



Forging the Path to a **Sustainable Future**



الشركة الكويتية لسوائل الحفر والخدمات النفطية
KUWAIT DRILLING FLUIDS & OIL SERVICES

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Under the visionary leadership of His Highness **Sheikh Meshaal Al-Ahmad Al-Jaber Al-Sabah**, Kuwait has charted an ambitious course toward a sustainable and diversified future with **Kuwait Vision 2035**. This national plan seeks to transform Kuwait into a global hub, with a focus on environmental sustainability, fostering economic diversification, developing human capital, and enhancing the quality of life for all citizens.

Kuwait Vision 2035 emphasizes the development of world-class infrastructure, the empowerment of human capital, and the implementation of effective governance to ensure transparency and resilience. Central to this vision is a commitment to environmental stewardship, as Kuwait pursues sustainable practices to protect its natural resources for future generations.

KDF is proud to align with Kuwait Vision 2035, contributing to these goals through our sustainability initiatives. By pioneering sustainability in the energy sector and setting new industry benchmarks for environmental stewardship, KDF plays an integral role in advancing Kuwait's national vision and building a prosperous, resilient future for the generations to come.

Alignment with Kuwait's Vision **2035**

Our sustainability journey is a reflection of KDF's mission to create lasting value for Kuwait and beyond, prioritizing practices that benefit our stakeholders, communities, and the planet.

Message from the Chairman



With this first sustainability report, Kuwait Drilling Fluids (KDF) is taking a significant step in defining our role in the evolving energy landscape of Kuwait and the wider Gulf region. For more than fifty years, KDF has set a high standard for operational excellence in the oil and gas sector in the country. Today, we are building on that legacy by pioneering sustainability in the industry—setting new benchmarks that accelerate Kuwait’s Vision 2035.

Our journey toward sustainability is guided by a vision of balanced growth—one that places environmental stewardship alongside economic progress. As a catalyst for sustainable development within Kuwait’s energy landscape, KDF is committed to practices that support both responsible resource management and economic resilience.

By embedding sustainability into our approach, we are fostering a foundation that not only strengthens KDF’s operations but also contributes positively to the communities we serve.

This report marks the beginning of a defining journey, a bold endeavor to align KDF’s growth with the priorities of our stakeholders and the evolving expectations of our industry — and the world. As we look ahead, KDF is poised to set industry benchmarks in responsible practices, inspiring meaningful progress within the energy sector and championing a sustainable future for Kuwait.

We are excited to embark on this journey with purpose and optimism. As KDF continues to innovate and grow, we are committed to ensuring that our legacy of excellence is matched by a legacy of responsibility.

Abdulaziz Alaradi

Message from the CEO

This first sustainability report marks a pivotal moment for Kuwait Drilling Fluids (KDF)—the beginning of a new era defined by responsible leadership and a commitment to a future-focused approach to energy. Over five decades, KDF has built a foundation of excellence, and today, we take the first steps toward fully integrating sustainability into every part of our mission. This report is a testament to the meaningful beginning of our journey as we align our expertise with forward-looking goals for a resilient and prosperous future.

Our ambition is clear: to reduce emissions across Scope 1, 2, and 3, advance net-zero goals, and foster a balanced, synergized relationship with our planet. We believe that true leadership means balancing progress with responsibility, and these pillars are the foundation upon which we will achieve

Our commitment to continuous improvement is unwavering. This report represents our dedication to transparency, active engagement, and ongoing development as we work closely with our stakeholders to evolve responsibly.

As we look ahead, we see sustainability as a powerful platform for growth and transformation within the energy sector. It will guide our innovations, unlocking new opportunities for KDF to lead by example, inspire progress, and create positive impact across the industry.

Together, we look forward to building a sustainable future for KDF, Kuwait, and the generations to come, one that respects and preserves the delicate balance of our planet.

Abdullah Alaradi



Tons CO₂
4,703

Packaging emissions reduced by shifting to bulk delivery

Water Recycled
100%

Our commitment to sustainable water use in production

Training Hours
4,854

Invested in employee development

Nationalities
20+

Diversity at the core of our workforce

Risks
133

Identified and managed with corrective actions

Completion
100%

Environmental Impact Assessment & Firefighting System Upgrade

Tons
1,843

Reduction in Plastic Packaging



Sustainability in 2023

59 Years
of Excellence



About Kuwait Drilling Fluids

Since 1966, Kuwait Drilling Fluids (KDF) has led the way in Kuwait's oil and gas industry, providing advanced solutions that empower the energy sector to operate efficiently, safely, and sustainably. With almost 60 years of expertise, KDF has established itself as Kuwait's leading manufacturer and integrated services provider in the industry.

**Pioneering
Sustainability
in Kuwait's
Energy
Landscape**



Leading with Purpose

Our Vision

To be the trusted partner of choice for the oil and gas solutions in the region - the leading manufacturer and integrated services provider of the industry

Towards a Sustainable Future

Our Mission

To create unmatched value to our clients fundamental to a long-lasting strategic partnership and leading the charge for a sustained future for our business through upholding the highest standards of integrity and excellence



Foundation of Our Legacy

Our Core Values



We Value
**Our Partners
in Success**



We Value
Excellence



We Value
Sustainability

Certifications & Recognitions

A Legacy of Excellence

KDF's dedication to quality, safety, and responsible practices has earned us multiple certifications and awards.



