

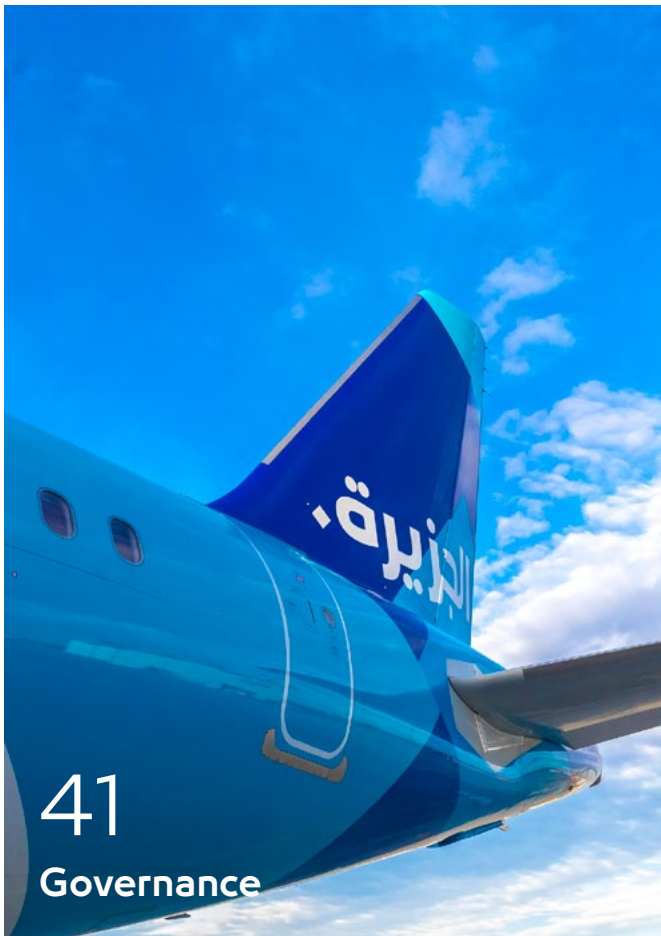
Jazeera Sustainability Report 2022

Flying Green: **A Step towards Sustainable Aviation**



Contents





Message from the CEO

Dear Stakeholders,

It gives me a great sense of pride to share Jazeera Airways' first sustainability report.

From the launch of our operations in 2005, Jazeera Airways has grown to serve over 60 destinations. We operate a fleet of 19 aircraft and manage our own airport terminal – T5 in Kuwait. More than 1,100 individuals are employed at Jazeera Airways to help transport over 3.6 million passengers annually, across our network in the Middle East, Central & South Asia, Africa and Europe.

This makes us ethically, socially and environmentally accountable as an organisation. Over the years, we have earned the confidence of our stakeholders and as we continue our rapid growth, we remain highly responsible towards our people and our planet. By issuing an open and transparent report of our environment, social and governance (ESG) performance, we intend to draw a clear map of where we are and where we want to proceed with our sustainability strategy in future.



While we are nascent in this space, we have what it takes to make a difference. With additions to our fleet, new destinations and initiatives, we continue to stay focused on reducing/offsetting carbon emissions, promoting community development and implementing strong business governance.

Our new fleet is the perfect demonstration of our commitment to our people and planet. We have placed an order for 20 A320neo and 8 A321neo aircraft – an investment in excess of US\$ 3.4 billion (at list prices). A320neo aircraft provide an 18% reduction in fuel burn and CO₂ emissions, and cut NOx emissions and noise pollution by 50% each.

We also introduced CHOOOSE™, a carbon offset program providing customers an option to reduce their flight’s environmental footprint by choosing to contribute to climate projects.

With a focus on diversity, we are making strides by increasing female participation in our business. Aviation is known to be a male-dominated industry and we are pushing to swing the balance in this area. Of our two independent Board members at Jazeera Airways, we are proud to have one female member. We are also signatories of IATA’s 25by2025 initiative where we have pledged to increase the number of women in senior positions and under-represented areas by 25%, or up to a minimum of 25% by 2025. We have several strong and driven women not only in management but also in operations, including captains and first officers in our fast-growing flight crew.

In line with our community support objectives, we do our best during natural disasters and crises, to support relief aid for those affected. When it comes to running our business, we always have and always will take a balanced, long-term approach to its management, guided by our core values and ESG priorities. It’s my pleasure to welcome you all on our sustainability voyage and invite you to share your inputs to help us enhance this journey.

Yours sincerely

Rohit Ramachandran

Chief Executive Officer



Message from the ESG Team

Jazeera Airways remains committed to doing business sustainably with a strong sense of responsibility towards our people and planet.

Thanks to the hard work and dedication of our team, we are making good progress in both areas. Our environmental, social and governance (ESG) efforts are a key part of our success and crucial in building a resilient airline geared towards future growth.

To address climate change, we are striving to achieve net-zero emissions by 2050 with a more fuel-efficient operation and aircraft, powered by low-carbon fuel. Our ESG focus is integral to meeting that commitment.

It is an honour to add to the strong sustainability foundation we have laid at Jazeera Airways. Our purpose is what drives us to invest in and develop the ESG principles at Jazeera Airways. From this perspective, we also recognise that positively affecting current and future ESG issues is an endeavour that will benefit everyone.

By taking a proactive approach to ESG and actively strengthening our efforts to address our materiality, we believe that Jazeera Airways will succeed in creating a more sustainable future.

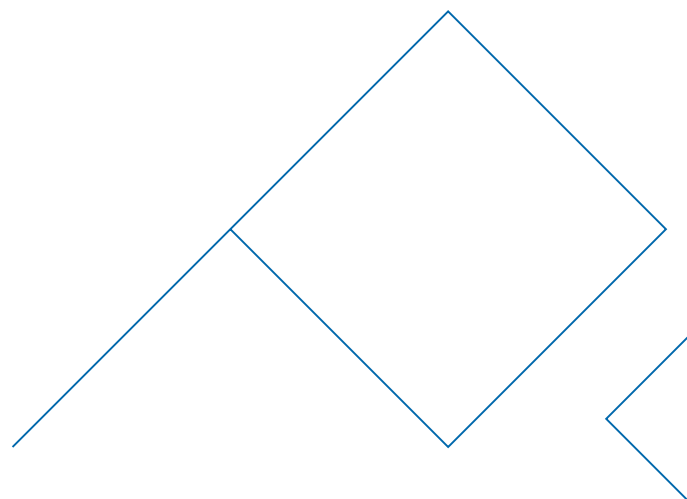
Sincerely,

Krishnan Balakrishnan

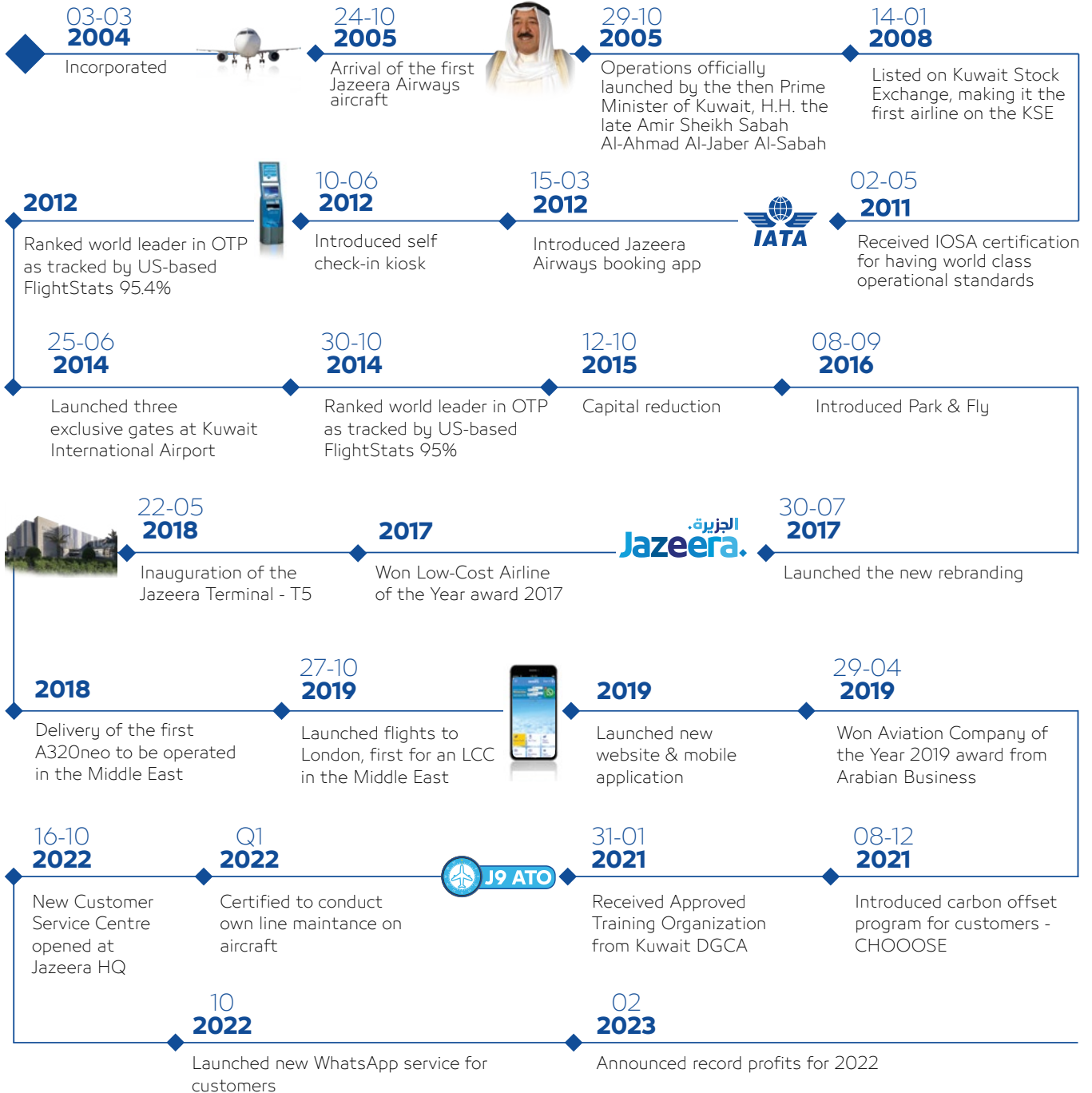
Fatheyah Mohsen

Mostafa El-Maghraby

Yusuf Kapadia



Milestones



Our Business Performance & Key Sustainability Highlights

During the year, Jazeera began performing line maintenance on its aircraft under the DGCA's KCASR 18 Part 145 approval. Conducting line and light maintenance in-house helped increase efficiency, speed and reliability.



Ordered **20** new **A320neos**
and **8 A321neo aircraft**

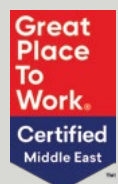
Took delivery of
2 A320neos



Certified 'Approved Training
Organization' by the
**Kuwait's Directorate
General of Civil Aviation**



At Jazeera, our goal has been to deliver a remarkable employee experience and increase engagement. We are certified as a Great Place to Work® which strengthens our commitment to offer an amazing work experience and assists us in gaining positive recognition in the community.



Introduction

About the Sustainability Report

This sustainability report sets forth our commitment towards ESG, providing an accurate and transparent account of our environmental, social and economic performance. The report is aligned with Jazeera's overall strategy and objectives and is prepared in a manner that is accessible and beneficial to all stakeholders. The report provides a detailed narrative by including specifics concerning our ESG strategy and roadmap, stakeholder management, management approach to important topics and ways in which we integrate ESG in our operations. Along with emphasising on a strong governance mechanism, we aim to contribute to the overall health of the environment, our people & the community at large.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) standards, which makes it possible for us to convey our impact on sustainable development and helps us increase transparency. The reporting period covered by this sustainability report is January–December 2022. A GRI Content Index has been provided at the end of this report to help navigate the disclosed information.

The information in this report has been obtained from pertinent corporate functions for which Jazeera has complete ownership or control.



Jazeera at a Glance

About Jazeera

Jazeera Airways, established in April 2004, is one of the first non-government airlines with a Middle Eastern base. Listed on the Kuwait Stock Exchange in 2008, we are a publicly traded company.

We serve more than 60 destinations across the Middle East, Central & South Asia and Europe with a fleet of 19 Airbus A320 and A320neo aircraft. In June 2018, we were the first airline in the Middle East to add the A320neo aircraft to our fleet. Since then, we have placed a sizeable order, worth over US\$3.4 billion with Airbus to procure 20 new A320neo and 8 new A321neo aircraft, of which 2 A320neo aircraft were delivered in September 2022.

We provide the Kuwait Stock Exchange with all material information to ensure the utmost level of transparency in our business operations, reporting and disclosures.

At Jazeera, we strive to establish a culture based on our shared vision, mission and values to guide us in everything we do.

