



الصندوق العربي للطاقة

**The Arab
Energy Fund**

A Multilateral Impact Institution

Advancing Impact Across the Energy Sector



**2025 IMPACT AND
SUSTAINABILITY
REPORT**

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MEASURING REGIONAL ENERGY IMPACT



ABOUT THIS
REPORT

01

ABOUT THIS REPORT

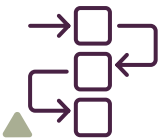
The Arab Energy Fund (TAEF or The Fund) presents its Impact & Sustainability Report for the year 2025. The report provides an overview of the Fund’s performance across its material environmental, social, and governance (ESG) topics and outlines its sustainability approach and impact across its portfolio. It should be read in conjunction with the 2025 Annual Report and Green Finance Report to provide a comprehensive view of financial and sustainability-related information.



Reporting Boundary

This report covers the period from 1 January 2025 to 31 December 2025, unless otherwise stated.

The reporting boundary covers The Arab Energy Fund’s operational entities, including its Headquarters in Riyadh and its wholesale banking branch in Bahrain. Subsidiaries (special purpose vehicles and a close-ended fund) consolidated in the 2025 financial statements are excluded as those subsidiaries have no operational footprint.



Reporting Frameworks

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and aligned with regional central bank standards. The Fund’s application of the GRI Standards is undertaken on a voluntary basis, reflecting its commitment to transparency and alignment with recognized impact and sustainability reporting practices.

Furthermore, the report highlights the Sustainable Development Goals (SDGs) in alignment with The Arab Energy Fund’s Corporate-Level Impact Assessment.

The Arab Energy Fund undertakes voluntary public reporting, at least annually, on its sustainability-related lending and investment activities and progress to stakeholders through its corporate website and annual reports. Beginning next year, the Impact & Sustainability Report will be integrated into the Fund’s Annual Report, supporting a more holistic approach to corporate and sustainability-related disclosures. The Fund will continue to review and refine its reporting standards and frameworks in response to evolving regulatory requirements and industry expectations.

The Appendix includes indices mapping disclosures to relevant frameworks.





Data Verification and Forward-looking Statements

The Arab Energy Fund is committed to transparency and accuracy in all its public disclosures. All data contained in this report has been subject to internal verification processes and review by relevant business divisions. The Fund continues to assess opportunities to enhance the robustness and assurance of its sustainability disclosures over time.

This report may contain forward-looking statements based on currently available information and expectations regarding future events and developments. Such statements are subject to inherent risks and uncertainties, including changes in economic conditions, market developments, capital markets, regulatory environments, and other external factors that may cause actual results or outcomes to differ materially from those expressed or implied.

While The Arab Energy Fund believes these expectations are reasonable at the time of publication, no representation or warranty is made regarding the accuracy, completeness, or continued validity of such statements. The Fund undertakes no obligation to publicly update or revise any forward-looking statements unless required to do so by applicable laws and regulations.



Board Responsibility

The Board of Directors has overall responsibility for oversight of impact and sustainability matters. Preparation and fair presentation of this report have been delegated to the CEO, management, and relevant internal divisions, in line with established governance processes.

Feedback

The Arab Energy Fund welcomes any feedback that may support the enhancement of its impact and sustainability reporting. Readers are invited to submit their comments and suggestions to:

- ▲ **Contact** | Sustainability team
- ▲ **Contact Email** | sustainability@taef.com



A MANDATE MOVING FORWARD



LEADERSHIP
MESSAGE

02

A LETTER FROM THE CEO

I am pleased to present The Arab Energy Fund’s 2025 Impact & Sustainability Report,

which highlights the continued evolution of the Fund’s approach across impact delivery as well as its three sustainability pillars of Responsible Banking and Investing, Social Impact and Economic Opportunity, and Financial Resilience and Governance. As an energy-focused, multilateral impact institution in the MENA region, the Fund remains committed to mobilizing capital and supporting projects that advance the security and continued development of energy systems across the value chain in both traditional and new energy.

As our impact and sustainability approach continues to evolve, we are strengthening the structure and consistency of our disclosures toward a broader corporate-level perspective on impact. This reflects a new phase characterized by broader and more standardized disclosures, underpinned by robust governance oversight.

A key milestone in this journey was the introduction of a Corporate-Level Impact Assessment, enabling the Fund to measure the environmental and socioeconomic impacts of its financing and investment activities across the portfolio. This assessment establishes a baseline for tracking impact over time and marks an important step forward in our evolution as an impact institution. As part of this assessment, impact metrics have been aligned with

relevant Sustainable Development Goals (SDGs), highlighting the Fund’s contribution to sustainable development.

During the year, the Fund finalized its ESG / Climate Risk Toolkit to support internal research and analysis on environmental, social, governance, and climate considerations within the energy sector. The toolkit is currently used to establish a baseline understanding of key exposures and trends, and during 2026 the toolkit will be rolled out across business lines in order to support the development of a consistent data history, providing deeper insights to inform the Fund’s sustainability approach.

Alongside these advances, the Fund’s Green Financing program continued to support projects across areas such as circularity and renewables, backed by proceeds from green bond issuances and related financing activities. This program reflects the Fund’s ongoing commitment to delivering environmental and socioeconomic impacts across the region.

We also continued to invest in our people and organizational culture. Key workforce initiatives included the launch of the LEAD succession program and the introduction of the STEP high-potential program. In parallel, we initiated a Secondment Program aimed at regional talent to support international exposure and collaboration across member countries. Together, these initiatives strengthen leadership pipelines and support the development of a high-performing, future-ready workforce.

In 2025, The Arab Energy Fund marked its 50th anniversary, reflecting on five decades of partnership with its member countries and reaffirming its commitment to supporting the regional energy sector. As part of these celebrations, the Fund formally unveiled its new brand identity, reinforcing its position as a forward-looking institution delivering impactful investments across the region.

Together, these initiatives demonstrate how The Arab Energy Fund continues to strengthen its institutional capabilities while advancing its impact and sustainability journey. By scaling up our regional business activities, enhancing impact measurement, maintaining robust governance and ESG/climate risk frameworks, pursuing green financing activities, and investing in our people, the Fund is well positioned to support the region’s evolving energy landscape.