Standard:
ISO 14001:2015



Standard:
ISO 9001:2015



Standard:
ISO 45001:2018



MIDDLE EAST & NORTH AFRICA
STEVIE AWARDS
مركز الجوائز العالمية
Middle East & North
Africa Stevie® Awards

Stevie
Gold Award



KOC HSE
CEO Award



His Highness
the Amir of Kuwait Award
for Distinguished Manufacturers

TOWARDS
A SYNERGISED
PLANET EARTH:
**Sustainability
at KDF**





Environmental

We are committed to protecting the environment through rigorous air quality monitoring, dust emission control, and pollution reduction. Our Less is Better strategy supports a circular economy by reducing waste, maximizing reuse, and recycling materials.



Economic

KDF drives local and regional economic growth by fostering job creation and adopting sustainable business practices. Our cost-effective operations enhance the resilience of supply chains across the Gulf while contributing to Kuwait Vision 2035 and its goals for energy independence and economic development.



Social

Employee safety is a top priority, reinforced by our Permit to Work System that mitigates health and environmental risks. We are deeply invested in community development through talent programs and CSR initiatives that create lasting positive impacts in the communities we serve.



Governance

KDF upholds ethical leadership through robust governance practices, including an Internal Audit Program and Cyber & Data Security Campaigns. With over 133 identified risks addressed through action plans, we prioritize safety, integrity, and transparency.

THE EESG FRAMEWORK

KDF's sustainability efforts are driven by the EESG pillars, which provide a comprehensive framework for sustainable growth. Each pillar represents a vital area where we're committed to making a positive impact.



Materiality Assessment

To ensure that our initiatives address the issues most critical to our stakeholders and industry, we conduct a materiality assessment that identifies, prioritizes, and evaluates topics where KDF can have the greatest impact.

This approach enables us to align our efforts with global sustainability standards while meeting the expectations of our employees, partners, communities, and investors.

The **Materiality Matrix** organizes KDF's top sustainability topics, plotting them based on their impact on our business and importance to our stakeholders. Each topic falls within one of the EESG pillars, underscoring the comprehensive nature of our approach.

Key Materiality Topics:

Environmental

- Focus on Net Zero
- Circular Economy
- Water Conservation
- Transition Technologies and Innovation

Economic

- Focus on Triple Bottom Line (PPP/EESG)
- Customer Satisfaction

Social

- Talent and Leadership Development
- Diversity, Equity, and Inclusion (DEI)
- Health and Safety
- Employee Wellness
- Positive Community Impact

Governance

- Data Privacy and Cyber Security
- Responsible Supply Chain



Materiality Map

Sr No.	EESG Pillar	Topic	Rank based on Impact on Business	Rank based on Importance to Stakeholders
1.	Environment	Focus on Net Zero	4	2
2.	Environment	Circular Economy	3	9
3.	Environment	Transition Technologies and Innovation	11	13
4.	Environment	Water Conservation	7	11
5.	Economic	Creating In-Country Value	2	12
6.	Economic	Focus on Triple Bottom Line (PPP)	1	1
7.	Economic	Customer Satisfaction	6	5
8.	Social	Diversity, Equity and Inclusion	12	8
9.	Social	Training and Development	9	4
10.	Social	Employee Wellness	13	6
11.	Social	Positive Community Impact	10	7
12.	Social	Health and Safety	5	3
13.	Governance	Responsible Supply Chain	14	14
14.	Governance	Data Privacy and Cyber Security	8	10



ENVIRONMENT

A close-up photograph of a tea plant branch with several green leaves and a bud, set against a dark blue background. The branch is positioned vertically in the center of the page, with the word 'ENVIRONMENT' overlaid on it.

"Leading the way in environmental stewardship, advancing Net Zero for a synergized planet."

Focus on Net Zero

KDF prioritizes the reduction of greenhouse gas emissions to minimize our environmental footprint. We are focused on adopting low-emission technologies, optimizing operational efficiency, and supporting Kuwait's transition to a low-carbon future.

Emissions Reduction Strategies

> Reduced 4,703 t CO₂ Carbon Emissions

KDF has shifted a significant portion of its deliveries to bulk, reducing packaging emissions by **4,703 t CO₂**. This transition not only decreases our environmental footprint but also aligns with our commitment to more sustainable operational practices.

> Cut 1,843 Tons in Plastic Packaging Waste

Through targeted efforts, KDF has achieved substantial reductions in packaging waste, cutting **1,843 tons** of plastic and **1,938 tons** of metal packaging. This reduction plays a crucial role in minimizing resource use and lowering overall emissions.

Key Metrics: **1,843 tons of plastic saved; 1,938 tons of metal saved.**

> 100% Recycling Rate in Production

KDF has reached a **100% recycling rate of mud production**, demonstrating our commitment to resource conservation and sustainable operations. This initiative contributes to our emissions strategy by reducing energy requirements associated with fresh water processing and waste management.



Baseline



Energy Consumption

Energy consumption within the organization (MJ)	Current Year (2023)	Previous Year (2022)
Total fuel consumption from non-renewable sources (Diesel consumed for fleet, generators, compressors and forklifts)	1,852 ton	2,468 ton
Total Energy consumption	118.36 MWh	146.88 MWh - MWh

GHG Emissions

Particulars	Baseline year (2023)	
Scope -1 (t CO2e)	4,705	CO₂e 2.54 kg/liter diesel
Scope -2 (t CO2e)	5,278	CO₂e 0.842 kg/kWh

Circular Economy

KDF is dedicated to embedding circular economy principles across our operations. Maximizing resource efficiency, reducing waste, and promoting the reuse and recycling of materials minimizes our environmental footprint while creating economic value.