Vision

To be the region's best loved value airline

Mission

To constantly seek better ways to energise and excite our customers – raising the bar every day

Values

- Integrity
- Personal ownership
- Teamwork
- Excellence

Key Operational Highlights



75

Average number of flights operated daily



3,584,066

Passengers carried during the year



Our Fleet

- 19 aircraft including 11 A320neo
- Pending aircraft order: 18 A320neo, 8 A321neo



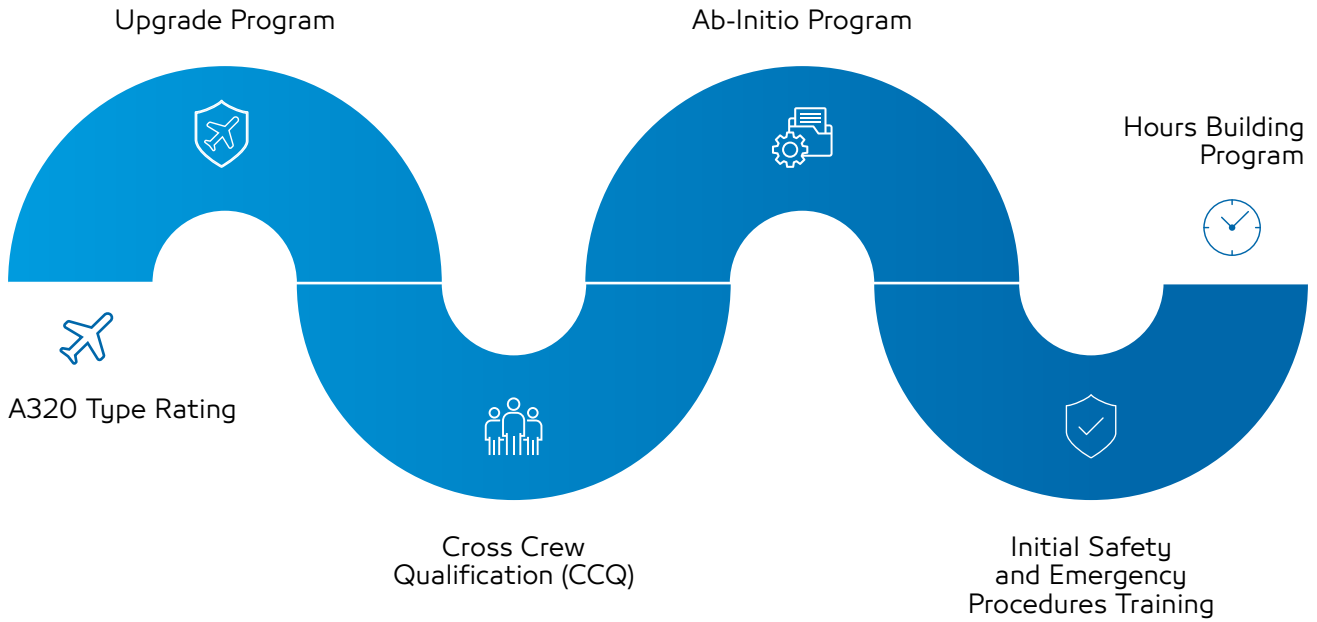
We also have an agreement with NAVBLUE for the complete package of Mission+ applications. This fully integrated platform is designed to help our pilots streamline processes and enable the airline to become paperless in the cockpit. Further integration of the platform with our aircraft would result in lower human error and greater safety.

Technological Innovation

We achieved a new milestone with the ‘Approved Training Organization’ certification from Kuwait’s Directorate General of Civil Aviation. This allows us to conduct pilot and cabin crew training programs from our headquarters in Kuwait. A320 Type Rating, Cross Crew Qualification (CCQ) and Initial Safety and Emergency Procedures Training are amongst the training programs we can provide for the deck and cabin crew. In future, training will be conducted in a new simulator on our premises, helping reduce pilot travel. This is also one of our efforts to ensure the safety of our staff by equipping them with the skills necessary to deal with any potential risks.



Jazeera Training Programs



Our ESG Strategy



ESG Integration at Jazeera

Investors and customers are usually the primary forces driving change towards ESG-focused policies. ESG policies are crucial as they aid us in managing opportunities and risks related to environment, social and governance. They enhance Jazeera's performance, mitigate reputational concerns and have a positive impact on the society. Keeping in mind the various benefits that ESG policies have to offer, we have the following set of policies in place at our organisation, which all the relevant stakeholders must abide by:

- Privacy Policy
- Code of Conduct
- Remuneration Policy
- Conflicts of Interest Policy
- Related Parties Policy
- Whistle-blowing Policy
- Stakeholders' Rights Protection Policy
- CSR Policy
- Archival Policy
- HR Policy
- Safety Policy

The board has established the following Committees to speed up the decision-making process and raise the level of accountability and transparency within the organisation.



Audit Committee: It is tasked by the Board with overseeing the Internal and External Audit of the company and ensuring that it operates within the parameters of risk tolerance set out by the Board. Three people make up the Jazeera Airways Group's Audit Committee, and its Chairman is a non-executive member of the Board of Directors.



Risk Committee: It is tasked by the Board with overseeing the company's Enterprise Risk Management and ensuring that it operates within the parameters of risk appetite set out by the Board. Three people make up the Jazeera Airways Group's Risk Committee, and its Chairman is a non-executive member of the Board of Directors.



Board Remuneration & Nomination Committee: It is formed by the Board to establish a clear policy for the remuneration of Board members and senior executives in Jazeera Airways Group, including, where applicable, fixed remunerations, performance remunerations and end-of-service remunerations. It also includes annual revision of the remunerations policy and evaluation of its efficiency in achieving the objectives, such as attracting and retaining highly qualified and technical staff to boost the company's performance. The Committee is made up of three members, including two non-executive members of the Jazeera Airways Group Board of Directors.

Stakeholder Engagement

Regular communication with our stakeholders allows us to build relationships with the groups that we impact, which in turn helps us to better understand their needs and concerns. We engage with our staff regarding safety concerns via our website, internal emails and as per the corporate governance guidelines of Bursa Kuwait. Communication pertaining to the organisational performance takes place through Board meetings. We organise at least six Board meetings annually, our investors meet four times a year and our employees engage on a regular basis. Our approach to stakeholder engagement enables us to build trust and credibility and to identify and address potential risks and issues before they become problems. A Great Place To Work® certification based on an employee survey reaffirms our commitment for fruitful and effective stakeholder engagement.



Environment



Our commitment towards the environment considers the impact of our operations, our resolve to combating climate change and how well-positioned we are to carry out the operational initiatives required to cut back on jet fuel usage and improve emissions intensity. We realise that flights require vast amounts of energy in the form of fossil fuels and aircraft emissions have a significant climate impact since they are released high in the atmosphere. As a sector, we shall keep supporting technologies that lower fuel use and emissions while also vigorously pursuing programs that cut waste and conserve resources. In doing this, we can make sure that both the environment and air travel have a more sustainable future.

I. Our Impact on the Environment

Emissions from jet fuel combustion account for a significant component of commercial airlines' environmental impact. We account for the emissions that stem from our operations on a regular basis.

We have deployed several measures to reduce the environmental impact caused by our activities.



560,000 Tonnes

Our total carbon emissions resulting from our operations

Environmental Initiatives

To reduce our carbon footprint, we developed and launched a carbon offset program. In 2021, we were the first Kuwaiti airline and the region's first Low-Cost Carrier (LCC) to implement a climate compensation initiative CHOOOSE™.

To combat the crucial issue of climate change, we have partnered with the Norwegian climate and technology company CHOOOSE™, which enables our customers to offset their carbon emissions. Passengers can choose to do this using the service incorporated into our booking process. It instantly assesses a flight's carbon footprint, giving passengers the projected CO₂ emissions for their trip. Once done, they have the option to offset their travel footprint by supporting a set of climate solutions that cut CO₂ emissions, including a portfolio of renewable energy and community-based projects. If chosen, the contribution is applied to the final payment. These projects, which have been certified by the most extensive and rigorous international standards, contribute to several United Nations Sustainable Development Goals (UN SDGs). They boost ecological values and social benefits for communities throughout the world affected by climate change. All travellers who compensate for their trip will be able to track their carbon offsetting for Jazeera flights via the CHOOOSE™ portal.

We have already made an investment in A320neo aircraft, which are more environmentally friendly and have CFM LEAP-1A engines and sharklets. Deploying sharklets deliver reduced operating expenses, extended range, increased payload, reduced fuel consumption and a considerable reduction in engine noise and CO₂ emissions below the current industry norm. We chose A320neo aircraft to fly to locations that extend our flying radius from Kuwait to 6.5 hours. The fan diameter of the CFM LEAP-1A series engine is much larger than the earlier models, which results in improved fuel efficiency.

The screenshot shows the Jazeera Airways website's carbon footprint portal. At the top, the Jazeera logo is visible along with navigation links for 'Plan', 'Experience', 'Destinations', 'Jazeera Terminal', and 'Jazeera Air Cargo'. A language selector is set to 'KWI EN' and there is a 'Login' button. The main heading is 'Your Carbon Footprint'. Below this, a scenic image of a forest and mountains is used as a background. A text box states: 'Offset your carbon footprint on your Jazeera flights. We have partnered with CHOOOSE™, a climate company who work directly with environmental projects, to enable you to take positive actions by supporting important climate projects around the Jazeera network.' A large dark green box highlights the achievement: 'Climate impact with CHOOOSE' and '208 156 kg CO₂e reduced'. Below this is a 'Travel Footprint Calculator' section with the instruction 'Enter your travel information to calculate and offset your journey's carbon footprint.' The calculator form includes fields for 'From/to', 'Flight number', 'From' (with a search box), 'To' (with a search box), 'Class' (set to 'Economy'), and 'Number of passengers' (set to '1'). A yellow 'Calculate Your Carbon Footprint' button is at the bottom of the form. The footer contains a note: 'When you next fly with Jazeera Airways, you'll be able to go onto the Travel Extras section, check 'Offset your Carbon Footprint' and purchase your carbon offset credits.' and a link to 'These are the climate projects you support'.

Benefits of the A320neo:



50%

CO₂ emissions reduced



50%

Engine noise reduced



18%

Fuel efficiency increased

We are a proud member of the International Air Transport Association (IATA) and adhere to the highest international standards of safety and security. We are also developing a climate change strategy and plan to roll it out soon.

In addition, we have adopted CORSIA's principles and are aligned to their best practices since 2021.

II. Fuel

In light of the significant awareness around sustainability and climate change, CO₂ emissions and the fossil fuels that cause them are receiving increased attention. Fuel is a major topic in the aviation industry since fluctuating fuel prices have an impact on the airline's operating cost and its profitability. Currently, jet fuel, or Aviation Turbine Fuel (ATF), is the most utilised fuel used by commercial aircraft. For instance, a Boeing 747 quad jet burns up to one gallon of fuel every second, hence we prioritise the use of more fuel-efficient aircraft.

Fuel Efficient Equipment

We understand the importance of lower fuel consumption for the environment. As a result, we utilise sharklets to save fuel and increase range. We also deploy an enhanced function in the Flight Management System (FMS). This results in reduction in the overall fuel consumption and corresponding CO₂ and NOx emissions.

Benefits

By using fuel-saving equipment, we are not only doing our bit for the environment but also reaping the financial benefits that come with it.



180,735 Tonnes

Our total fuel consumption resulting from aircraft



8,627,678,069

Available Seat Kilometres (ASKs)

Benefits of deploying fuel-efficient equipment

- Through utilisation of LEAP-1A series aircraft engines, we attained 18% savings over the traditional ones
- The usage of single engine Taxi, and implementation of NAVBLUE flight planning helped in identifying the best flight route to lower overall fuel consumption

Our Fuel Efficiency Initiatives

We have implemented several initiatives to help reduce fuel consumption at Jazeera as outlined below:

- SkyBreathe Analytics - Fuel efficiency and monitoring programs
- Fuel-saving measures:
 - Engine Out Taxi Out, Engine Out Taxi In, Continuous Descent Operations, Idle Reverse Thrust, Reduced Acceleration Altitude, etc.
 - At flight dispatch level, includes Reduced Contingency Fuel (using ERA), Fair Weather Alternate for KWI, Reclearance Flights, optimising the route, lower cost index (CI15), Fuel Tankering, Reducing ZeroFuel Weight Error

Due to the Fair Weather Alternate for Kuwait (selecting DEST ALTN as BSR rather than DMM or BAH during Fair Weather in Kuwait), we made positive impacts in a single month:



29,515 kg




Fuel Saved in one month



93,267 kg

CO₂ reduced in one month

Fuel reduction by utilising fuel-saving equipment in our aircraft

 <p>Engines</p> <p>Upto 11% reduction in fuel consumption</p>	 <p>Sharklets</p> <p>Upto 4% reduction in fuel consumption</p>	 <p>Flight Management System</p> <p>65 kg fuel saved by advanced function for every descent when compared to FM margin descents</p>
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III. Waste Management

The aviation industry has always posed significant waste management concerns for host airports as well as the communities where they are located. Addressing the airline waste practices has only lately received significant attention, and as of now, no significant integrated strategy that captures all aviation waste materials across the supply chain has been formed.

Associations within the aviation sector would be the ideal group to spearhead the development of an international standard for waste management in the sector. There are clear indications that the industry is aware of the need for standards, which may ultimately be relied upon to save costs.