Looking ahead, we will continue to build on this momentum, working with our member countries and partners to mobilize capital, support innovation, and contribute to sustainable development across the MENA region.

Khalid Ali Al-Ruwaigh
Chief Executive Officer



FIVE DECADES OF ENERGY PARTNERSHIP



ABOUT
THE ARAB
ENERGY FUND

03

ABOUT THE ARAB ENERGY FUND

The Arab Energy Fund is a multilateral impact financial institution focused on the MENA energy sector, established in 1974 by ten Arab oil-exporting countries, and commenced its operations in 1975.

The Fund’s mission is to support the energy ecosystem with financing solutions to enable energy security and to develop local value chains and services in the MENA region. The Fund creates impact by contributing to economic prosperity and enabling local communities via talent development and knowledge creation.

Formerly known as the Arab Petroleum Investments Corporation (APICORP), the institution was renamed in 2023 to reflect its broader mandate across the evolving energy ecosystem. This repositioning marked an important milestone in the Fund’s evolution, reinforcing its role as a leading multilateral impact investor in the MENA energy sector.

Headquartered in Riyadh, Kingdom of Saudi Arabia (KSA), with a wholesale banking branch in Bahrain, the Fund operates within a robust multilateral framework supported by its

shareholder countries. Its governance structure, capital strength, and sector expertise position it to mobilize capital and contribute to a secure and resilient regional energy future.

Since its establishment, The Arab Energy Fund has grown steadily to become a leading regional multilateral financial institution, with total assets of \$US 13.4 Billion as of FY2025.

In 2025, the Fund celebrated its 50th anniversary - a significant milestone that reflects five decades

of partnership, capital mobilization, and support for the region’s energy development. As it enters its next chapter, the Fund remains focused on strengthening its impact, reinforcing financial resilience, and supporting the long-term resilience of the MENA energy ecosystem.

For further details on The Arab Energy Fund’s history and key milestones, please refer to the Annual Report.



The Arab Energy Fund at a Glance

- Founded in 1975 ⁽¹⁾
- 10 Member Countries
- Linkages and exposures to 35+ countries
- Hosted in Riyadh, Kingdom of Saudi Arabia (KSA)
- \$US 13.4 Billion in assets
- Member of the International Capital Market Association (ICMA)



VISION

To be the leading energy-focused impact fund in the region



MISSION

We support the energy ecosystem with debt and equity solutions to ensure energy security and sustainability, develop local value chains and services, and contribute to economic prosperity in the MENA region by fostering talent development and knowledge creation.

1) Established in 1974 and commenced operations in 1975

OUR SERVICES

The Arab Energy Fund offers a comprehensive range of funding solutions across the entire energy value chain to leading public and private sector business partners in over 35 markets.

The Fund provides specialized wholesale financial services, in the form of structured loan finance and financial advisory services. The Fund aims to create positive impact across all its business activities, in alignment with its vision to be the leading energy impact fund in the MENA region.

Business Lines

CORPORATE BANKING

Provides a wide range of conventional and Shariah-compliant structured lending solutions, funded and unfunded. This business line supports energy infrastructure and enables trade across regional and global markets.