Waste Minimization

Our waste minimization strategy focuses on reducing waste at every stage of production. By investing in advanced waste management technologies and partnering with local recycling facilities, KDF has significantly decreased waste output and increased recycling rates across our operations. We have a 100% recycling rate for our wastewater in specific production processes.

Resource Efficiency

KDF prioritizes resource efficiency by optimizing manufacturing processes and utilizing sustainable materials whenever possible. These efforts have led to measurable improvements in water and energy usage efficiency across our facilities.

Product Lifecycle Extension

Our equipment and materials undergo regular maintenance and refurbishment to extend their lifecycle, reducing the need for new resources. This practice has substantially minimized ecological impact and waste generation, contributing directly to circular economy principles.

Water Conservation

Water is a vital resource, and at KDF, we recognize our responsibility to conserve and manage it sustainably. Through advanced recycling systems, efficient usage practices, and innovative technology, we are committed to minimizing water usage in our operations.

Hazardous waste disposal is handled by NCC and tracked using our ERP system to ensure responsible management. All generated waste is directed towards recycling, with a goal of achieving zero waste.

Water Recycling and Reuse

During the reporting period, KDF generated approximately **7,000 liters of hazardous waste**, which we manage through strict tracking and disposal protocols.

Efficient Water Management Practices

Hazardous waste disposal is handled by **NCC and tracked using our ERP system** to ensure responsible management. All generated waste is directed towards recycling, to achieve zero waste

Water Recycling and Reuse

We actively monitor our recycling, reuse, and recovery processes, currently **achieving a 100% water recycling rate of mud production.**

We Achieved **A 100%** Water Recycling Rate of Mud Production

In 2023, KDF implemented a water recycling system at our main facility, resulting in the reclamation of hundreds of litres of water.



KLA Guard

High performance water base mud (KLA-GUARD) has been successfully utilized in drilling two wells, SA-1135 and SA-1136, by Group-II, Drilling Team 21, on rig SP-288. On Average, 25 vacuum tankers are utilized per well in Kuwait. Utilizing our new technology water base systems such as KLA-GUARD reduces the amount of vacuum tankers needed from 25 to zero which positively impacts the environment and minimizes our carbon footprint. Each well takes approximately one month to complete, so for every rig that drills around 11 to 12 wells per year, KOC will save around 300 vacuum tanker loads yearly per rig, which will positively impact the environment.

This project resulted in a 76% reduction in CO₂ emissions.



Transition Technologies & Innovation

Driving Efficiency and Sustainability

At Kuwait Drilling Fluids (KDF), innovation lies at the core of our commitment to operational excellence and sustainability. Through cutting-edge technologies, we continue to pioneer advancements that enhance efficiency, reduce environmental impact, and drive progress in Kuwait's energy sector.

KDF is committed to advancing the transition to sustainable energy by investing in innovative technologies and solutions. By embracing transition technologies that reduce environmental impact, enhance efficiency, and support decarbonization efforts, we are contributing to a more sustainable future. Our focus on innovation enables KDF to remain competitive and responsible, meeting the evolving needs of the energy industry and supporting global sustainability goals.

Encapsulated Scale and Corrosion Inhibitors

This innovative solution has redefined well maintenance by significantly reducing the frequency of chemical injections. With encapsulated inhibitors, injection intervals have extended from every few days to an impressive 6 to 9 months. A successful trial of this technology was conducted, and full implementation by KOC is under review.

Triad Act Technology

A multifunctional chemical solution that combines viscosity reduction, inhibition, and scale inhibition in a single formulation. This technology minimizes chemical use and reduces transport requirements, contributing to operational efficiency and sustainability.

Fast-Acting Demulsifier

Designed to improve separator efficiency in high water-cut conditions, this advanced demulsifier has been used successfully in Southeast Kuwait for over six years. It plays a crucial role in optimizing operational performance while minimizing downtime.

Green Engineering Facility

KDF's state-of-the-art Green Engineering Facility represents a breakthrough in sustainable operations. The facility is dust-free and vapor-free, with efficient waste recycling systems and low energy consumption, exemplifying our commitment to environmental stewardship.



Rheliant System

The Rheliant System is a new technology flat rheology system that aims to enhance drilling, maintains consistent rheological properties across a broad temperature range, in addition to Improving Equivalent Circulating Density (ECD) management. The system has been successfully utilized to drill the LH-0005 well. The system's ability to sustain solids with the flat rheology technology enabled for better barite suspension and lower mud weight; therefore, lowering the number of trucks needed to haul barite to location which minimizes KDF's carbon footprint.

In addition to less treatments to the system as our losses have decreased by 34.7% which resulted in less flatbed trucks needed for this well.



**"Empowering economic
resilience while contributing to
a Net Zero future."**



SOCIAL

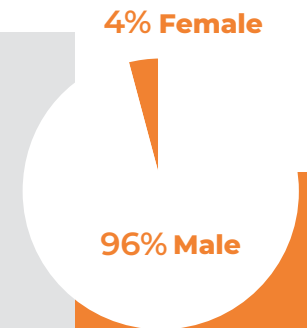
Diversity, Equity & Inclusion

KDF is dedicated to building a diverse, equitable, and inclusive workplace that empowers all employees to contribute meaningfully and achieve their fullest potential.