100 Tonnes/Year
Total Waste Generated

IV. Water and Effluents

Due to rising demand, urbanisation and climate change, the availability of water resources is under increasing pressure. The production, maintenance and cleaning of aircraft as well as the operation of amenities like sinks and toilets all contribute to the use of water in the aerospace industry.

Airports usually consider water by adopting a three-pronged approach. The first is supply – including the water that enters airport facilities and any potential strategies for the airport to reduce its water usage. Secondly, the handling capacity of the airport – for water events including flooding, drainage problems, erosion and other effects. Third, when it comes to disposal, airports must make sure that water when released into the environment is clean and safe. There are several ways that airport systems handle these operations.

For better management, we have contracted with two different third parties (NAS and Ecovert) to handle the water management activities. NAS is responsible for providing potable water in the aircraft, and Ecovert is responsible for water management in the airport terminal and organisational infrastructure.



18 Megalitres/Year
Total Water Consumption

Social

The Coronavirus (COVID-19) crisis was a turning point in the debate over the social component of ESG. The pandemic revealed our society's gaps, such as the huge socioeconomic difference, the gender and diversity difference and the rise in mental illness. This section of our sustainability report evaluates how we treat and value the community at large as well as our employees. We are making an effort to be more transparent and considerate in how we manage our employees, interact with our suppliers and give back to the communities where we operate. In addition, our financial performance also benefits from how we address the social risks and opportunities.

I. Occupational Health & Safety (OH&S)

Workplace safety is a very important subject for us because aviation operations have always been exposed to operational concerns and the risks that come along with them. The nature of our business exposes us to a wide variety of hazards in the aviation environment; how we manage these hazards and create mitigations for the related exposure is a crucial component of robust health & safety management. An appropriate safety management system benefits employees by fostering trust and raising morale, which improves performance. It can help a business to avoid catastrophic mishaps, making it safer and establishing a loyal customer base.

OH&S Framework

We have integrated safety management to put processes and procedures in place to prevent mishaps, incidents, injuries and other negative outcomes during flight operations. Our safety principles and frameworks serve as the foundation for our safety processes and procedures. Since identifying, evaluating and properly mitigating all safety hazards is a corporate function, Jazeera accomplished this using a framework and systematic approach that includes the following:



Safety Policy & Objectives

Jazeera Airways has always been focused on developing an environment in which safety management can be optimal. It has created and publicised safety policy and objectives that outline management's commitment to safety and staff obligations to maintain the greatest degree of safety.



Safety Assurance

Jazeera continuously reviews and monitors its operations and the surrounding environment to ensure that it is aware of changes in the operational environment. Such changes may indicate the emergence of new and unabated hazards as well as degradation of operational processes, facilities, equipment conditions or human performance that may reduce the effectiveness of current safety risk controls.



Safety Risk Management

Jazeera's safety risk management includes the procedure for managing safety risks that entail hazard recognition, safety risk evaluation and safety risk reduction.

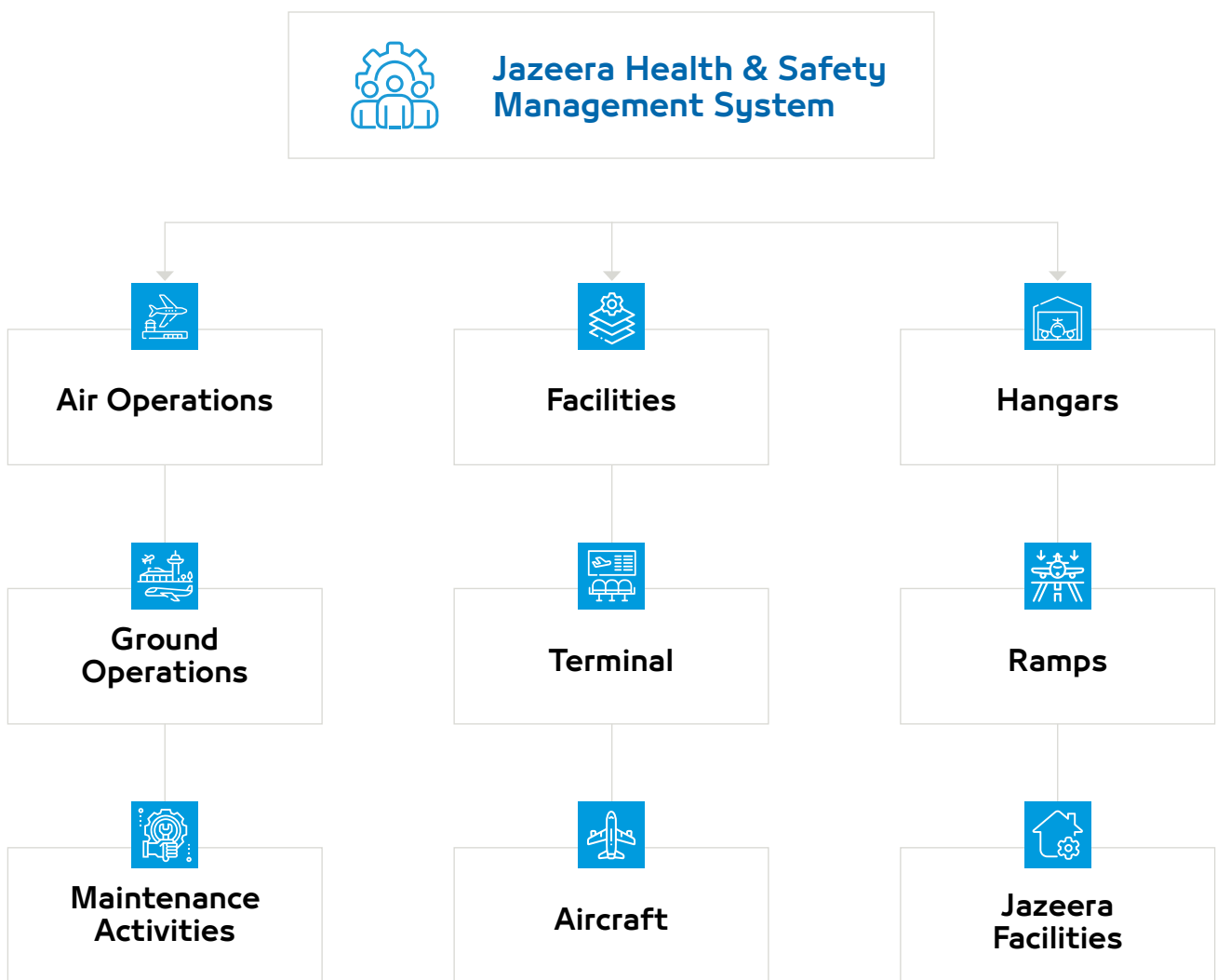


Safety Promotion

Jazeera promotes a culture of safety and aids in achieving the company's overall safety goals. This is made possible by integrating technical proficiency that is continuously improved through training, education, exchange of information and communicating effectively.

OH&S Management System

Taking into consideration the several benefits an OH&S management system has to offer, we have established an integrated management system, which ensures control of operations and administration of safety and security outcomes across the firm. It encompasses certificates, authorisations and aspects of business management like quality, security, safety as well as occupational health and environmental management system. The coverage of our health & safety management system extends to air operations, ground operations, maintenance activities, facilities, terminals, aircraft, hangars, ramps and Jazeera facilities.



Our management system identifies the infrastructure and resources needed to deliver safe and secure operations, usually through policy, risk assessment, management review or other means. The system includes operations and maintenance support facilities, services and equipment appropriate for areas, including:

<p>Buildings, workspaces and associated utilities</p>	
	<p>Facilities for the organisation's personnel</p>
<p>Support equipment, including tools, hardware and software</p>	
	<p>Support services including transportation and communication</p>

Furthermore, the management system has planning procedures for operations that stipulate desired operational safety and security goals and deal with operational resource allocation needs. The procedures also consider requirements from relevant external sources, such as regulatory bodies and original equipment manufacturers.

A good working environment balances human and physical requirements. It takes into consideration safety regulations and guidelines, including the use of protective equipment, workplace location(s), temperature, humidity, light, airflow, cleanliness, noise and pollution.

Safety & Quality Committee

Our organisation has a dedicated Safety and Quality Committee that assists the Board in carrying out its strategy, policy, monitoring and corporate governance responsibilities. These responsibilities relate to safety, health, environment and security matters, including compliance with related legal and regulatory obligations, implementation and oversight of enterprise-wide safety and quality checks. In addition, we have defined the roles and responsibilities of our Safety & Quality committee, which include but are not limited to the following:



Monitoring operational safety performance within the organisation's functional areas



Ensuring the relevant safety risk management activities are carried out with staff participation as needed, to increase safety awareness



Coordinating the formulation of mitigation strategies for the hazards' identified impacts



Ensuring adequate measures are in place for the collection of safety data and employee input



Evaluating the safety implications of operational changes or technological innovations



Coordinating the execution of corrective action plans and ensuring that the necessary corrective action is executed promptly



Examining the effectiveness of earlier safety measures



Making sure that employees are given proper opportunities to engage in safety management activities



Supervising safety promotion activities as needed to raise employee understanding of safety concerns

OH&S Policy

We understand the impact that a well-defined health & safety policy can have on workplace decision-making by guiding actions related to workplace health and safety. Since safety is a fundamental component of our business and serves as its anchor, the company's main goal is to create an atmosphere that encourages safe, professional and effective operations. At Jazeera, safety will never be compromised in favour of requirement, be it commercial or otherwise. Therefore, we have a strong safety policy in place. We regularly audit our security and safety compliance to make sure that our employees are operating in a secure environment and have the ability to report any issues to the safety & compliance team. We have established office safety ethics and workplace guidelines for our staff. By actively involving every employee in the Safety Management System (SMS) and working as a cohesive team, the company strives to avoid accidents, incidents, injuries and occupational illnesses. This is done by pre-emptively identifying the hazards involved in our operations and putting in place the necessary controls to reduce the risks that they present. The 'Jazeera Airways Policy' is the umbrella term for our quality, safety and security policies.



Safety Initiatives

Every two years, we mandate safety training for all our airline personnel and 46% of them receive first-aid training. An Airbus 320 simulator and safety and emergency training tools are also part of the cutting-edge facility for crew training. Additionally, we plan to invest in the construction of a new training facility in Kuwait, which will be furnished with the most recent training equipment.

Our responsibility to look after the well-being of our employees extends beyond the workplace, which is why we offer our employees access to non-occupational medical and healthcare services. We provide them private medical insurance as well as life insurance, which protects them, both during and after work. We also conduct several health awareness sessions that aid our employees in effective stress management and help us establish an emotional connect with them.

Below are some key highlights revolving around occupational health & safety at our organisation:



Most Crucial Safety Areas

- Operational equipment
- Workplace safety including ramp-tarmac



7

Recordable work-related injuries



0

Work-related injuries



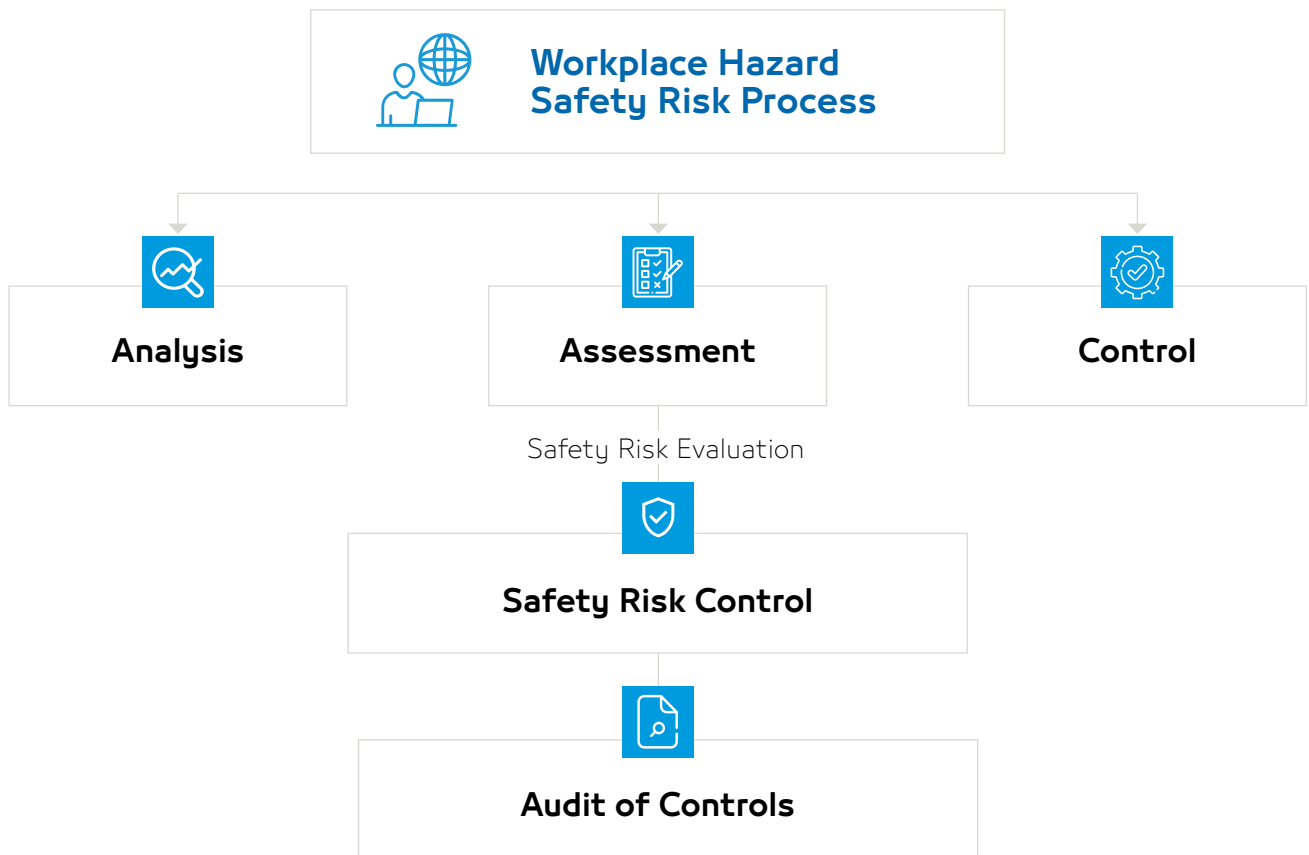
Major Type of Work-related Injury

Contact with equipment/aircraft

Workplace Hazards & Risk Management

Airports have a number of workplace hazards, and whether you work as a member of the ground crew or a ramp baggage handler, one must be aware of these hazards to keep safe. The work-related hazards posing a risk of high-consequence injury to our people include aircraft operations, maintenance activities and ground/ramp operations. Since there has always been certain risk associated with operating an aircraft, we have put in place an operational safety reporting system to encourage the staff to report potentially hazardous situations, safety risks, work-related injuries and environmental issues. All staff members have access to and use the reporting system.