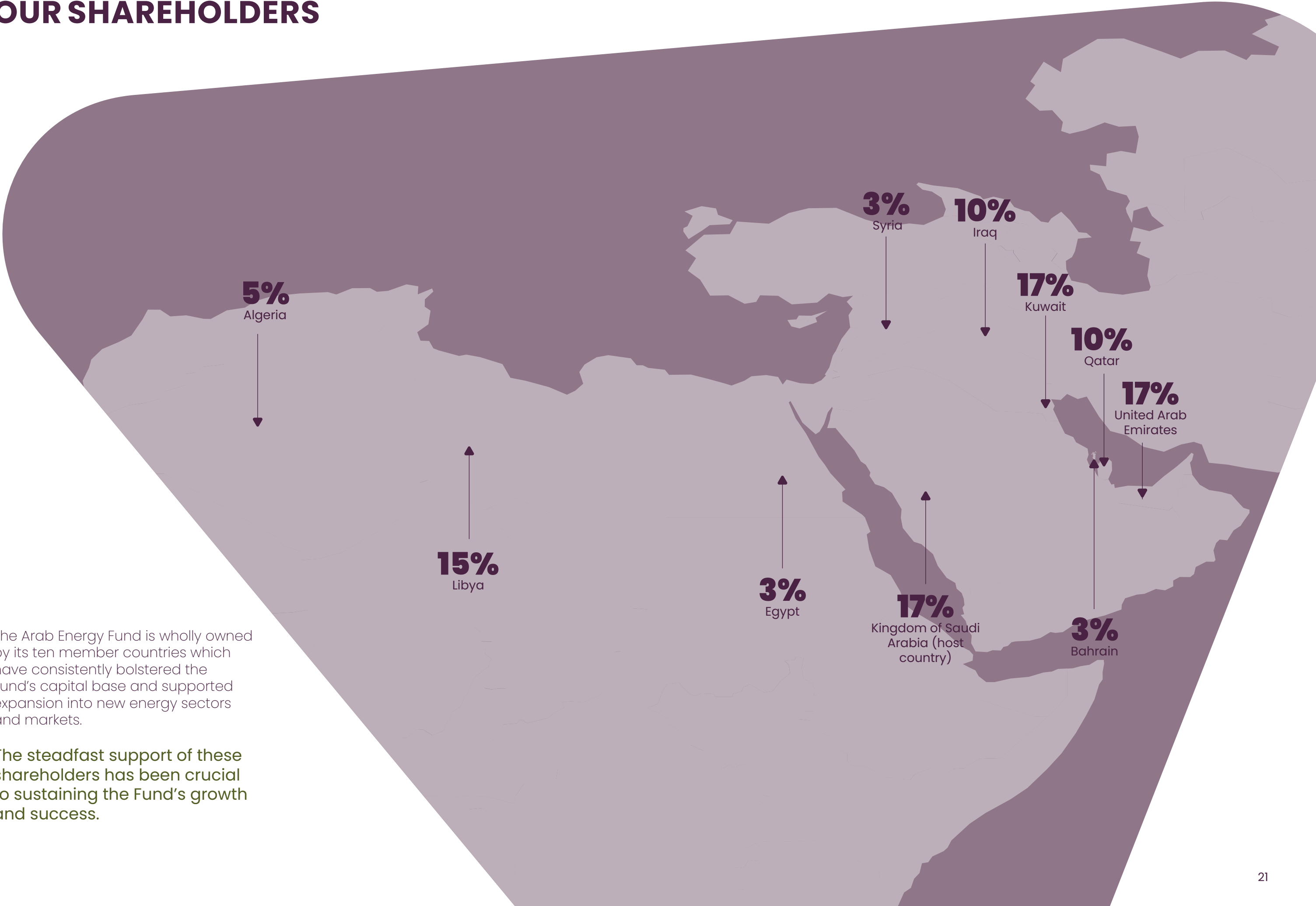
INVESTMENTS & PARTNERSHIPS

Strategically deploys a portion of the Fund’s shareholder capital in direct equity and indirect fund investments. The Fund invests to create long-term shareholder value and to advance the energy sector. This business line fosters strategic partnerships regionally and globally.

TREASURY & CAPITAL MARKETS

Manages the Fund’s liquidity and capital structure. Optimizes returns through investments in high-quality liquid assets. This business line continuously optimizes funding costs and seeks to grow and diversify funding sources.

OUR SHAREHOLDERS



The Arab Energy Fund is wholly owned by its ten member countries which have consistently bolstered the Fund’s capital base and supported expansion into new energy sectors and markets.

The steadfast support of these shareholders has been crucial to sustaining the Fund’s growth and success.

A GLOBAL REACH

With linkages and exposures across more than 35 countries, The Arab Energy Fund operates within a broad international network of public and private sector partners. This network reflects the Fund's longstanding role in mobilizing capital and expertise across the regional and global energy ecosystem.

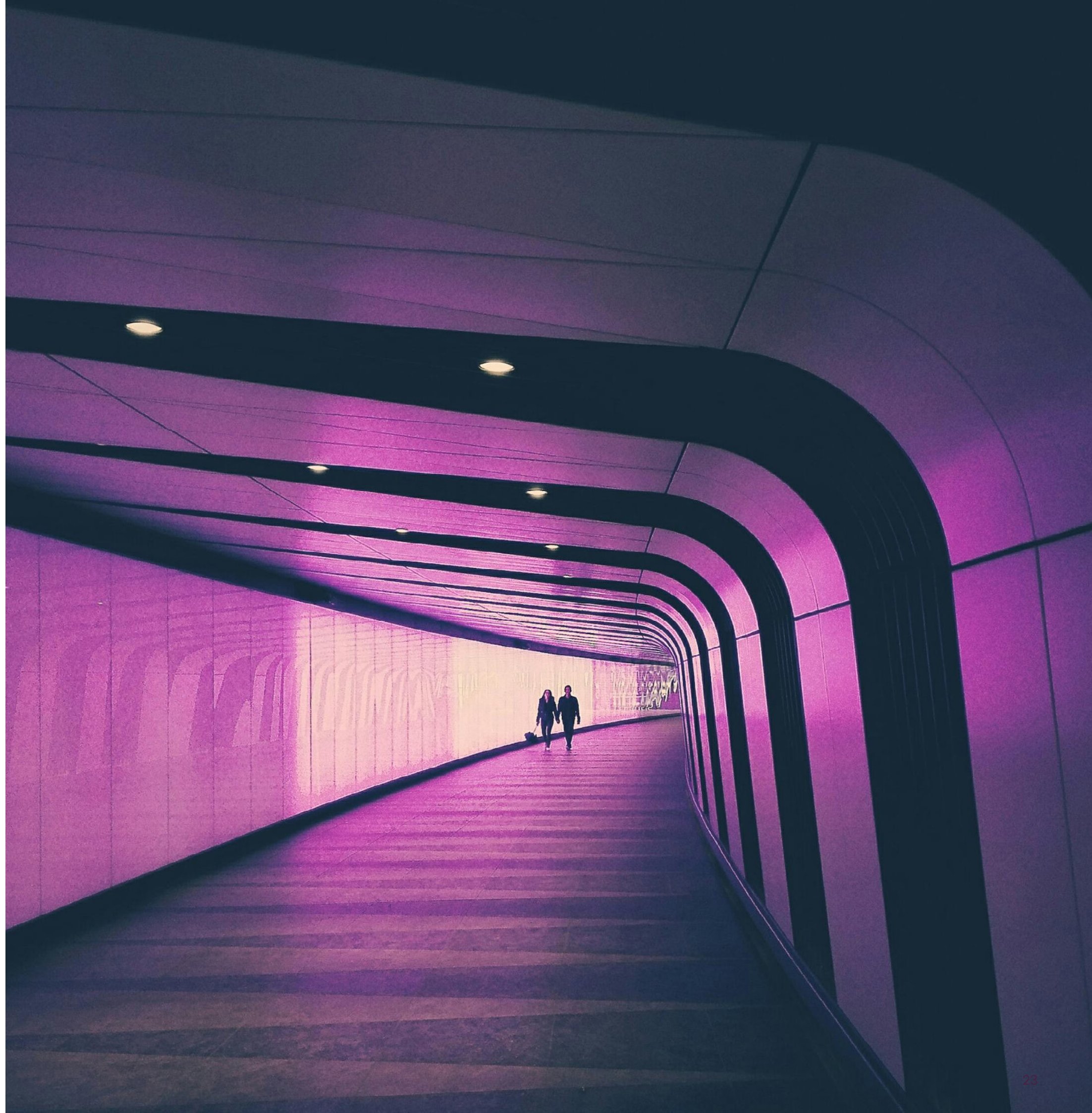
Through these partnerships, the Fund supports projects that strengthen energy systems, enhance economic resilience, create employment opportunities, and contribute to sustainable development across its member countries and wider markets.