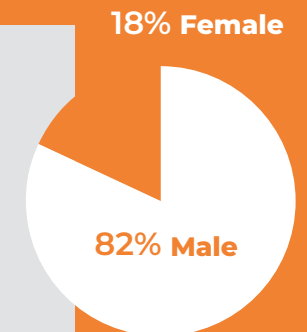
Current Gender distribution of employees by Seniority Level

Particulars	Male		Female	
	#	%	#	%
Entry level positions	255	97%	8	3%
Mid-level positions	65	96%	3	4%
Senior-level positions	19	83%	3	17%
Executive-level positions	4	80%	1	20%
	343	96%	15	4%



Projected Gender Diversity Milestones - 2030

Particulars	Male	Female
	%	%
Entry level positions	85%	15%
Mid-level positions	80%	20%
Senior-level positions	60%	40%
Executive-level positions	67%	33%
	82%	18%

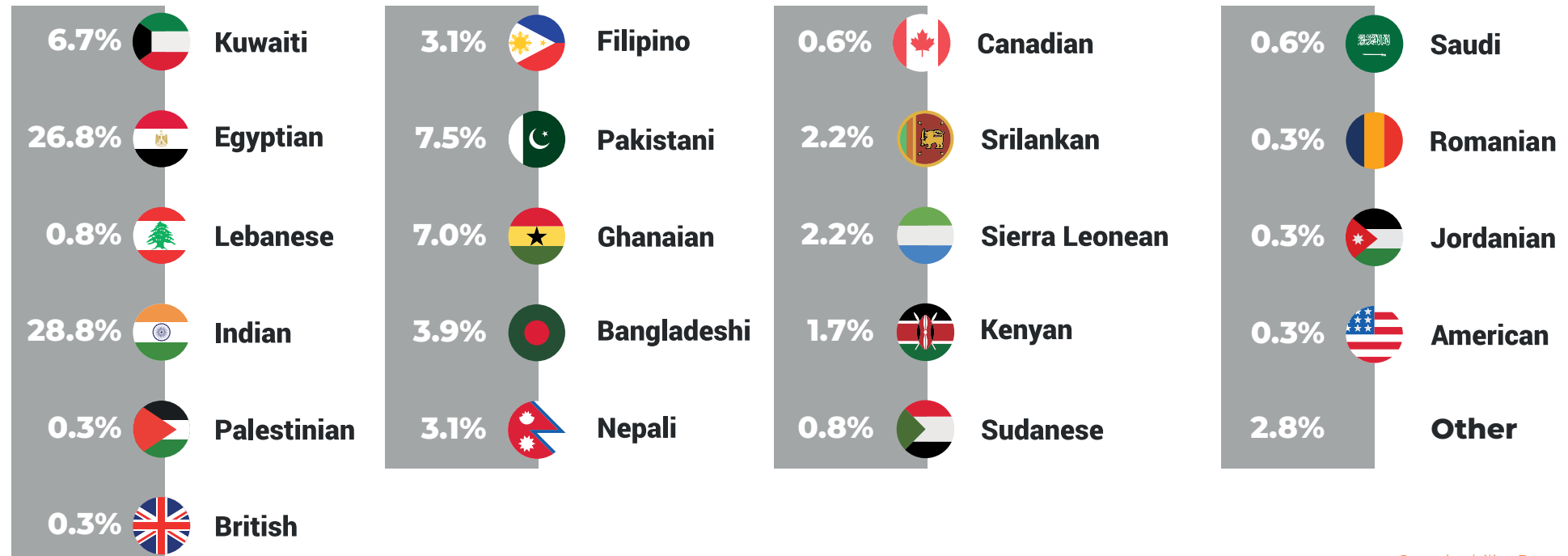


Commitment to Diverse Representation

KDF actively pursues a diverse workforce, focusing on inclusive recruitment practices and representation at all organizational levels. By embracing diversity, we enrich our company culture and bring a variety of perspectives to the table.



Permanent Employees and their Nationalities





Equitable Opportunities for Advancement

KDF actively pursues a diverse workforce, focusing on inclusive recruitment practices and representation at all organizational levels. By embracing diversity, we enrich our company culture and bring a variety of perspectives to the table.

Inclusive Work Environment

KDF strives to create an inclusive workplace where employees feel respected, valued, and engaged: through awareness training, resource groups, and policies that support work-life balance.



Health, Safety & Environment (HSE) at KDF

At Kuwait Drilling Fluids (KDF), Health, Safety, and Environment (HSE) goes beyond a set of practices—it's a core value embedded into every aspect of our operations. This commitment ensures the well-being of our employees, strengthens the communities in which we operate, and upholds our dedication to sustainable, safe operations.

- KDF has obtained several critical HSE certifications, including ISO 45001 (Occupational Health and Safety), ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management).
- The ISO 45001 certification signifies that KDF has implemented rigorous occupational health and safety management systems, ensuring the well-being of our employees and minimizing the risk of workplace incidents.
- Our HSE initiatives not only safeguard the health and safety of our workforce but also improve operational efficiency and foster trust with our stakeholders.





2023 HSE Initiatives at KDF

1. Employee Well-being & Remote Support

Catering and Food Services: Essential services were provided for employees in remote locations, ensuring access to quality meals and support for those working in challenging environments across key operational sites.

Remote and Hardship Allowances: In demanding environments, allowances were extended to support employee well-being, benefiting a significant portion of the workforce in remote and high-intensity operational areas.

Communication and Accessibility: Employees across all levels received mobile phones and SIM cards, ensuring consistent communication and safety at all times.

2. Safety and Transportation Benefits

Vehicle Allowances: Employees across various levels were provided with company cars for on-site roles, enhancing safe transportation.

Annual Air Ticket Benefits: To support employee wellness and family connection, annual air tickets were offered to eligible employees of senior-level male and female employees at various levels.