Although hazards are an inevitable aspect of aviation operations, they can be handled with the right mitigation measures. We have devised and continue to maintain a process that assures the analysis, assessment and control of the safety risks connected to the identified hazard. After safety risks have been evaluated, proper safety risk controls are put into place to reduce or eliminate risks using the right applications and techniques. Through audits and inspections, we assure our own safety and verify the efficacy of whatever risk controls we have put in place.



Our proactive management of hazards has ensured that we encounter no incidents of work-related ill health or fatalities. However, like any other organisation we aren't immune to the risks presented by work-related hazards. Aircraft environment and environmental factors such as climate and weather conditions pose a significant risk of ill health to our employees. Our staff members identify and report any workplace hazards that may cause ill health utilising a variety of methods, including written reports, e-mail messages and most-frequently the company Safety Reporting System. To reduce the risk involved, concerned safety personnel assess, review and take appropriate action on the hazard.

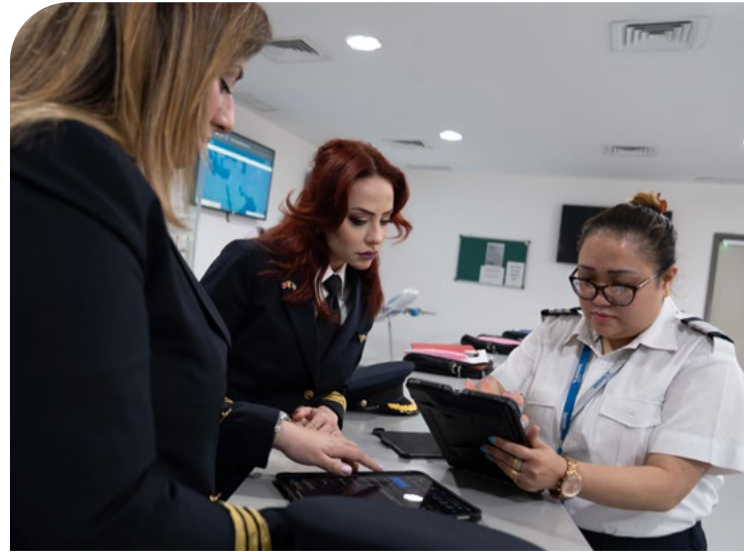
Our safety management system acts as a countermeasure towards these work-related hazards that pose a risk of ill health. It constantly informs and promotes safety amongst all employees to ensure a productive and secure work environment.

OH&S Requirements for Third-party Employees

We have stringent OH&S requirements for our third-party employees. We take responsible action to make sure that outsourced operational tasks are carried out in a way that satisfies our own operational safety and security criteria and are conducted according to our defined policies and procedures. This is assured by planned annual audits on external service providers ensuring that quality and safety standards are met. Our departments outsource operation functions to external service providers and we make sure that these third-parties' staff members are trained to comprehend safety management responsibilities and carry out related tasks.

II. Employee Engagement and Well-being

At Jazeera, our focus is on developing the best work environment for our employees. To accomplish this, we place a high emphasis on employee engagement by taking care of their needs and improving their experience. Workforce engagement allows us to enhance our work environment, lower staff turnover, boost productivity, foster better working relationship with clients and have a positive influence on the bottom-line results.



Organisational Culture

Integrity, personal ownership, teamwork and excellence are our key corporate values and we strive to live by them. In a nutshell, our culture is one that values empowerment, open communication, collaboration and achievement. Our teams are focused on success and motivated by growth.

Organisational Approach

A key component of our internal communication strategy for our employees is airline crew engagement. We communicate with our crew on a regular basis. Our approach to boosting employee engagement focuses on developing a positive workplace environment where every employee feels valued, involved and respected. We establish clear expectations for our employees and promote a culture of collaboration and feedback at work so that employees feel secure and valued. High achievers are acknowledged and teamwork is promoted. Employees have the authority to make decisions within their domains of responsibility and are aware of how their actions affect the organisation. It is also crucial for employees and their immediate managers to communicate often. The CEO holds regular Town Hall meetings to update the staff on the company's business performance, new directions or focus as well as hear their opinions and recognise accomplishments.

Mode of Communication

To keep an organisation functioning well, communication is essential. We communicate with our crew on a regular basis. Multiple platforms and occasions are utilised for communication, such as Town Hall meetings, emails and circulars. All employees receive quarterly messages from the CEO, which includes information about the company's financial position. At all times, direct, face-to-face interaction is encouraged.

Organisational Initiatives & Programs

As part of our initiative to encourage and assess employee engagement and well-being, we conduct company-wide surveys of our employees. The last employee engagement survey was conducted in December 2018. We provide special discounted offers for employees, organise events to celebrate National Day, Halloween, Ramadan, Eid, Diwali and Christmas. We organise several other enjoyable activities for our employees including food trucks. We actively engage with our workforce through the Jazeera Onboarding Program. The advent of Runway, an intranet portal that gives staff members quick access to information, policies and self-service options, has enhanced their working experience. Employees and their families are given access to special packages for periodic health checks as well as health awareness seminars during World Diabetes Awareness Month (observed in November).

To foster an inclusive culture inside the company, we observe a variety of festivals and customs from several cultures, religions and geographies. We encouraged employees to come to work dressed in their national attire and celebrate their country in observance of Diversity Day. The employees were eager to introduce people to their traditions, cuisine and culture. Many employees had set up booths where they showcased their national dress, specialty foods and country-specific pictures. Through its weekly Learner's Lounge, our L&D team makes engagement a priority by exchanging learning snippets and setting up quizzes.



Remuneration Policy

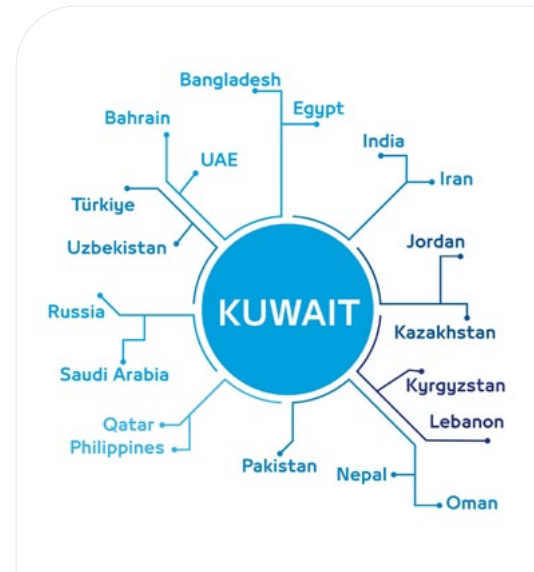
Pay is one of the main variables influencing relationships and motivation at work, thus it is critical to compensate all employees fairly. The gender pay gap, which is a result of paying women lesser than men, has significant societal repercussions. Our pay philosophy is not dependent on gender; rather, it is based on the job as specified, the skills and the experience needed. The company follows an equal opportunity policy for employment, promotions, training and development, transfers, job assignments and compensation.

III. Diversity, Equity and Inclusion (DE&I)

We firmly believe that the communities we serve should be represented in our personnel. Our values shape our inclusive culture and we look to hire people from various backgrounds who have unique ideas, perspectives, insights and abilities. Making a diverse and inclusive workplace is one of the main issues troubling organisations across the globe. It takes more than a training video or a lecture on being kind to colleagues to achieve true diversity and inclusion.

Organisational Approach

There are individuals from 68 nationalities working with us, which allows us to reap the benefits of the diverse range of skills they bring. Our onboarding process is structured so that each new hire is included. To re-induct existing employees and ensure their continuous inclusion while keeping in mind the changes and growth the business is experiencing, we introduced the WOW program in 2022. We joined the IATA 25by2025 initiative as part of our DE&I strategy, whereby we pledged to improve the proportion of women employees to 25% in the underrepresented categories of our workforce. We offer training programs, prospects for promotion and equal employment opportunities. We mandate equal compensation for both men and women with the same education and work experience.



DE&I Initiatives

Our diversity and inclusion policy forms part of the overall HR policy and is essential to our organisational goals. Every year, we observe International Women's Day. In Kuwait, we have women working in line maintenance, cabin crew and deck crew. Making our company DE&I-friendly makes us more ethical and appealing to potential employees and boosts employee engagement and retention levels. We do not classify employees based on minorities/LGBT or other protected classes.

DE&I Policy

Our diversity and inclusion policy forms part of the overall HR policy and is essential to fostering an inclusive, varied and discrimination-free workplace. We do not categorise personnel based on their status in protected groups like LGBT or racial minorities.



Our Diverse Workforce

A glimpse of diversity & inclusion at Jazeera Airways:



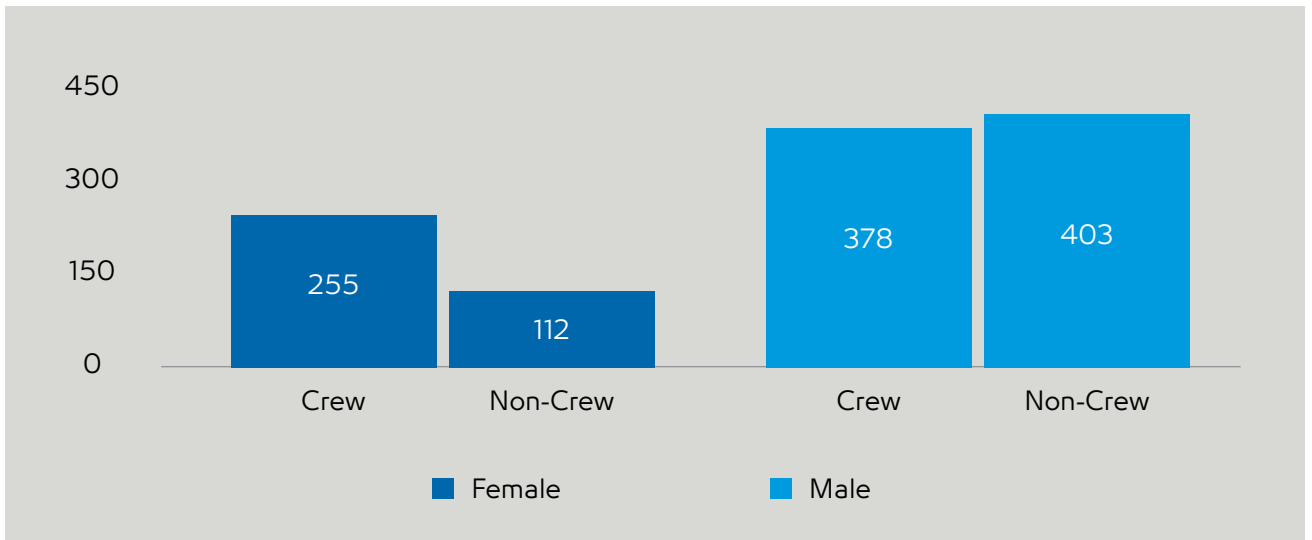
68

Number of nationalities forming part of our workforce



1

Number of people with disability employed by Jazeera



IV. Community Development

Giving back to our communities is something we are devoted to and has always been part of our culture at Jazeera. This has been demonstrated by the several initiatives we have undertaken to make a positive impact on our environment. To strike a balance between our goals and the goals that society strives to accomplish, we developed and implemented a policy. In order to achieve long-term business and social benefits, we are coordinating our values and strategy with social and economic requirements and offering the community the assistance it needs.