CREDIT RATINGS

As of 31 December 2025, The Arab Energy Fund maintained strong long-term credit ratings from leading international agencies:

- ▶ **S&P – 'AA–' / Stable Outlook**
- ▶ **Moody's – 'Aa2' / Stable Outlook**
- ▶ **Fitch – 'AA+' / Stable Outlook**

These ratings reflect the Fund's robust capital base, prudent risk management framework, strong shareholder support, and disciplined approach to governance and financial resilience. They continue to support the Fund's effective access to international capital markets.



IMPACT IN WIDER VIEW



**THE ARAB
ENERGY FUND'S
SUSTAINABILITY
JOURNEY**

04

THE ARAB ENERGY FUND’S SUSTAINABILITY JOURNEY

The Arab Energy Fund continues to advance its sustainability journey, reflecting a new phase characterized by broader and more standardized disclosures, underpinned by robust governance oversight.



SUSTAINABILITY GOVERNANCE

The Arab Energy Fund maintains a structured, multi-tiered sustainability governance framework designed to support oversight of sustainability-related matters across the organization.

The framework defines clear roles and responsibilities across the Board, executive management and operational functions, supporting accountability, transparency and effective implementation of the Sustainability Strategy. Sustainability oversight is embedded at three levels within the organization.

BOARD LEVEL

Following a review of the Fund’s governance structures in the previous year, 2025 marked the implementation of a revised Board committee structure. The former Board Audit and Risk Committee was restructured into two separate committees: the Board Audit and Compliance Committee (ACC) and the Board Risk and Sustainability Committee (RSC).

The RSC is responsible for overseeing the Fund’s impact and sustainability reporting, relevant policies, and ESG / climate risk management. Through this structure, oversight of ESG / climate risks and opportunities is exercised at the Board level, reinforcing accountability and alignment between sustainability considerations, risk management, and the Fund’s strategic priorities.

The Board Executive Committee (BEC) is responsible for overseeing the Fund’s Sustainability Strategy as part of its oversight of the overarching Corporate Strategy.

EXECUTIVE LEVEL

Execution and implementation of the Sustainability Strategy is managed at the executive level, principally through the Sustainability Committee, chaired by the CEO. The Sustainability Committee oversees ESG and climate risks, manages green allocations, and ensures alignment with sustainable finance principles and disclosure standards.

OPERATIONAL LEVEL

At the operational level, the Strategy division oversees sustainability as a core strategic function. Responsibility for implementing the Fund’s Sustainability Strategy is shared between Strategy, Risk, and the Fund’s Business Lines.

This decentralized approach ensures that each function contributes its respective expertise while supporting a collaborative model for reflecting sustainability considerations across the organization. The structure is subject to periodic review to ensure effective coordination and optimal allocation of responsibilities.



SUSTAINABILITY STRATEGY

The Arab Energy Fund's Sustainability Strategy guides the Fund's approach to sustainability in line with its role as a multilateral impact institution focused on the MENA energy sector.

As the Fund's sustainability approach continues to evolve, it is working to strengthen the structure and consistency of its sustainability disclosures toward a broader corporate-level perspective on impacts. This signals a new phase in the Fund's sustainability journey, characterized by broader and more standardized disclosures, underpinned by robust governance oversight.

During 2025, The Arab Energy Fund integrated key aspects of its ESG Policy Framework into the Sustainability and Impact Report, supporting a more unified and streamlined approach to sustainability across the Fund's activities and disclosures. As part of this evolution, the ESG Policy Framework was retired as a standalone document.

In parallel, the Fund expanded its approach to impact measurement across its portfolio, through the introduction of additional impact metrics to strengthen transparency around environmental and socioeconomic impacts. This approach also extends to the mapping of impact metrics against the Sustainable Development Goals (SDGs).

The Fund also finalized development of its ESG / Climate Risk Toolkit across its business lines, supporting internal research and providing analytical insights on sustainability-related topics (see the Corporate-Level Impact Assessment and ESG / Climate Risk Toolkit sections for further details).



The Strategy is structured around three pillars aligned with the Fund’s sustainability priorities.

FINANCIAL
RESILIENCE AND
GOVERNANCE

The Arab Energy Fund’s robust governance system and risk management framework enable the organization to maintain financial resilience and sustainable growth. The oversight of sustainability at Board and management levels coupled with responsible business conduct across all areas of operations position.

SOCIAL IMPACT
AND ECONOMIC
OPPORTUNITY

The Arab Energy Fund aims to secure access to finance to support the development and resilience of the MENA energy sector. The Fund prioritizes developing and nurturing its workforce, and strives to promote human rights and diversity among its financing/investment partners, employees, and suppliers.

RESPONSIBLE
BANKING AND
INVESTING

The Fund purposefully contributes to the environmental profile of its Member Countries through financing eligible projects in line with its Green Finance Framework. Moreover, the Fund aims to promote sustainable financial solutions (e.g. carbon-reducing projects). By end of 2026 The Arab Energy Fund will consistently be measuring ESG and climate risks across lending and investment portfolios.

2025 Highlights

OVERARCHING

Expanded the Fund’s approach to impact measurement, with corporate-level impact metrics introduced to strengthen transparency around environmental and socioeconomic outcomes (over and above the impacts already measured for the Green Finance portfolio)

Mapped the corporate-level impact metrics to the **Sustainable Development Goals (SDGs)** in order to provide additional transparency

- Fully implemented 2024 **governance enhancements**, including reorganizations, and updates to structures, policies and key governance documents
- Introduced a **Gift Policy** to further strengthen the Fund’s ethical framework
- **Enhanced Cybersecurity** by completing the ISO 27001 Information Security Management certification and by conducting a comprehensive cybersecurity awareness program, designed to strengthen a security-conscious culture across the organization

- **Nurtured international talent** with employees from 21 countries
- **Continued to invest in people and organizational culture** through the launch of the LEAD succession program and the STEP high-potential program – in total providing **4,013** training hours to employees trough these and other initiatives – and in parallel invested in regional talent through the launch of the Secondment Program
- **Invested \$US 201,613 in the community** through the support of educational and research initiatives, reinforcing a commitment to talent development, research, and knowledge sharing

- Finalized development of **the ESG / Climate Risk Toolkit** across business lines in order to support internal research and provide analytical insights on ESG and climate topics
- **\$400M increase in allocated financing under the Green Finance Framework**, taking the total allocation to \$1,237M as of YE2025, contributing to environmental and socioeconomic regional development across the energy and infrastructure sectors by focusing on circularity and renewables

MATERIALITY ASSESSMENT & STAKEHOLDER ENGAGEMENT

The starting point for the development of The Arab Energy Fund’s Sustainability Strategy was to identify the Fund’s material ESG topics through a comprehensive materiality assessment using a double materiality approach.