3. Comprehensive Health Insurance

Self and Family Insurance Benefits: Health insurance coverage was provided to 100% of our employees, with family insurance extended to an additional 20.5%, underscoring KDF's commitment to holistic well-being.

Our Commitment to Environmental Responsibility

KDF acknowledges the environmental impact of the oil and gas sector and is dedicated to implementing responsible practices that align with our sustainability goals. Our efforts aim to minimize our ecological footprint, protect natural resources, and continuously improve our practices.

1. Waste Reduction Management

Under the Less is Better initiative, KDF has instituted a circular economy strategy focused on waste reduction, material reuse, and recycling. This approach minimizes waste while supporting resource conservation.

2. Air Quality & Emissions Control

To safeguard both employees and communities, KDF conducts regular air quality monitoring and implements dust control measures in high-traffic areas, aligning with regulatory standards and our commitment to sustainability.

3. Health & Safety Standards Compliance

Our operations comply with rigorous HSE standards, enforced through internal audits and a fully implemented Permit to Work System. These measures ensure all environmental and safety risks are systematically mitigated.





Training & Development

At KDF, we believe that investing in our people is essential to building a resilient, innovative, and future-ready organization. Our Talent and Leadership Development initiatives are designed to empower employees at every level, equipping them with the skills, knowledge, and opportunities needed to excel and lead.

In 2023, we conducted a Diversity, Equity, and Inclusion training for the employees at managerial levels.

Employees receive **sexual harassment campaign** and **code of conduct training**, ensuring adherence to ethical standards and fostering a respectful workplace.

Risk assessment training, categorized under **Q Harc**, was delivered organization-wide to mitigate safety risks effectively.

Specialized trainings like **Strategic Thinking** root cause analysis and **Power BI training** was also available for management employees to enhance data-driven decision-making.

KDF also has its own **Learning Hub**, the central resource for continuous professional development, where employees can access diverse training modules.

Training Programs Overview

Training Program	Description
Sexual Harassment Training	Training to promote a respectful workplace
Code of Conduct Training	Ensures ethical behavior organization-wide
Risk Assessment (Q Harc) Training	Identifies and mitigates workplace risks
Cyber Security Training	Protects data and digital infrastructure
Human-centric Leadership Training	Develops supportive and empathetic leadership
Power BI Training	Builds data analysis and visualization skills
KDF Learning Hub	Centralized resource for continuous learning
Total Training Hours	4,654



Employee Wellness

At KDF, we recognize that our employees are our most valuable asset, and their well-being is essential to our success. Our Employee Wellness program promotes a holistic approach to health, focusing on physical, mental, and emotional well-being.

Physical Health Programs

Physical Health Programs: KDF provides a range of physical health programs, including health screenings, fitness initiatives, and nutritional guidance, to support employees in maintaining their physical well-being.

Our preventive health screenings, smoking cessation programs, and recreational regular activities are part of our strategy to reduce illness and boost productivity across the organization.

Mental Health Support

We prioritize mental health by offering resources like counseling services, stress management workshops, and mental wellness days. KDF's "Are you OK?" campaign for blue-collar employees (available in 3 languages), breathing sessions, and work-life balance sessions contribute to creating a supportive environment where employees feel empowered to care for their mental health.

Work-Life Balance Initiatives

KDF promotes work-life balance through policies that support flexible working arrangements, paid time off, and family-friendly benefits. The introduction of flexi working hours and recreational activities supports our commitment to a balanced work-life environment, allowing employees to pursue fulfilling careers without compromising personal priorities.



Employee Wellness Initiatives at KDF	Number of participating employees
"Are you OK?" Campaign for Blue Collars in 3 Languages	35
Breathing Sessions for Blue Collars	35
Work-Life Balance Sessions / Mental Health Resources	55
Flexi Working Hours	60
Sexual Harassment Campaign in 3 Languages	120
DEI (Diversity, Equity, and Inclusion) Campaign	120
Preventive Health Screenings	358
Ergonomics and Workplace Safety	358
Smoking Cessation Programs	358
Recreational Regular Activities	333

**"Fostering a synergized future
through impactful social
responsibility."**

Positive Community Impact

At KDF, we recognize our role as a responsible corporate citizen and are dedicated to making a positive impact in the communities where we operate. Through community engagement, local partnerships, and targeted social initiatives, KDF is committed to creating meaningful change. Our approach to community impact focuses on supporting education, health, and environmental programs that align with our values and the needs of our communities.

Core Elements of Community Engagement

Education & Skill Development:

KDF supports local educational programs and skill-building initiatives to empower community members and build a stronger workforce. Our programs offer scholarships, technical training, and career guidance, helping individuals develop valuable skills and opening pathways to employment.

Health and Wellness Initiatives

In partnership with local health organizations, KDF invests in programs that promote health and wellness within our communities. Our initiatives include health screenings, wellness workshops, and campaigns focused on preventative care.

Environmental Stewardship in Communities

KDF is dedicated to fostering environmental responsibility in the communities we serve. We encourage and support sustainable practices that enhance environmental resilience.



SOME OF OUR STRATEGIES TO PROMOTE AND UPSKILL OUR EMPLOYEES

Strategies to overcome skills and experience gap

University and Technical School Partnerships

Specialized Staffing Agency Partnerships

Internship Programs for Practical Skill Development

Employer Branding for Career Growth

Job Fairs and Community Outreach

Competitive Compensation Packages

Unique Employee Benefits

Employee Referral Programs

Knowledge Transfer Programs

Engaging in job fairs and community events

LEAP Program (Leadership Engineers Advancement Pathway)



GOVERNANCE

Leading KDF Into a New Era of Sustainable Progress

The Board of Directors at KDF embodies a diverse mix of expertise and experience, providing strategic oversight and ensuring robust decision-making processes. Our directors represent a wealth of knowledge across sectors, enabling the company to address emerging challenges and capitalize on opportunities within the dynamic oil and gas industry.