Youth Development

Youth development in airlines is critical to the industry's long-term viability. Young people are the industry's future and investing in their development helps to lay a solid foundation of knowledge and skills. We provide intriguing work opportunities and growth prospects for young Kuwaitis and fresh graduates. By offering them training in all airline-related functions, we support fresh graduates in building their knowledge and abilities in the field of aviation. The training involves real-world on-the-job tasks with specific objectives. As a result, we hired many national employees during the course of 2022.

Domestic Workforce

We are eager to employ local workforce and enhance the abilities of every employee. Our top priorities are to offer professional growth opportunities, essential training programs and focus recruitment efforts on hiring and developing domestic employees. At all levels, local employment is encouraged. Participation in employment fairs hosted by colleges and educational institutions in Kuwait is an oft-used method to find local talent.

Better Community

We are determined to serve the community where we provide our services on a variety of occasions by initiating projects and activities that highlight our social responsibility in several spheres, such as culture, education and health, which would help encourage growth and prosperity for the people. During 2019, we actively participated in philanthropic endeavours to give back to our local communities.

COVID-19 Response

As the pandemic continued to change our approach to community engagement, we began a number of initiatives, including transforming our Park & Fly facility into a Covid-19 Drive-Thru Test Centre, repatriation flights and cargo flights with MOCI and the J9 Fund, which was created during the pandemic to aid employees in need.



Our Contributions

- As a publicly traded firm, we provide a portion of our yearly net profit to National Labour Support Tax (NLST), Kuwait Foundation for the Advancement of Sciences (KFAS) and Zakat.
- We transported medical supplies needed by volunteers from the Sheikh Abdullah Al Nouri Charitable Society for humanitarian activities in Uzbekistan in 2022.
- In collaboration with the Kuwait Red Crescent Society (KRCS), we airlifted 2.5 tonnes worth of assistance to Pakistan. This assistance was part of a flood relief operation and included medical supplies and equipment donated by Kuwait to Pakistan.
- We have regularly provided support to the KRCS by flying donations to benefit the people of Sri Lanka, Lebanon, Nepal and other countries.



Area of Direct Economic Impact	Year 2021 (Amount KD)	Year 2022 (Amount KD)
Shareholders Cash Dividend	7,040,000	17,600,000
Contribution to KFAS	66,668	187,700
Contribution to NLST	186,007	543,200
Contribution to Zakat	74,403	217,250

V. Performance & Talent Management

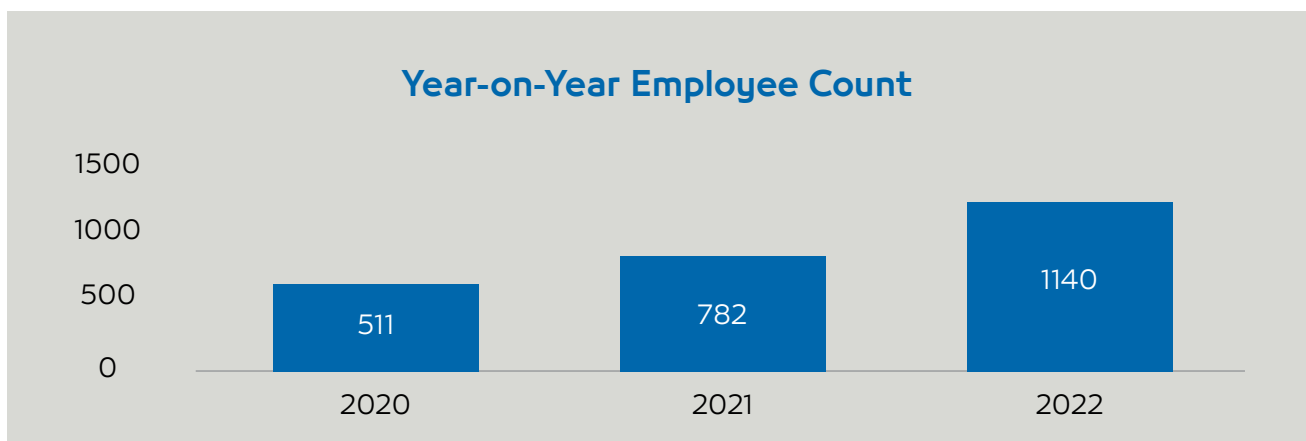
We seek for and develop a workforce that is not only productive but also likely to be around with us for the long term. This approach, when carefully applied, aids us in enhancing the overall performance of our business and ensuring its competitiveness. Our approach for talent management is selecting the best candidates and assisting them in identifying and utilising their strengths so that they can work more productively.

Organisational Approach for Training Employees

Employees who undergo training and development learn new skills, hone current ones, perform better, become more productive and turn into better leaders. We make every effort to ensure that people perform at the highest level because a company is the culmination of what each person accomplishes individually. Our constant focus has been on providing professional development and necessary training programs and directing efforts towards recruiting and training national labour.

Employment Data

When we hire someone, the first thing we record is information about them; thus, maintaining correct records is crucial.



Scope of Training Programs

The success of any business is reliant on the expertise of its skilled workforce. Therefore, we invest in ongoing training for all our employees so that they can continue to offer value and remain aligned with our objectives and vision. It has been our priority to offer appropriate training programs and professional development, as well as to target our hiring processes towards recruiting and developing the local workforce. We provide training in the following areas so that employees can apply their knowledge and abilities right away in the workplace.

Awareness Training



We conduct awareness training to acquaint our employees with the necessary procedures and regulations for conducting themselves responsibly in the industry.

- EOP (company policies, procedures, brand/organisational values, code of ethics, Kuwait labour law and systems training)
- Goal Planning
- Compliance (ISO 9001:2015)

Business Communication



We emphasise on good business communication skills to disseminate and process information to employees and the community at large. This helps raise the safety standards and minimise accidents that could be avoided.

- Arabic for non-Arabic speakers
- Email etiquette

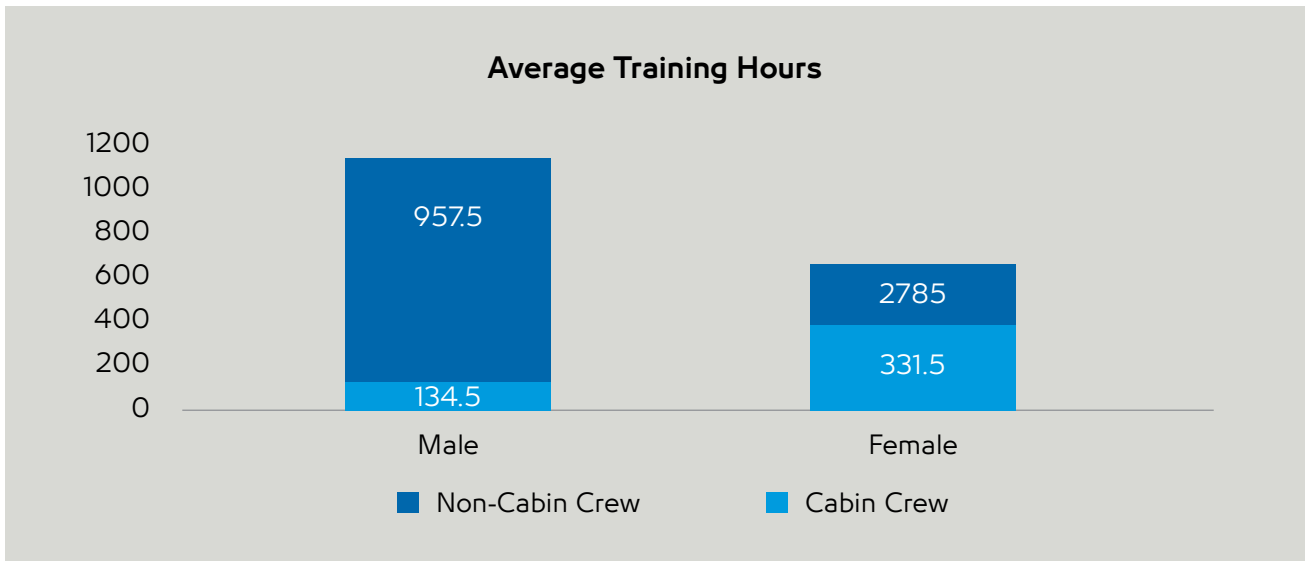
Soft Skills





We stress upon the importance of developing strong soft skills to effectively communicate with co-workers and customers.

- Way of Work (emotional intelligence and communication)
- SMILE (customer experience training)

Training at Jazeera



Percentage of employees by gender and employee category that received a regular performance and career development review during the reporting period

Employee Category	Female	Male
 Crew	23%	33%
 Non-Crew	9%	35%
Total	32%	68%

VI. Human Rights

Every person has the fundamental right to be treated fairly and with the utmost respect while carrying out their duty. We are steadfast in our efforts to defend against violations of human rights by abiding by applicable laws and adopting and implementing reasonable policies. We are dedicated to doing the right thing to uphold and safeguard human rights in our business. We monitor our influence on all facets of the business and periodically review our approach to human rights.

Human Rights Policy

We have formed a policy to safeguard the rights of stakeholders by making sure that they are protected in accordance with the relevant, applicable laws in the State of Kuwait, such as the Labor Law and the Companies Law and its bylaws. This is in addition to the agreements already reached between the parties and other commitments made to stakeholders to minimise potential conflicts of interest, keeping in mind that none of the stakeholders benefit from any agreements or transactions that are part of our regular operations. We have given stability and long-term employment through our strong financial performance. The policy helped identify the stakeholders and guidelines for defending their rights were created.

VII. Customer Engagement

COVID-19 Customer Survey

Effectively engaging our customers is the most important element to our success. To help market our brand, create deep and lasting connections and give our consumers an incredible experience on a more individualised level, we strive to cultivate a positive relationship with our customers. We conducted the Big Travel Survey at the start of 2021 to give us specific information on what to anticipate from our customers in 2021. This was a one-time pandemic survey that provided us some key findings which revealed that:

- 31% of Kuwaitis surveyed intend to travel at least five times in the upcoming year from the day of the survey, while 58% of all nationalities plan to travel at least three times in the coming 12 months.
- Most respondents plan to travel on long vacations and annual leave, while 30% said they will be traveling to visit family and friends. Their preferred leisure destinations included Turkey, UAE, Georgia and UK.
- 89% of respondents said that if the COVID-19 vaccine was mandatory for travel to their destination, they would comply. If they knew other passengers had received vaccinations, 71% said they would feel safer and 75% said they would feel safer if the cabin crew had received vaccination.



Customer Engagement Programs

Delivering experiences that are tailored and continually connected in real time is the key to our customer success. These are all essential components of successful customer engagement strategies.

Customer Surveys

It can be perplexing to understand why customers select one airline over another. Because of this, airline passenger satisfaction surveys can be a useful resource for learning about customer experiences, expectations, behaviours and other criteria. For this reason, we conduct a monthly customer satisfaction survey.

Governance



Business success and good governance go hand in hand. This section covers our corporate board and management structure as well as board-level diversity, company policies, standards, information disclosures, audits and compliance issues and data protection. Vigilance regarding the key themes and concerns outlined above is necessary to maintain the harmony between responsible governance and sound profitability.

I. Corporate Governance

Corporate governance at Jazeera Airways is about committing to values and ethical business practices while managing the business and its stakeholders. A crucial component of Jazeera Airways' corporate governance is the timely and accurate dissemination of information regarding financial position, performance, ownership and governance of the company. Our robust and effective corporate governance fosters an ethical workplace culture, which improves performance and makes us more sustainable. As a result, the broader public's perception of the organisation is improved, which draws in investors and wins over stakeholders' confidence.

We adhere to the guidelines set forth by the Capital Markets Authority (CMA) and the Boursa Kuwait. We also have a comprehensive Corporate Governance Manual. We always work to make sure that we achieve our performance goals in a morally upright manner. Our board fulfils its fiduciary duties in the broadest way possible. In all our business actions, we work to maximise long-term shareholder value and safeguard minority rights.

Governance Structure at Jazeera

Each member of the Jazeera Airways Group Board of Directors has a three-year term and is chosen by shareholders in an election held at the Ordinary General Assembly Meeting. The company evaluates each candidate's background and experience before appointing them to the Board of Directors to make sure they are qualified to carry out the duties assigned to them.

The Board of Directors is made up of eight members, the majority of whom are non-executive and can evaluate the company's performance objectively.