This began with a thorough analysis of The Arab Energy Fund’s business operations and value chain, regulatory requirements, and identification of key stakeholders to be consulted as part of the process.

The process first identified sector-specific ESG topics relevant to the Fund, based on its industry classification according to the following global sustainability standards and frameworks:

- 

► Sustainability Accounting Standards Board (SASB);
- 

► MSCI ESG Industry Materiality Map and its key issue methodologies; and
- 

► S&P Global Ratings ESG Materiality Map

The Arab Energy Fund also considered regulatory requirements, aligned with regional central bank standards, as part of the process.

Stakeholders including members of The Arab Energy Fund’s Executive Management team and employees from various business units were invited to assess the actual and potential positive and negative impacts of its activities on the environment and society, and the financial risks and opportunities associated with each material ESG topic.

The material ESG topics were scored and prioritized based on the impact materiality and financial materiality assessments in alignment with the Fund’s risk management framework on likelihood and severity.



The assessment resulted in the identification of eleven material ESG topics as follows:

- 

Environmental

 - GHG Emissions & Decarbonization
 - Climate Change Adaptation & Mitigation
- 

Social

 - Employment Practices & Wellbeing
 - Human Capital Development
 - Shareholder Countries’ Social & Economic Development
- 

Governance

 - Corporate Governance
 - Business Ethics & Conduct
 - Systemic Risk & Crisis Management
 - IT Infrastructure & Information Security
 - Access to Capital
 - Responsible Lending & Investing

Continuous engagement with key stakeholders is important for the effective management of material ESG topics. In 2025, The Arab Energy Fund engaged with employees, investors, regulators, clients, and communities through various channels. These engagements inform the Fund’s Sustainability Strategy and support alignment with evolving stakeholder expectations, while maintaining strong relationships across its stakeholder groups. See appendix for a table listing the various ways of engaging key stakeholders.



CORPORATE-LEVEL IMPACT ASSESSMENT

The Arab Energy Fund annually reports on impacts associated with ‘green assets’ financed under its Green Finance Framework (notably circular economic models and renewables) as well as impacts associated with projects that the Fund has assigned as ‘sustainability-linked assets’ (notably water desalination and mixed utility assets).

Building on this foundation, the Fund undertook a comprehensive review of its impact measurement approach in 2025 to expand and refine the metrics used to assess its broader environmental and socioeconomic impact.

This exercise resulted in the development of a Corporate-Level Impact Assessment, which extends the scope of impact measurement beyond individual green-financing transactions to cover the Fund’s impact assets⁽¹⁾. The revised assessment enhances existing methodologies, introduces additional indicators, and establishes a structured baseline for measuring environmental and socioeconomic impacts.

By applying these indicators across its portfolio⁽²⁾, the Fund conducted its first Corporate-Level Impact Assessment

in 2025, establishing a baseline for measuring the impacts associated with its financing and investment activities. Moving forward, these metrics will be assessed and updated on an annual basis, enabling the Fund to track progress over time and strengthen transparency around the development impacts of its activities.

As part of this assessment, the Fund also aligned its Corporate-Level Impact Assessment with relevant Sustainable Development Goals (SDGs), highlighting the areas where its activities contribute most directly to sustainable development.



2) The scope encompasses TAEF’s impact assets (which include gross loans, off-balance sheet guarantees and equity investments) of \$US 7.0 billion (52% of TAEF’s total assets). For the YE 2025 calculation the following impact assets were excluded (i) guarantees (off-balance sheet activities), and (ii) indirect equity investments in funds.

Note: The impact figures are calculated in accordance with the overall portfolio impact methodology and reflect exposures where impact can be directly attributed to specific financed assets or projects. Corporate financing exposures are assessed separately through corporate-level indicators. As a result, reported impact figures may differ from thematic green finance reporting figures prepared under a different reporting scope and attribution basis.

A selection of the corporate-level impact indicators and their 2025 values is presented in the following table.

Indicator	Definition	Applicability	Sector Classification	Unit	2025 Value	SDG
Lending & investment in sustainability-linked assets	Green assets under the Green Financing Framework (notably renewables and circular economic models) along with other sustainability-linked assets (notably water desalination and mixed utilities)	Project Financing and Direct Investments	Utilities / Electricity Generation, Water Management, Waste and Disposal Services	USD Billion	1.8	    
Lending & investment in public infrastructure	The monetary value of financing, advisory, or enabling support provided to public-sector infrastructure projects. This includes capital deployed, guarantees, or other forms of catalytic support that facilitate the development, expansion, or modernization of essential public infrastructure assets.	Project Financing and Direct Investments	Utilities / Electricity Generation, Water Management, Waste and Disposal Services	USD Billion	2.7	    
Jobs created from lending & investing	The estimated number of direct employment opportunities generated by TAEF-financed projects or investments	Project Financing and Direct Investments • Corporate Financing • Equity Investments	All sectors	Number of jobs (FTEs)	56,500	
Electricity Generated from Lending & Investing	The amount of electricity produced by a power generation asset over a defined Period. Reflects energy delivered, not installed capacity.	Project Financing and Direct Investments	Utilities / Electricity Generation	GWh	12,171	  
Water desalinated from lending & investing	The annual volume of water generated by desalination facilities.	Project Financing and Direct Investments	Utilities / Water Management	m3/year Million (cubic meters per year)	204.7	  
Annual Treated Waste	The annual quantity of solid waste processed by dedicated treatment facilities, contributing to pollution prevention, environmental protection, and resource management	Project Financing and Direct Investments	Utilities / Waste and Disposal Services	Tonnes/year	414,500	   
Annual Wastewater Treated	The annual quantity of wastewater processed by dedicated treatment facilities, contributing to pollution prevention, environmental protection, and resource management	Project Financing and Direct Investments	Utilities / Waste and Disposal Services	m3/year Million (cubic meters per year)	36.9	   
Training hours provided	Training hours delivered to TAEF employees across all levels and interns	TAEF Corporate	N/A	Hours/year	4,013	 