Their commitment to sound governance ensures that KDF operates in alignment with the highest ethical standards, with policies that safeguard the interests of employees, partners, and stakeholders.

The leadership at KDF is not only committed to delivering results but also to fostering a culture of accountability that permeates every level of the organization.



Abdulaziz Alaradi
Chairman



Ehab Alaradi
Vice Chairman



Abdullah Alaradi
Board Member
President & CEO



Blake Evans
Board Member



Doruk Sargin
Board Member



Dr. Amr Kenawy
EVP - Operation
& Business Development



Mohammed Abdellatif
EVP - Commercial
& Support Services



Nouf Alaradi
VP - Admin & HR



Hatem Elembaby
VP - Finance

Responsible Supply Chain

KDF is dedicated to building a responsible and resilient supply chain that aligns with our sustainability goals and ethical standards. By working closely with suppliers to uphold environmental, social, and governance (EESG) principles, we ensure that every link in our supply chain contributes positively to our mission. Our commitment to a responsible supply chain includes sustainable sourcing, fair labor practices, and continuous monitoring to maintain high standards of accountability and transparency.



Core Elements of Responsible Supply Chain:

Sustainable Sourcing & Materials

KDF prioritizes the use of sustainable materials and resources, working with suppliers who share our commitment to minimizing environmental impact. Through sustainable sourcing practices, we reduce our ecological footprint and promote responsible resource use

Supplier Code of Conduct

Our Supplier Code of Conduct outlines KDF's expectations for ethical practices, labor standards, and environmental compliance. We collaborate with suppliers to uphold these standards, ensuring that our supply chain aligns with our values.

Risk Management & Resilience

KDF proactively addresses supply chain risks by diversifying suppliers, ensuring compliance, and maintaining transparency. Our approach enhances supply chain resilience, reduces disruptions, and strengthens partnerships with trusted suppliers.

Data Privacy & Cyber Security

In today's digital world, data privacy and cyber security are essential to safeguarding the trust of our clients, partners, and stakeholders. At KDF, we implement robust security measures and adhere to strict data privacy standards to protect sensitive information. Our proactive approach to cyber security, combined with continuous monitoring and staff training, ensures that our operations remain resilient and secure in an evolving digital landscape.



Core Elements of Data Privacy & Cyber Security

Rigorous Data Protection Protocols

KDF employs advanced data protection protocols that ensure all sensitive information is handled securely. Our data privacy policies align with industry standards, allowing us to uphold the confidentiality and integrity of our data.

Cyber Security Infrastructure

To prevent unauthorized access and protect against cyber threats, KDF has developed a comprehensive cyber security infrastructure. This includes firewalls, encryption, multi-factor authentication, and a robust incident response plan.

Mandatory Cybersecurity Training

KDF has established cybersecurity awareness and training as a mandatory compliance requirement for all employees. This program ensures that every team member is equipped with the knowledge to identify and mitigate potential threats.

Triple Bottom Line Approach

At KDF, the Triple Bottom Line—People, Planet, and Profit (PPP)—is the foundation of our sustainability commitment. By balancing these three pillars through our EESG (Environmental, Economic, Social, Governance) framework, we ensure that our growth is sustainable, responsible, and aligned with our values and long-term goals. The Triple Bottom Line isn't just a strategy; it's the cornerstone of how we operate, creating lasting impact across our communities, industry, and the environment.

People

We believe in investing in our workforce, prioritizing safety, and actively contributing to the communities where we operate. Our people-focused approach includes initiatives around employee wellness, development, and community engagement.

Key Initiatives:

Employee Training:

In 2023, KDF introduced training per employee, focusing on safety, leadership, and technical skills.

Well-being Programs:

We launched several well-being initiatives and conducted breathing sessions to support holistic wellness.

Community Engagement:

KDF has contributed and invested in local educational programs, impacting community members.

Planet

Minimizing our environmental footprint is a core value at KDF. From emissions reduction to resource efficiency, we are dedicated to operating responsibly within Kuwait's ecosystem and beyond. Our environmental initiatives align with national sustainability goals and global best practices.

Key Initiatives:

Emissions Reduction:

Targeted emissions reduction program launched in 2023, aiming for a **33% reduction** in overall carbon footprint.

Resource Efficiency:

Achieved **100% water recycled in mud production** and waste reduction through sustainable practices and technology upgrades.

Profit

Our commitment to profitability goes hand-in-hand with our dedication to creating economic value for Kuwait. Through our investments in local suppliers, job creation, and innovation, KDF aims to be a profitable business while supporting the growth of Kuwait's economy.

Key Initiatives:

Local Partnerships:

KDF focuses on collaborating with local Kuwaiti suppliers, fostering local economic growth.

Innovation for Profitability:

Investment in advanced technologies has been made to increase operational efficiency.

Customer Satisfaction

Customer satisfaction is central to KDF's mission of delivering excellence and building long-lasting relationships. By consistently gathering and acting on customer feedback, we strive to meet and exceed client expectations. Our commitment to customer satisfaction drives continuous improvement in our products, services, and support, ensuring that our clients receive exceptional value and reliable solutions.