**Marwan Marzouq
Boodai**

Chairman

**Mohammad Jassim
Mohammad Al
Mousa**

Vice Chairman

**Marzouq Jassim
Marzouq Boodai**

Board Member

**Hany Mohamed
Shawky Younes**

Board Member

**Dermot Edward
Mannion**

Board Member

**Mishaal Mused
Alusaimi**

Board Member

**Seham Haitham
Alhussaini**

Independent Board
Member

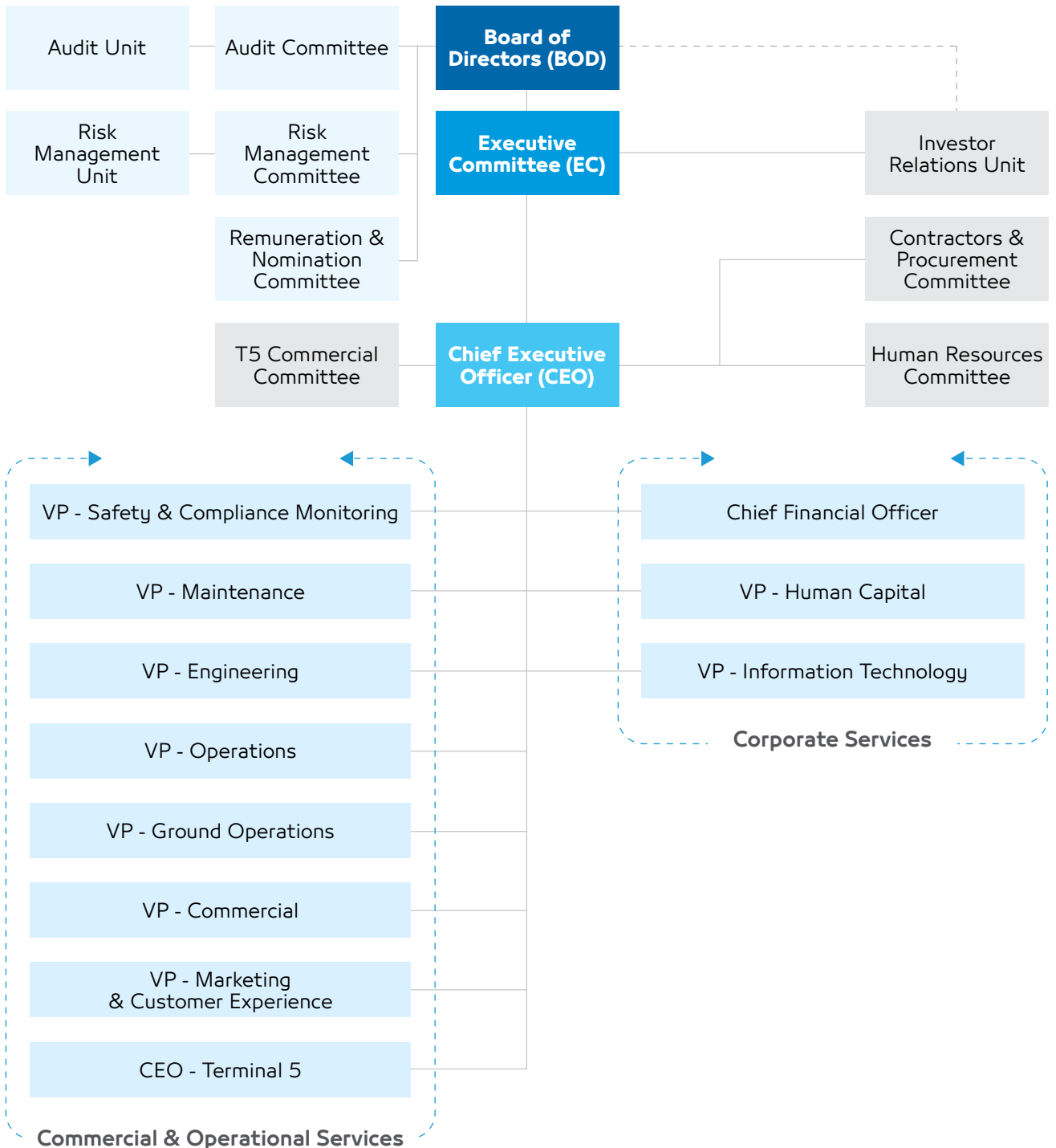
**Bertrand Philippe
Grabowski**

Independent Board
Member

With this composition, the board maintains objectivity and accountability in decision-making and reduces any conflicts of interest between strategic decision-making and day-to-day business operations.

Organisational Structure at Jazeera

We consider organisational structure to be a crucial component of our business since it supports the implementation of effective decision-making procedures. In order to accomplish our objectives, it describes how specific tasks are directed. These tasks may include regulations, duties and responsibilities. The below depicted image provides a high-level overview of the organisational structure implemented at Jazeera.



Board Committees

Audit Committee

Members of the committee:

- Hany Mohamed Shawky Younes
- Marzouq Jassim Marzouq Boodai
- Seham Haitham Alhussaini

Risk Committee

Members of the committee:

- Hany Mohamed Shawky Younes
- Marzouq Jassim Marzouq Boodai
- Seham Haitham Alhussaini

Board Remuneration & Nomination Committee

Members of the committee:

- Mishaal Musaed Alusaimi
- Mohammad Jassim Mohammad Al Mousa
- Seham Haitham Alhussaini



By using best practices and a set of policies, procedures and mechanisms, Jazeera Airways operates and puts governance standards and rules into place. In doing so, it determines the roles and responsibilities of the Board of Directors and the executive management of the company while also protecting the rights of shareholders, stakeholders, management, employees and society.

Board Duties & Responsibilities

We understand that the competence of our directors is crucial to our success. The tasks of corporate boards are extensive. Every choice the board makes must consider how it will impact the company's stakeholders, including its employees, clients, suppliers and community members. Duties and responsibilities assigned to the board at Jazeera include:

- 1 Approving the company's major objectives, strategies, plans and policies, for instance, at the very least:**
 - The overall business strategy, primary work plans and the oversight of the same
 - Ideal capital structure and financial objectives of the company
 - Performance objectives, pursuing execution and overall company performance
 - Organisational and functional structures and periodic review

- 2 Approving interim and annual financial information as well as annual forecasted budgets**

- 3 Overseeing the company's primary capital expenditures, asset ownership and disposal**

- 4 Ensuring that the company adheres to policies and procedures that ensure that it follows all applicable internal rules and regulations**

- 5 Maintaining the validity and correctness of the data and information that needs to be disclosed in compliance with the relevant disclosure and transparency policies and rules**

- 6 Establishing efficient lines of communication that give the shareholders access to the company's diverse activities on a regular basis and any important developments therein**

- 7 Establishing a corporate governance framework with broad oversight, assessing its effectiveness and making any required adjustments**

- 8 Evaluating the performance of each executive management and board member in accordance with Key Performance Indicators (KPIs)**

- 9 Establishing specialised subcommittees with defined terms, powers and duties, as well as procedures for board oversight**

10 Ensuring that the company policies and practices are transparent and clear in order to implement governance and resolution-taking principles. Additionally, the Board of Directors' and executive management's respective roles and authority are separated. The Board had given its approval to the following in this regard:

- Internal rules and regulations concerning the company's activity and its development and any subsequent determination of competencies, roles and responsibilities amongst different organisational levels
- Approve authorisation and execution policy of executive management-assigned works

11 Identifying the powers granted to executive management

12 Monitoring executive management members' performance and ensuring they fulfil all tasks allocated to them so that the Board can:

- Make sure that executive management works in conformity with the policies and procedures that the Board has approved
- Hold regular meetings with executive management to address work-related concerns and obstacles as well as to present and discuss crucial data regarding the operation of the company
- Establish executive management performance standards in line with the objectives and strategy of the company

13 Appointing or dismissing any member of the executive management

14 Determining the fixed or variable pay categories to be granted to employees

15 Establishing a policy to govern interactions with stakeholders in order to uphold their rights

16 Establishing a system to control dealings with related parties in order to prevent conflicts of interest

17 Periodically checking the effectiveness of the company's applicable internal auditing system:

- Ensuring validity of financial and accounting systems including those relating to financial reporting preparation
- Assuring the use of reliable auditing guidelines for risk measurement and management

18 Advising independent auditors' appointment

19 Approving the code of conduct, work ethics and the policies and procedures of the company

Policies

Code of Conduct

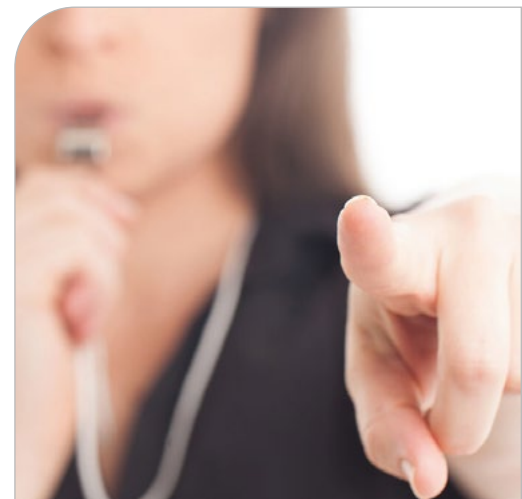
The code of conduct upholds the company’s policy and serves as a guide for preserving a work environment that respects each person’s integrity and dignity. The company’s code of conduct and ethical standards were approved by the Board of Directors. The fundamental principles of integrity, accountability and respect are amongst those established in the code of conduct. These also include best practices and professional conduct to advance the interests of the company, shareholders and other stakeholders rather than just those of a specific group. It also provides board members, executive management and employees a chance to contribute to the achievement of the company’s objectives. It includes our supplier code of conduct as well.

The policy of harassment prevention is included in the Jazeera Airways Code of Conduct. Additionally, employees have a confidential reporting system via which they can report any violations.



Whistle-blower Policy

We are dedicated to upholding the greatest standards of transparency, probity and accountability. The company’s reporting and investigation of improper or illegal conduct, as well as the protection provided to ‘whistle-blowers’, are governed by the whistle-blower policy. All employees benefit from the policy’s cooperative and transparent work environment. It enables staff members to inform the Board of Directors about unfair practices and improper conduct. These processes are carried out within a framework that assures whistle-blower protection and the required investigation and oversight of these processes are being offered.



Risk Management

To be able to assess and monitor all risks to which the company is exposed and to identify, evaluate, measure and manage the key risks it faces, the company has implemented effective systems and procedures for risk management. The management of the company and its employees are jointly responsible for risk management and it is assured that the significance of risk management is communicated to all. Tasks are carried out in accordance with the general framework for risk management. A risk officer for the company oversees measuring, monitoring and reducing any risks the company may face.

II. Board Diversity

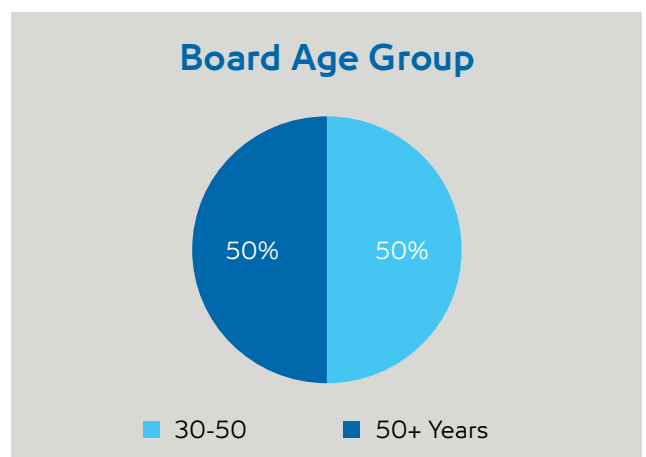
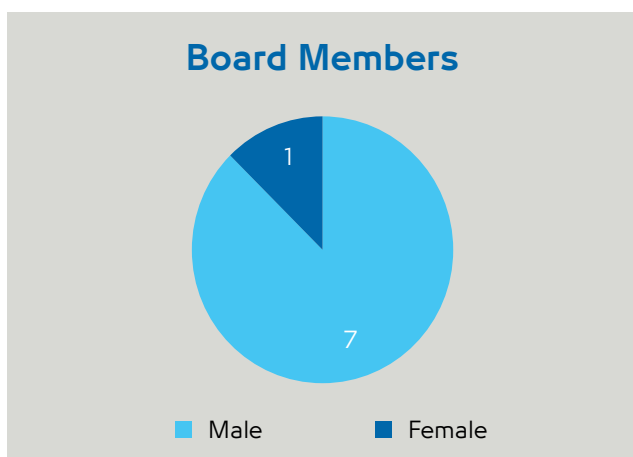
It is well established that diversity and inclusion are important for boards. The composition of a diverse board, which also reflects shared social ideals, significantly and demonstrably contributes to the effectiveness of the board.

Our Board of Directors’ diversity encompasses a range of viewpoints, expertise, ages, genders, cultures and ethnicities. Effective decision-making, guidance and risk management emerge from this. By considering, amongst other things, racial and ethnic diversity, we expect to make the board less homogenous.



2

Independent Members in the Board



III. IT Security & Data Privacy

The aviation industry is a desirable target for cyber threat actors with a variety of objectives, from stealing valuable information or money to inflicting disruptions and damage.

Approach to Data Protection

To maintain the safety of systems and the data kept within, we ensure our team is trained on how to gather the data and how to deal with clients if there are any issues with doing so. We firmly believe in safeguarding and maintaining the privacy of our customers' personal information and we take great care to ensure compliance with this. Proactive cyber detection and response capacity is essential for us to mitigate threats emerging from other industry players, given the risks across the whole aviation supply chain.