What our impact represents

 Electricity Generated – 12 million MWh/year
Equivalent to 139 million Light Bulbs Powered

 Water Desalinated – 205 million m³/year
Equivalent to 81,861 Olympic Swimming Pools

 Wastewater Treated – 37 million m³/year
Equivalent to 37 km² Farmland Irrigated

 Waste treated – 415,000 tonnes/year
Equivalent to 41,460 trucks

NEW SECTOR DEVELOPMENT

The Arab Energy Fund is expanding its focus to include a range of emerging technologies across the MENA energy sector. The Fund has done deals and will continue to do new deals in order to develop each of the following sub-sectors:

WASTE-TO-ENERGY & CIRCULAR CARBON ABATEMENT

Waste-to-Energy (WtE) plays a critical role in advancing circular economy models by converting municipal solid waste into dispatchable energy while reducing methane emissions and easing pressure on landfills. As urbanization accelerates across the Fund’s member countries, scalable waste management solutions are essential to meeting environmental and public-service expectations. Investing in WtE strengthens the Fund’s position as a transition-financing leader in the utilities sector, backing commercially viable projects that address emissions, energy security, and waste management challenges while aligning with national sustainability and circularity agendas.

GREEN HYDROGEN & CLEAN MOLECULES

Green hydrogen represents a transformative pathway for decarbonizing energy-intensive sectors such as industrial processes, transport, and power by leveraging renewable electricity to produce zero-carbon molecules. With several member countries positioning themselves as future exporters of green hydrogen and ammonia, early ecosystem development is both economically strategic and essential for long-term competitiveness. Participation in this sector reinforces the Fund’s role in catalyzing emerging clean energy value chains and supporting the development of regional industrial hubs and future export capabilities.

CLEAN & SECURE BASE-LOAD POWER

Clean and secure base-load power, including nuclear energy, contributes to decarbonization by delivering large-scale, zero-carbon, reliable electricity. Projects such as the UAE’s Barakah nuclear plant enhance grid stability, reduce dependence on natural gas, and support the development of resilient energy infrastructure. These technologies play an important role in meeting growing electricity demand while aligning with national energy transition strategies.

CARBON CAPTURE, UTILIZATION & STORAGE SOLUTIONS

Carbon Capture, Utilization & Storage (CCUS) is indispensable for reducing emissions from hard-to-abate sectors, including power generation, refining, petrochemicals, cement, and heavy industry. It provides a pragmatic pathway for decarbonization while maintaining the economic relevance of energy-intensive industries. Supporting CCUS aligns with its transition mandate by enabling lower-carbon production pathways and supporting the evolution of regional industrial sectors.

BIO-CIRCULAR FUELS & ADVANCED WASTE-TO-VALUE PATHWAYS

Bio-circular fuels and advanced waste-to-value pathways, such as the conversion of used cooking oil into biodiesel, provide efficient, circular solutions for producing low-carbon liquid fuels. These pathways reduce lifecycle emissions, prevent improper waste disposal, and support the scaling of sustainable fuels without requiring major infrastructure changes. Investments in this area support practical, near-term decarbonization solutions while strengthening its position in emerging bio-circular fuel markets.

DISCIPLINE BEHIND CAPITAL



FINANCIAL
RESILIENCE AND
GOVERNANCE

05

FINANCIAL RESILIENCE AND GOVERNANCE



MATERIAL TOPICS

- Corporate Governance
- Business Ethics & Conduct
- Systematic Risk & Crisis Management
- Access to Capital
- IT Infrastructure & Information Security

Financial resilience and strong governance underpin The Arab Energy Fund’s mandate to support new energy development across the MENA region.

The Fund operates within a structured governance and risk management framework designed to promote transparency, ethical conduct, regulatory compliance, and disciplined capital allocation.

Maintaining financial strength enables the Fund to meet its obligations, preserve capital, and deploy resources responsibly in support of projects that contribute to energy security and sustainable development across its member countries and wider markets.

For further details on the Fund’s financial performance and position, readers may refer to the Annual Report and audited financial statements.



CORPORATE GOVERNANCE

In 2025, The Arab Energy Fund maintained its robust governance framework, reinforcing its continued commitment to ethical conduct, accountability, and operational excellence. Following enhancements finalized in 2024, including the reorganization of the Board Committee structure and updates to key governance documents, the Fund focused during 2025 on the effective implementation of these structures and policies.

THE BOARD OF DIRECTORS

The Board of Directors is responsible for approving and overseeing the Fund’s strategy, key policies, annual business and financial plans, and material investment and lending decisions.

The Board exercises oversight of the Fund’s risk management framework, internal controls, and regulatory compliance, ensuring that risks are appropriately identified, assessed, and managed. It also reviews and approves sustainability-related policies and strategic initiatives to ensure alignment with the Fund’s long-term objectives (see the Sustainability Governance section for further details).

To support this oversight, the Board receives regular reports in accordance with the Fund’s reporting framework, which defines the topics, timing, and frequency of reporting. Critical matters may also be communicated to the Board on an ad hoc basis when necessary.

BOARD MEMBERS

In accordance with the Fund’s Establishment Agreement, the Board of Directors includes one member for each shareholding state, chosen by the General Assembly.

