand dashboard coverage to material subsidiaries. Formalise emissions methodology. Report education KPIs externally in a structured way.

2028 discipline

Move to multi-year trend reporting, Board-level scorecards and limited assurance over selected ESG metrics once definitions and data quality stabilise.

Guiding principle

Build ESG through existing governance and operating systems instead of setting up a parallel structure.

Management scorecard BPC can begin using immediately

| Workstream | Immediate KPI | Owner |
|-------------|---|--|
| Environment | Monthly kWh by entity; water by stream; effluent exceptions; recyclable vs non-recyclable waste | Ops / subsidiary management |
| Social | Recordables, DAWC, safety training completion, chemical hazard training, education KPI coverage | HSE / HR / education management |
| Governance | Quarterly ESG review completed; entities submitting on time; open exceptions escalated | Parent management / committees |
| Data | Documented definitions issued; proxy emissions methodology adopted; evidence retained | Finance / reporting / sustainability coordinator |

Closing Message

BPC's ESG story is strongest when it is presented exactly as the business is built. BPC is the governance centre. Al Kout and the packaging / plastics cluster carry most of the currently visible environmental load. The education platform adds a material social dimension that few petrochemical-branded groups can claim with the same credibility. The opportunity now is to turn that real portfolio structure into a disciplined reporting model, with clear data ownership, recurring dashboards and Board-level review.

Immediate move #1

Launch an Al Kout dashboard covering electricity, water, effluent, noise, incidents and maintenance-related thresholds. This will address the main environmental hotspot and the clearest HSE evidence base.

Immediate move #2

Approve a parent-led ESG reporting protocol that defines entity owners, frequency, review routes and evidence retention for key non-financial metrics.

Immediate move #3

Elevate education and industrial safety together in the next social section so that external reporting matches the actual revenue mix and group structure.

End of report

**Committed today to responsible
action, creating sustainable
value for tomorrow.**