Continuous Feedback Loop:

KDF actively gathers feedback from clients through surveys, regular check-ins, and performance reviews to ensure we understand and address their evolving needs. This process helps us identify areas of improvement and reinforces our commitment to quality and responsiveness.

Dedicated Customer Support:

Our customer support team is dedicated to providing timely, effective solutions and maintaining open communication with clients. KDF's support approach focuses on responsiveness and resolution, ensuring that clients have a seamless experience throughout their engagement with us.

Value-Added Services:

Beyond our core offerings, KDF provides value-added services such as technical consultations, product training, and customized solutions to enhance the customer experience. These services support our clients' operational needs and position KDF as a trusted partner in their success.

Goals & Initiatives for 2035

As Kuwait Drilling Fluids (KDF) embarks on the journey toward sustainability leadership, 2024 marks a critical year for advancing our environmental, operational, and innovation goals. Guided by our commitment to achieving Net Zero by 2050, we are proud to share our actionable plans and focus areas for the coming year.

Our 2024 Vision: Less is Better

Building on the successes of our “Less is Better” strategy, we aim to:

Achieve 100% water reuse in production processes, ensuring a sustainable approach to resource management.

Further reduce packaging emissions, targeting a 33% decrease compared to previous baselines through expanded bulk delivery systems.

Recycle 25% of all packaging materials, promoting circularity across the supply chain.

Net Zero by 2050: A Collective Commitment

Achieve **100% water** Reuse in production processes

33% Reduction packaging emissions targeting

25% Recycle of all packaging materials

33% Reduction in Scope 1, 2, and 3 Emissions by 2035

Carbon-Free Packaging and Delivery





Innovation in Every Process

KDF's commitment to innovation ensures sustainability is embedded in every aspect of our value chain. In collaboration with partners and suppliers, our key focus areas include:

- **Developing low-carbon products and packaging solutions** to lead industry-wide transformation.

Investing in circular economy practices to support material reuse, recycling, and reduction of environmental footprints.

- Investing in circular economy practices to support material reuse, recycling, and reduction of environmental footprints.

Circularity as a Strategic Objective

KDF has initiated a comprehensive program for continuous improvement, with leadership at every level driving this agenda. By aligning our practices with **circularity principles**, we aim to:

- Reduce waste generation.
- Optimize resource use through innovative recycling programs.
- Strengthen partnerships that enhance value chain sustainability.

Concluding with a Commitment to Change

As we close our first Sustainability Report, Kuwait Drilling Fluids (KDF) reflects on a year of progress, dedication, and meaningful impact. This report represents not only our achievements in 2023 but also our commitment to a sustainable future that aligns with Kuwait's national vision and the global shift toward responsible energy practices.

At KDF, our journey towards sustainability is a long-term commitment that we are proud to lead. This first report marks a foundational step, one that sets a precedent for continuous improvement, accountability, and transparency. We recognize that sustainability is a collective responsibility—one that demands collaboration, innovation, and resilience. With each year, we aim to grow our impact, share our progress, and reinforce our role as a responsible energy leader.

Transparency is at the heart of our sustainability journey. We are committed to openly sharing our progress, challenges, and areas of improvement, ensuring our stakeholders are informed and engaged. This report is an invitation for feedback, collaboration, and shared learning as we continue to evolve and advance our sustainability practices. Looking ahead, we aim to publish annual reports, providing updates on our goals, new initiatives, and measurable impacts across our EESG pillars.

We invite all stakeholders—employees, clients, partners, and communities—to join us on this path toward a sustainable future. Your insights and perspectives are invaluable as we continue to innovate and grow. Together, we can build a resilient, responsible, and sustainable energy landscape for Kuwait and beyond.

Abdullah Alaradi



"KDF: Building a legacy of ethical leadership, driving progress toward Net Zero."

Appendix - Methodologies & Disclosures

To ensure accuracy, consistency, and transparency, this section outlines the methodologies, frameworks, and standards used in compiling the data and metrics presented in this report. KDF adheres to globally recognized guidelines and is committed to openly sharing our approach to sustainability reporting.

Data Collection & Methodology:

Data for this report was gathered through KDF's internal systems, third-party assessments, and partner-provided information, ensuring that metrics align with industry standards.

Calculation Methods:

Environmental Metrics: Emissions, water usage, and waste reduction metrics were calculated using [specific methodology or industry standard, e.g., GHG Protocol].

Social Metrics: Employee engagement, training hours, and community impact metrics were derived from internal HR data and partner records.

Economic and Governance Metrics: Metrics for local procurement, operational efficiency, and compliance were based on financial data and supplier audits.

Data Assurance:

KDF is committed to enhancing data reliability by conducting internal audits and, where feasible, engaging third-party verification.



Disclosure Standards

Global Reporting Standards

This report aligns with internationally recognized standards, including the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), to provide a comprehensive and comparable view of our sustainability practices.

Compliance with Local Regulations:

All metrics comply with relevant Kuwaiti environmental, social, and governance regulations, ensuring adherence to national standards and policies.