The Board currently comprises nine members, typically senior government officials from member countries with extensive experience in the energy sector. All directors are designated as non-executive, non-independent members.

The Board has approved a self-assessment program to evaluate its performance. These evaluations are conducted every two years, aligned with the Board’s four-year tenure, and may be supported by external independent expertise where appropriate.

BOARD OF DIRECTORS



Chairman of the Board
Chairman of the Board Executive Committee (BEC)
Assistant Minister for Oil and Gas, Ministry of Energy

Eng. Mohammed Abdulrahman Albrahim
Kingdom of Saudi Arabia



Deputy Chairman of the Board
Member of Board Nomination and Remuneration Committee (NRC)
General Manager, Libyan Arab Foreign Investment Company

Mr. Moussa Alhassan Atiq Ali
State of Libya



Member of the Board
Chairman of the Board Nomination and Remuneration Committee (NRC)
Undersecretary, Ministry of Oil

His Excellency, Sheikh Dr. Nimr Fahad Al-Malek Al-Sabah
State of Kuwait



Member of the Board
Member of the Board Audit & Compliance Committee (ACC)
Undersecretary for Financial Affairs, Ministry of Finance & National Economy

Mr. Yusuf Abdulla Alhumood
Kingdom of Bahrain



Member of the Board
Chairman of the Audit and Compliance Committee
Undersecretary for Energy and Petroleum Affairs, Ministry of Energy & Infrastructure

Eng. Sharif Salim Alolama
United Arab Emirates



Member of the Board
Chairman of the Risk & Sustainability Committee (RSC)
Manager, Financial Asset Management and Reporting, Qatar Energy

Mr. Khalid Khalifa Aljalahma
State of Qatar



Member of the Board
Member of the Board Executive Committee (BEC)
Minister of Petroleum & Mineral Resources

His Excellency, Eng. Karim Badawi
Arab Republic of Egypt



Member of the Board
Member of the Risk and Sustainability Committee (RSC)
Advisor to the Ministry of Oil for Legal and Administrative Affairs

Eng. Hamdan Aueajal Al Rashid
Republic of Iraq



Member of the Board
Member of the Board Executive Committee (BEC)
Head of Cabinet, Ministry of Finance

Mr. Djamel Eddine Zellagui
People's Democratic Republic of Algeria

Board Composition

Board of Directors (by Gender)

Year	Female	Male
2023	11%	89%
2024	11%	89%
2025	0%	100%

Board of Directors (by Age)

Year	Below 30 years old	Between 30–50 years old	Over 50 years old
2023	0%	56%	44%
2024	0%	56%	44%
2025	0%	56%	44%



Board Committees

Effective 2025, the Board implemented a revised committee structure to strengthen oversight across governance, risk, sustainability, compliance, and remuneration matters.

The current structure comprises the following committees:

BOARD AUDIT & COMPLIANCE COMMITTEE (ACC)

Oversees the integrity of financial reporting, internal controls, and the performance of internal and external audit functions. Ensures compliance with regulations, accounting standards, and the Fund’s Code of Conduct.

BOARD RISK AND SUSTAINABILITY COMMITTEE (RSC)

Responsible for reviewing and recommending the Fund’s risk appetite, risk management framework, and impact and sustainability reporting.

BOARD NOMINATION AND REMUNERATION COMMITTEE (NRC)

Oversees executive appointments, succession planning, and performance-based remuneration. Ensures ethical standards and governance of compensation practices are upheld.

BOARD EXECUTIVE COMMITTEE (BEC)

Supports the Board by enabling timely decisions on strategic, financial, and investment matters. Reviews and approves items delegated within authority limits and monitors the implementation of the corporate strategy.

BUSINESS ETHICS & CONDUCT

The Arab Energy Fund maintains a strong framework to promote ethical conduct and compliance with applicable laws and regulations across its operations. Standards of business integrity are embedded in the Fund’s governing documents and Board-approved policies, including:

- Establishment Agreement and Statutes
- Code of Ethics and Professional Conduct
- Compliance and AML/CFT Policy
- Anti-Fraud Policy
- Whistleblowing Policy
- Gift Policy
- Grievance Policy
- Operational Risk Policy

The Code of Ethics and Professional Conduct (the Code) applies to all Board members and employees and sets out standards of acceptable behavior, ethical principles, and disciplinary procedures. Employees receive annual training on the Code and are required to formally acknowledge each year that they have read, understood, and will comply with its provisions in all professional dealings.

The Fund’s ethical framework also reflects its commitment to respecting internationally recognized human

rights across its operations and business activities. The Code and Human Capital Policy Manual set standards relating to employee rights, workplace conduct, and fair treatment. These policies align with international principles, including the Universal Declaration of Human Rights, and prohibit practices such as child labor, forced labor, discrimination, harassment, or abuse, in accordance with applicable laws and regulations in the Kingdom of Saudi Arabia.

Board members and employees are informed of the Fund’s governance policies and receive relevant training to support effective implementation. The Compliance Officer, in coordination with Human Capital, provides guidance on interpretation of the Code and oversees its application and enforcement.

The Code and related governance policies are reviewed at least once every three years, or more frequently where required to reflect regulatory developments or operational changes.

Over the past three years, the Fund has recorded no significant instances of non-compliance with applicable laws and regulations, including incidents of corruption or money laundering, and has not incurred any fines or sanctions relating to anti-trust or anti-competition matters. There has been no confirmed incident in which employees were disciplined for corruption over the past three years.

Anti-Bribery and Anti-Corruption

The Arab Energy Fund maintains a zero-tolerance approach to bribery and corruption in any form.

This commitment is embedded in the Code of Ethics and Professional Conduct and reinforced through a dedicated Anti-Fraud Policy, which outlines procedures for the prevention, detection, reporting, investigation, and remediation of misconduct, including bribery and corruption.

The Anti-Fraud Policy is drafted and periodically reviewed by Legal and Compliance and approved by the Board. It applies to all Board members, employees, clients, and third parties, and covers activities across all business lines, including proposed, ongoing, and completed transactions and operations.