Privacy Policy

We have a privacy policy that outlines how we gather, utilise and safeguard the data we handle. Any changes made to our policy are notified via our website. Any website operated by a third party that you may access through our website is not covered by the policy. On a regular basis, the IT department executes backup of the Management System Manual electronic file kept in the company database system, including the eDOCS system. The IT department keeps the backed-up data in a secure location that is only accessible to authorised individuals.



IV. Regulatory Compliance

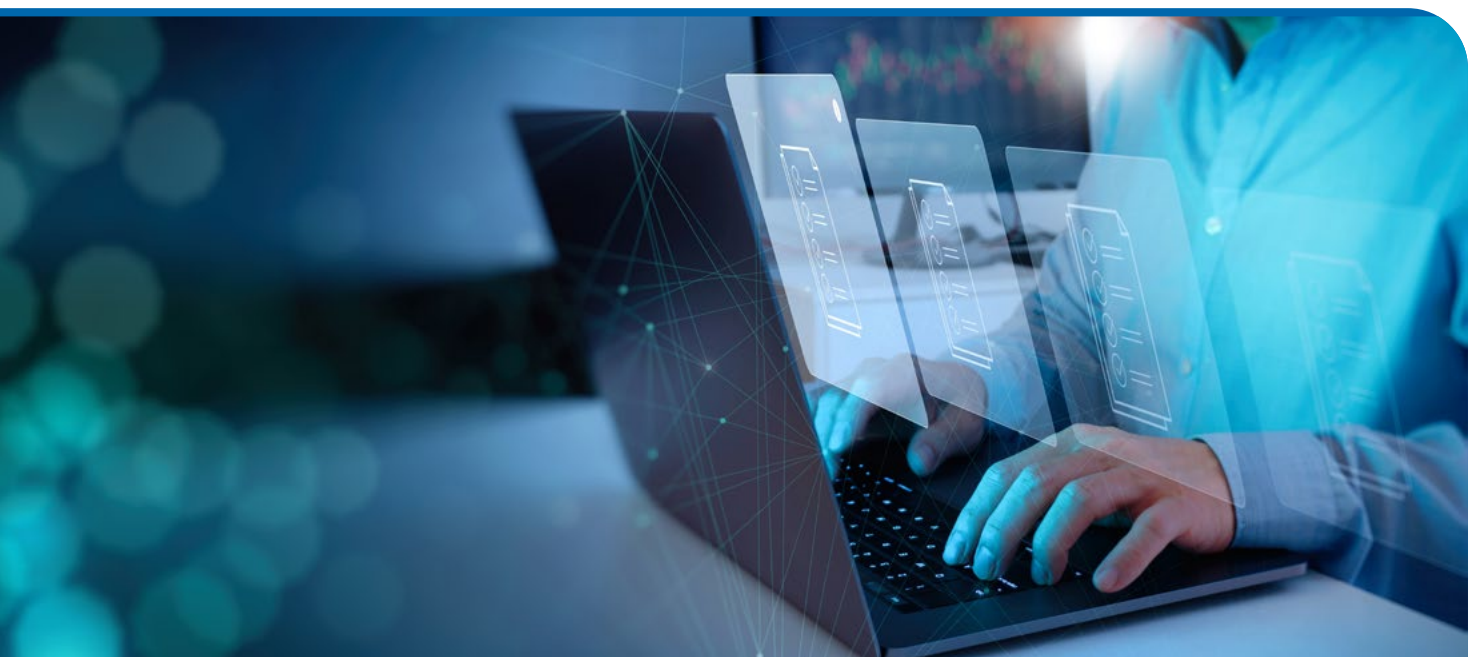
The compliance target is continuously shifting because of how quickly the regulatory environment is changing. As a company, we make an effort to uphold the highest standards of moral conduct and legal and regulatory compliance.

Compliance Framework

We abide by the laws, executive orders, rules and regulations set forth by the Ministry of Commerce and Industry, the CMA, Bursa Kuwait and any other relevant regulatory authorities. Along with supplying information, data, documents and any other requests made by representatives of the relevant regulatory authorities, we also cooperate with them through follow-up. We have also put in place plans, policies, procedures, processes, resources and responsibilities to ensure that all operational activities satisfy the customers and meet the legal requirements.

Compliance Training

At Jazeera, compliance isn't just about a small group of individuals who are up-to-date on regulations and what they mean for business operations. Instead, everyone in our organisation is informed about the most recent developments and has received training on how they will affect them. We have created and maintained a safety training program to make sure that staff members are informed about their roles in safety management and can carry out related tasks in compliance with legal requirements and company policies and procedures. All our operational staff as well as the senior management (as applicable) have undergone regulatory trainings to equip themselves with the knowledge necessary to ensure adherence to the applicable regulatory requirements.



V. Business Resilience

Business resilience is crucial to our company's success because it ensures quick recovery from unforeseen setbacks or adjustment to shifts in consumer demand or regulatory requirements. Only through attaining resilience can we be certain that we will endure natural disaster disruptions, attacks related to cybercrime and cyberterrorism, supply chain failures, technological failures and compliance failures.

Every incident that takes place within the company is reported to the Directorate General of Civil Aviation (DGCA). The DGCA is the oversight authority for civil aviation, which primarily addresses safety-related concerns.

Impact of COVID-19

Early in 2020, there was a broad business disruption brought on by COVID-19, which had a detrimental effect on economic activities. Jazeera's aircraft were grounded from 13 March 2020, and only partially operational from April to June 2020 for repatriation flights and cargo-only flights. The second wave of the pandemic, which hit in February 2021, once more had an impact on the already-slow recovery.

Jazeera started all its important international routes in 2022. Passenger volumes have risen and are anticipated to improve further, although the extent and length of the improvement will continue to depend on COVID-19-related uncertainties. Despite the uncertainty surrounding the Omicron variant in the beginning of 2022, the organisation announced record annual profits of KD20.1 million for FY 2022.

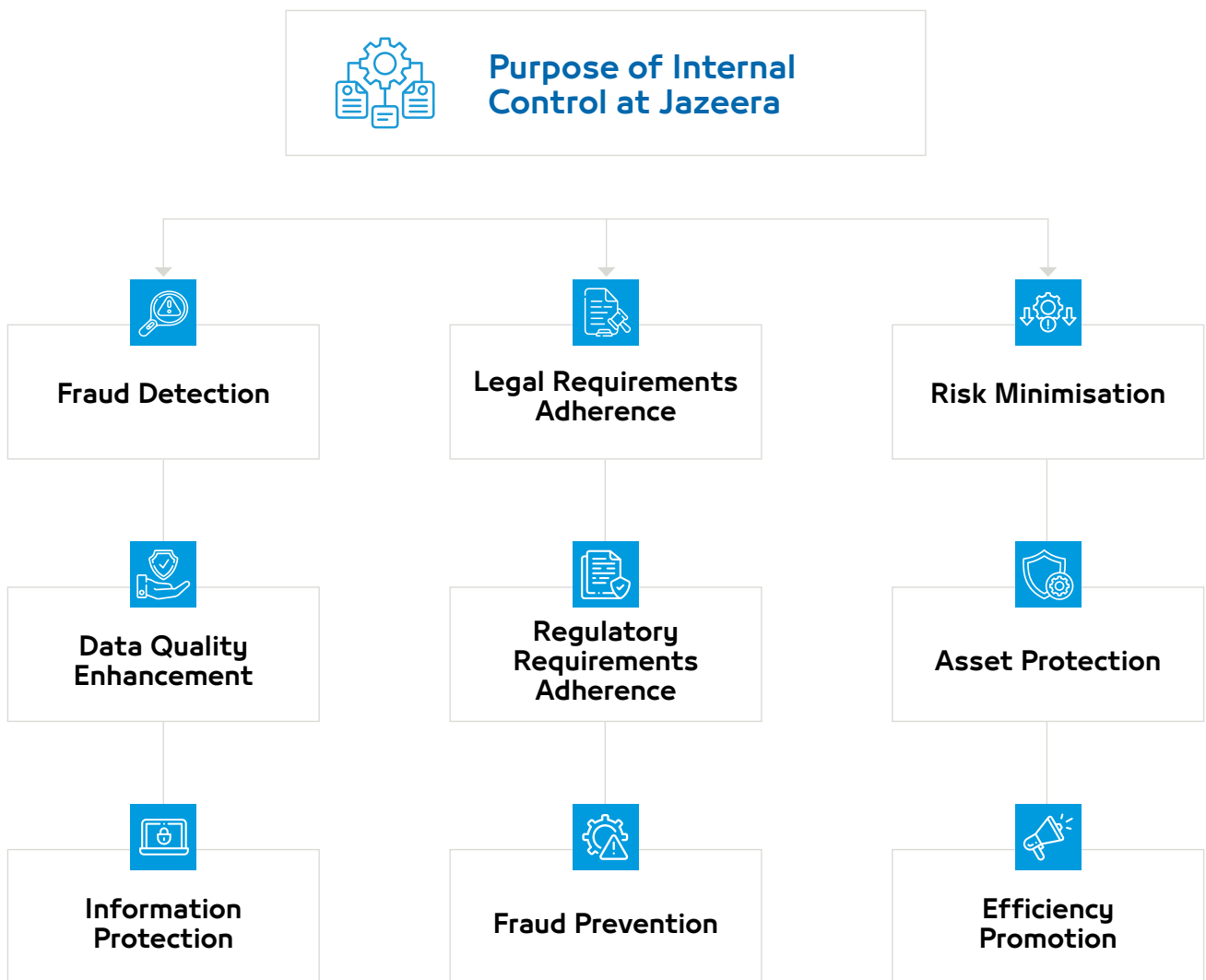
With a focus on business continuity and other risk management techniques, Jazeera is always keeping an eye on the situation in order to manage any business disruptions and increase liquidity while sustaining the business. To ensure its customers and employees are appropriately safeguarded in this new environment and in accordance with any new requirements in the industry as well as DGCA, Jazeera modified its operating procedures while maintaining operational flexibility. The organisation has thought about whether any changes and alterations to judgements, estimates and risk management need to be considered and reflected in the consolidated financial statements.



VI. Internal Control & Audit

Effective internal controls are necessary to ensure that goals and objectives are met. They offer credible financial reports for decision-making. To reduce the possibility of public scandals, they make sure that applicable laws and regulations are followed.

At Jazeera Airways, internal controls are essential for us to expand with assurance and integrity. A mix of investor and regulatory requirements drives us to invest in and maintain strong control processes.



Internal Control Principles of Jazeera






An internal audit's responsibility is to assure the effectiveness of a company's risk management, governance and internal control systems. In light of this, Jazeera's internal audit division carries out the following tasks:

Internal Audit Function at Jazeera

- Provides unbiased, impartial evaluations of Jazeera's operations
- Examines operational activities for potential business process enhancements and keeps a close eye on internal controls
- Provides information on the control and risk environment directly to the audit committee
- Reviews legal and regulatory compliance
- Contributes to effective risk management

The Three Lines Model

The Three Lines Model is the foundation of our internal controls. The Three Lines Model helps us to pinpoint the structures and procedures that best promote goal achievement, sound governance and effective risk management. The model is optimised by: adopting a principles-based approach and customising the model to corporate goals and conditions; concentrating on how risk management contributes to attaining goals, creating value as well as matters of 'defence' and protecting value; having a thorough understanding of the roles and responsibilities portrayed in the model as well as the linkages between them; and putting in place mechanisms to ensure that goals and activities are in line with stakeholders' prioritised interests.

Line of Defence	Authority	Description
First 	Management Controls & Business Unit Management	<ul style="list-style-type: none"> Primarily in charge of risk management. Risk assessment, evaluation and measurement are continual processes that are incorporated into how the organisation operates daily. Implementing the risk management framework, identifying problems and taking corrective action as needed are all part of this process. The business unit management is also responsible for reporting to the company's governance bodies.
Second 	Risk Management /Compliance/CFO	<ul style="list-style-type: none"> Primarily responsible for developing the company's risk management framework and policy, as well as for overseeing and independent reporting to the board and the risk management committee. The business unit implements the framework and policy for risk management inside the business units, approves risk within the confines of certain mandates and offers an unbiased assessment of the efficacy of risk management by the first line of defence.
Third 	Internal Audit Function	<ul style="list-style-type: none"> Reports to the board via the group audit committee and offers an unbiased evaluation of the suitability and efficacy of the risk governance structures and the entire risk management framework.

Making audits a regular practice is crucial. Establishing an auditing plan and carrying out follow-up auditing procedures help reduce organisational risks and assist management in identifying problems early on, so that they have a smaller impact on processes. We conduct external audit on a quarterly basis, whereas internal audit is outsourced to a third-party consultant.

The audit opinion is a crucial component of the audit report because it informs investors of a company's financial position. The auditors found our last financial year's consolidated financial statements to be representing a fair and accurate picture of the financial position of the Group.

The Audit Committee has been established in accordance with the governance rules stipulated in the corporate governance manual. The committee is composed of one independent member, a non-executive member for the chairmanship and another member with education, qualification and experience in the accounting and financial discipline.

VII. Shareholder Rights

Any system of corporate governance must include a set of shareholder rights. These rights guarantee that shareholders can express their views on business decisions that may impact the value of their interests, such as board nominations, other proxy initiatives and corporate actions.