GRI Content Index

GRI Standard	Disclosure	Suggested Applicability/Coverage	Disclosure reference number
GRI 2: General Disclosures 2021			
2.1	Organizational details	Yes	2023 Sustainability Report, Page 4, About us Section
2.2	Entities included in the organization’s sustainability reporting	Yes	Only 1 entity - Kuwait Drilling Fluids & Oil Services
2.7	Employees	Yes	2023 Sustainability Report, Pages 22 - 30 Diversity, Equity and Inclusion
2.9	Governance structure and composition	Yes	2023 Sustainability Report, Page 32 Governance
2.10	Nomination and selection of the highest governance body	Yes	2023 Sustainability Report, Page 32 Governance
2.11	Chair of the highest governance body	Yes	2023 Sustainability Report, Page 33 Governance
2.12	Role of the highest governance body in overseeing the management of impacts	Yes	2023 Sustainability Report, Page 32 Governance
2.14	Role of the highest governance body in sustainability reporting	Yes	2023 Sustainability Report, Page 32 Governance
2.22	Statement on sustainable development strategy	Yes	2023 Sustainability Report, Page 1 - 2
Material Topics			
GRI 3: Material Topics 2021			
3.1	Process to determine material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
3.2	List of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment

Economic Performance

GRI 201: Economic Performance 2016

201.1	Direct economic value generated and distributed	Yes	2023 Sustainability Report, Page 35 Triple Bottom Line Approach
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Indirect Economic Impacts

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Pages 11 - 12 Materiality Assessment
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GRI 203: Indirect Economic Impacts 2016

203.2	Significant indirect economic impacts	Yes	2023 Sustainability Report, Pages 35 - 37 Economic
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Materials

GRI 301: Materials 2016

301.2	Recycled input materials used	Yes	2023 Sustainability Report, Page 14 Environment / Focus on Net Zero
301.3	Reclaimed products and their packaging materials	Yes	2023 Sustainability Report, Page 14 Environment / Focus on Net Zero

Energy

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
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GRI 302: Energy 2016

302.1	Energy consumption within the organization	Yes	2023 Sustainability Report, Page 15 Energy Consumption
302.2	Energy consumption outside of the organization	Yes	2023 Sustainability Report, Page 15 Energy Consumption
302.4	Reduction of energy consumption	Yes	2023 Sustainability Report, Page 15 Energy Consumption

Water and Effluents

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
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GRI 303: Water and Effluents 2018

303.1	Interactions with water as a shared resource	Yes	2023 Sustainability Report, Page 17 Water Conservation
303.2	Management of water discharge-related impacts	Yes	2023 Sustainability Report, Page 17 Water Conservation
303.3	Water withdrawal	Yes	2023 Sustainability Report, Page 17 Water Conservation
303.4	Water discharge	Yes	2023 Sustainability Report, Page 17 Water Conservation

Emissions

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
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GRI 305: Emissions 2016

305.1	Direct (Scope 1) GHG emissions	Yes	2023 Sustainability Report, Page 15 Energy Consumption
305.2	Energy indirect (Scope 2) GHG emissions	Yes	2023 Sustainability Report, Page 15 Energy Consumption
305.5	Reduction of GHG emissions	Yes	2023 Sustainability Report, Page 15 Energy Consumption

Waste

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
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GRI 306: Waste 2020

306.1	Waste generation and significant waste-related impacts	Yes	2023 Sustainability Report, Page 15 Energy Consumption
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306.2	Management of significant waste-related impacts	Yes	2023 Sustainability Report, Page 15 Energy Consumption
306.3	Waste generated	Yes	2023 Sustainability Report, Page 15 Energy Consumption
306.4	Waste diverted from disposal	Yes	2023 Sustainability Report, Page 15 Energy Consumption

Employment

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
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GRI 401: Employment 2016

401.2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes	2023 Sustainability Report, Page 29 Employee Wellness
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Occupational health and safety

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Materiality Assessment
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GRI 403: Occupational Health and Safety 2018

403.1	Occupational health and safety management system	Yes	2023 Sustainability Report, Pages 25 - 26 Health, Safety and Environment
403.2	Hazard identification, risk assessment, and incident investigation	Yes	2023 Sustainability Report, Pages 25 - 26 Health, Safety and Environment
403.3	Occupational health services	Yes	2023 Sustainability Report, Pages 25 - 26 Health, Safety and Environment
403.5	Worker training on occupational health and safety	Yes	2023 Sustainability Report, Page 27 - 31 Training and Development
403.6	Promotion of worker health	Yes	2023 Sustainability Report, Page 27 - 31 Training and Development
403.8	Workers covered by an occupational health and safety management system	Yes	2023 Sustainability Report, Pages 25 - 26 Health, Safety and Environment

Training and education

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Training and Development
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GRI 404: Training and Education 2016

404.1	Average hours of training per year per employee	Yes	2023 Sustainability Report, Page 27 - 29 Training and Development
404.2	Programs for upgrading employee skills and transition assistance programs	Yes	2023 Sustainability Report, Page 27 - 29 Training and Development
404.3	Percentage of employees receiving regular performance and career development reviews	Yes	2023 Sustainability Report, Page 27 - 29 Training and Development

Diversity and equal opportunity

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Diversity, Equity and Inclusion
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GRI 405: Diversity and Equal Opportunity 2016

405.1	Diversity of governance bodies and employees	Yes	2023 Sustainability Report, Page 22 - 23 Diversity, Equity and Inclusion
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Security practices

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Page 11 - 12 Data Privacy and Cyber Security
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Customer health and safety

GRI 3: Material Topics 2021

3.3	Management of material topics	Yes	2023 Sustainability Report, Pages 25 - 26 Health, Safety and Environment
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GRI 416: Customer Health and Safety 2016

416.1	Assessment of the health and safety impacts of product and service categories	Yes	2023 Sustainability Report, Pages 25 - 26 Health, Safety and Environment
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+965 23262434

info@kdf.com.kw

Shuaiba Industrial Area Kuwait

Kuwait Drilling Fluids and Oil Services



الشركة الكويتية لسوائل الحفر والخدمات النفطية
KUWAIT DRILLING FLUIDS & OIL SERVICES