Policy

The Company's MOA, AOA, policies and regulations include the processes and conditions required to protect the rights of stakeholders, particularly shareholders, in accordance with CMA criteria and Corporate Governance rules. Additionally, the company makes sure that all shareholders have equitable access to their rights. The general assembly meeting is convened upon the Board of Directors' invitation. The company encourages shareholders to attend general meetings of the company and vote on all resolutions, which are regarded as an inherent right for all shareholders under the company's Memorandum of Association, Articles of Association and Rules of Respecting the Rights of Shareholders. In order to vote on all resolutions adopted by the Annual General Assembly, each shareholder is entitled to attend the General Assembly meeting without any charge in person or by proxy. The information regarding the agenda of board meetings as well as the Board of Directors' report is made available to them.

Executive Compensation Voting Rights

The overall compensation is stated in the financial statements, which has obtained shareholder approval. According to the latest CMA resolution, effective from 1 April 2021 (for reporting year 2021–22), the corporation shall report the total compensation and benefits awarded to the top five senior executives.

Shareholder Feedback

At Jazeera, we give a strong importance to shareholder feedback. Understanding the perspectives of our shareholders enables us to more effectively customise their stock policies and communications to foster lasting connections. An organisation's ties with shareholders can determine its long-term effectiveness by assuring commitment. As a result, the organisation becomes more competent and attentive to the interests of all its users and stakeholders. We undertake shareholder feedback on sustainability practices at regular intervals to ensure their satisfaction and loyalty.

Shareholding Pattern

**Jassim and
Marwan M J Boodai &
Group:**

54.4% (Direct/Indirect)

Jazeera Terminal 5

Jazeera Terminal 5 (T5), which we manage at Kuwait International Airport, ensures an improved passenger experience via dedicated check-in, quick immigration and short transfer distances. The terminal is operated by Al Sahaab Aviation. We have made some significant upgrades to the terminal to ensure a smooth and hassle-free experience for customers. T5 has a centralised security screening before boarding the flight, duty free and retail stores, many new food and beverage outlets, complimentary Wi-Fi, self-service kiosks and car parking facilities. We have a dedicated transfer desk as well as a customer service centre to aid passengers 24/7. The airport terminal offers a broad range of features and amenities that make it an ideal location to fly to and from.



About Jazeera Terminal 5



Average Number of Flights
Operated Daily

75



Passengers Carried (Footfall)
during the Year

3,584,066

Waste Management



Total Waste Generated

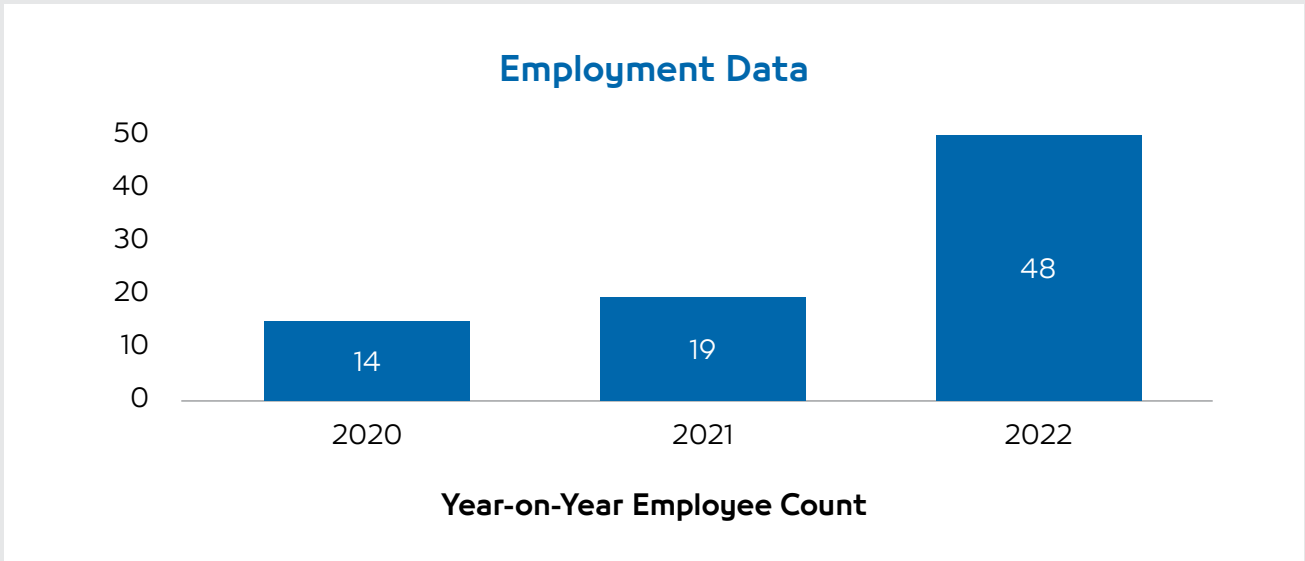
840 Tonnes/Year

Water & Effluents



Total Water Consumption

212 Megalitres/Year



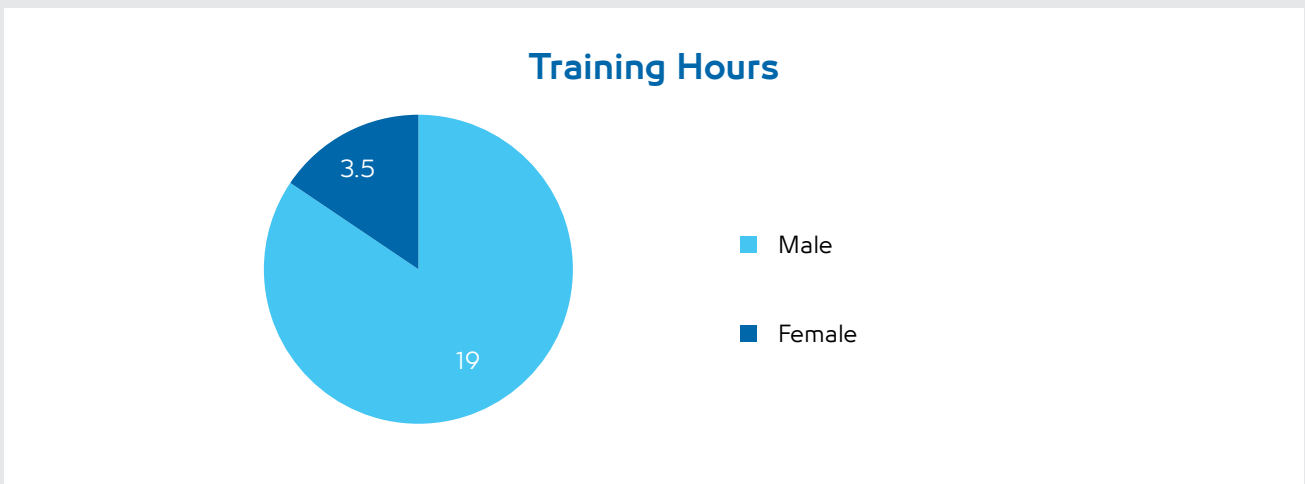
Youth Development

At Terminal 5, students and unemployed local youth are offered paid part-time job opportunities.

Domestic Workforce

T5 has not had any foreign hires since its inauguration.

Training at T5



Customer Surveys

The majority of points raised in our survey were related to organisational issues at Terminal 5, which were completely addressed by the end of November 2022 with the required enhancements and upgrades to the terminal.

Appendix

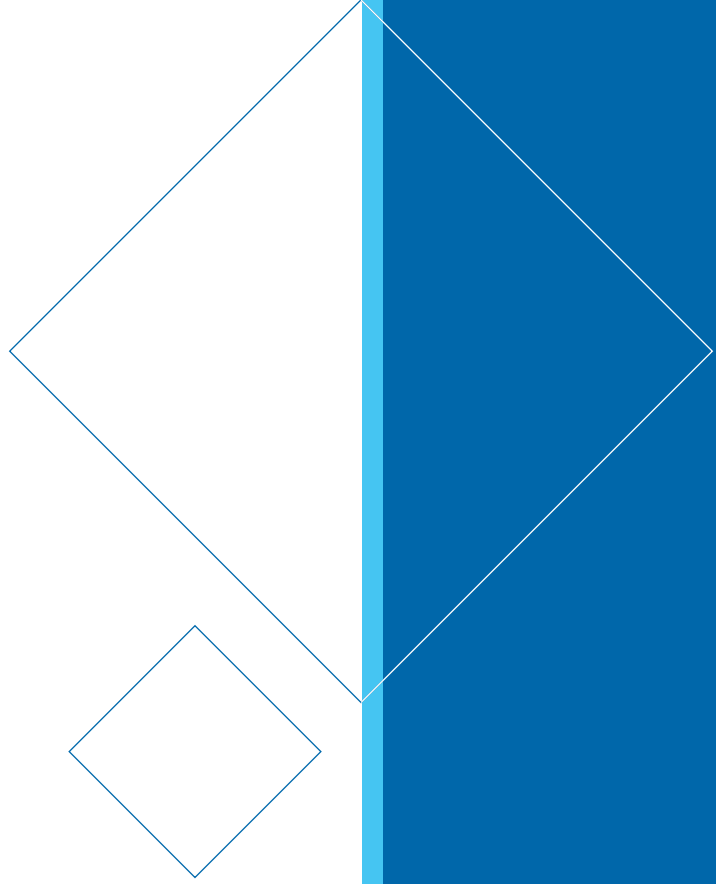
GRI Index

Indicator number	Indicator description	Report linkage
GRI 2: General Disclosures 2021		
The organisation and its reporting practices		
2-1	Organisational details	About Jazeera
2-3	Reporting period, frequency and contact point	About the sustainability report
Activities and workers		
2-6	Activities, value chain and other business relationships	About Jazeera (Markets of operation)
Governance		
2-9	Governance structure and composition	ESG integration at Jazeera
2-9	Governance structure and composition	Safety & quality committee
2-9	Governance structure and composition	Governance structure at Jazeera
2-9	Governance structure and composition	Board committees
2-9	Governance structure and composition	Board diversity (Independent members in the board)
2-10	Nomination and selection of the highest governance body	Board diversity
2-12	Role of the highest governance body in overseeing the management of impacts	Safety & quality committee
2-12	Role of the highest governance body in overseeing the management of impacts	Board duties & responsibilities
2-14	Role of the highest governance body in sustainability reporting	Board duties & responsibilities
2-15	Conflicts of interest	Governance structure at Jazeera
2-15	Conflicts of interest	Board duties & responsibilities
2-19	Remuneration policies	Remuneration policy

Indicator number	Indicator description	Report linkage
Strategy, policies and practices		
2-23	Policy commitments	Human rights policy
2-23	Policy commitments	Policies (Code of conduct)
2-24	Embedding policy commitments	Scope of training programs (Awareness training)
2-28	Membership associations	Environmental initiatives (IATA)
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder engagement
2-30	Collective bargaining agreements	Freedom of association
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Our contribution to corporate citizenship
GRI 202: Market Presence 2016		
202-2	Proportion of senior management hired from the local community	Domestic workforce
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Our total fuel consumption
302-4	Reduction of energy consumption	Benefits of the A320neo
302-4	Reduction of energy consumption	Benefits resulting from deploying fuel efficient equipment
302-4	Reduction of energy consumption	Our fuel efficiency initiatives
302-4	Reduction of energy consumption	Fuel reduction by utilising fuel-saving equipment in our aircraft
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water and effluents
303-5	Water consumption	Water and effluents
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Our impact on the environment
305-5	Reduction of GHG emissions	Partnered with CHOOOSE for carbon offsets

Indicator number	Indicator description	Report linkage
305-5	Reduction of GHG emissions	Our impact on the environment
305-5	Reduction of GHG emissions	Our fuel efficiency initiatives
GRI 306: Waste 2020		
306-3	Waste generated	Waste management (Total waste generated)
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Employment data
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	OH&S management system
403-1	Occupational health and safety management system	OH&S management system (Infrastructure & resources)
403-5	Worker training on occupational health and safety	Safety initiatives
403-6	Promotion of worker health	Safety initiatives
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	OH&S policy
403-8	Workers covered by an occupational health and safety management system	Jazeera health & safety management system
403-9	Work-related injuries	Recordable work-related injuries
403-9	Work-related injuries	Fatalities owing to work-related injury
403-9	Work-related injuries	Major types of work-related injury
403-9	Work-related injuries	Workplace hazards & risk management
403-10	Work-related ill health	Workplace hazards & risk management
403-10	Work-related ill health	Workplace hazards & risk management (Aircraft environment and environmental factors)
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Training at Jazeera (Average training hours)
404-1	Average hours of training per year per employee	Training at Jazeera (Terminal 5: average training hours)

Indicator number	Indicator description	Report linkage
404-2	Programs for upgrading employee skills and transition assistance programs	Scope of training programs
404-3	Percentage of employees receiving regular performance and career development reviews	Training at Jazeera
404-3	Percentage of employees receiving regular performance and career development reviews	Training at Jazeera (Terminal 5)
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Our diverse workforce
405-1	Diversity of governance bodies and employees	Board diversity
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Youth development



الجزيرة.
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