Appropriate internal controls, monitoring mechanisms, and periodic training for relevant employees and senior management support the effective implementation of the Anti-Fraud Policy. In 2025, the internal audit function assessed all business lines for corruption-related risks and identified no significant gaps or material findings.

Suspected incidents may be reported through the Fund’s dedicated whistleblowing channel. All reports are reviewed and investigated in accordance with established procedures. Where a breach is substantiated, disciplinary action may be taken, including termination of employment or contractual arrangements and, where appropriate, referral to relevant authorities.



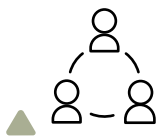


GIFT POLICY

In 2025, The Arab Energy Fund introduced a Gift Policy to further strengthen its ethical framework. The Policy sets out clear standards governing the offering, acceptance, and disclosure of gifts, hospitality, favors, or other benefits.

As a matter of principle, employees should not accept gifts or hospitality in connection with their professional duties. Where refusal is impractical, such instances must be reported in accordance with established procedures.

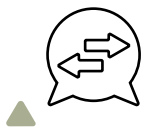
The Gift Policy reinforces the Fund’s commitment to conducting business honestly and ethically and helps ensure that neither the Fund nor its personnel offer, give, solicit, or accept benefits that could create, or appear to create, a conflict of interest.



CONFLICTS OF INTEREST

The Code provides guidance to employees on identifying and avoiding situations where personal interests may conflict with those of the Fund, its shareholders, or its clients. Employees who identify a potential conflict are required to promptly disclose the matter and seek guidance from Legal and Compliance .

Members of the Board are required to declare any actual or potential conflicts of interest and to recuse themselves from discussions or decisions where a conflict exists.



THIRD PARTIES

The Procurement Policy requires all third parties engaged by the Fund to comply with applicable laws, rules, and regulations, and to adhere to the Fund’s procurement principles. These principles promote fair competition, transparency, and ethical conduct throughout the procurement process and ongoing business relationships.

Third parties are required to disclose any actual or potential conflicts of interest, including direct or indirect relationships, prior dealings, or other circumstances that could impair objectivity or give rise to undue influence.



Whistleblowing

The Whistleblowing Policy establishes a formal mechanism for reporting concerns relating to misconduct, malpractice, fraud, corruption, or other breaches of internal policies and applicable laws. Employees may submit reports openly or anonymously and are protected from retaliation when disclosures are made in good faith.

The Board Audit & Compliance Committee (ACC) is responsible for overseeing the implementation and administration of the Policy, which is reviewed periodically and at least once every three years.

Whistleblowers report suspected cases to the Head of Compliance and Governance through the following communication channel: **whistleblowing@taef.com.**

All reported matters are assessed and investigated in accordance with established procedures. The Corporate Governance & Compliance Department ensures that employees are informed of the Policy, which is available on the Fund’s intranet available to all employees.

Legal & Compliance

Legal and Compliance oversees the Fund’s legal framework and regulatory compliance functions, supporting ethical conduct and adherence to applicable laws and regulations across all business activities.

In 2024, The Arab Energy Fund strengthened its governance framework through legal and compliance enhancements. The Legal team standardized core legal templates while the Compliance team implemented revised frameworks and policies across both the Riyadh and Bahrain offices, introducing tools for the early detection of non-compliance risks.

Both functions enhanced training and development initiatives, including internal training programs to improve consistency, efficiency, and legal risk awareness across business lines, and through external partnerships with leading institutions.

The Arab Energy Fund has established an independent Compliance and Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT)

function within Legal & Compliance, headed by the Chief Legal & Compliance Officer. The Compliance and AML/CFT Policy is designed to:

- ▶ **Promote a strong culture of compliance and AML/CFT awareness across the organization**
- ▶ **Ensure adherence to applicable laws, rules, and regulatory requirements**
- ▶ **Facilitate timely identification and reporting of potential violations**
- ▶ **Enable prompt and appropriate corrective action**

The Policy defines the Fund’s Compliance and AML/CFT framework and sets out roles and responsibilities for managing compliance and financial crime risks. It is reviewed at least once every two years, or more frequently where significant regulatory or operational changes occur.

AML/CFT

The Arab Energy Fund is committed to preventing the use of its operations for money laundering, terrorist financing or any other criminal undertaking. The Fund complies with international standards, especially those endorsed by the Financial Action Task Force (FATF), Basel Committee on Banking Supervision, and Wolfsberg Group.

Five of The Arab Energy Fund’s Member Countries – representing 64% of the shareholding – are members of the Gulf Cooperation Council (GCC) which is a full member of the FATF and is committed to implementing the AML/CFT measures agreed to by the FATF Members – particularly the FATF Recommendations.

All The Arab Energy Fund Member Countries are members of MENAFATF, an FATF Style Regional Body (FSRB) headquartered in the Kingdom of Bahrain. MENAFATF sets its own work, regulations, rules, and procedures and co-operates with other international bodies, notably the FATF.

At an organizational level, the Fund has established the following additional measures as part of its Compliance and AML framework:

- A comprehensive Compliance and AML/CFT Policies & Procedures Manual
- KYC Questionnaires
- Wolfsberg Questionnaire
- Compliance & AML Screening System
- A comprehensive Regulatory Compliance Checklist automated via a Compliance System Risk Nucleus System
- Sanctions Statement
- Annual Online training for all employees on AML/CFT



Sanctioned Countries

The Arab Energy Fund complies with the sanctions laws and regulations of the United Nations (UN), the United States (US), the United Kingdom (UK), and the European Union (EU), as well as all applicable sanctions laws and regulations in the jurisdictions in which it operates.



The Fund does not maintain a presence in any sanctioned country and declares that none of its subsidiaries, directors, agents, employees or affiliates have been engaged in any transaction or activity that has received notice of an investigation related to Sanctions or by any Sanctions Authority.

The AML/CFT Policy defines the standards that the organization must comply with to meet the above obligations. This includes:

- ▶ Screening customers/clients and transactions globally against the sanctions lists issued by the EU, the United Nations, the United States of America Department of the Treasury – Office of Foreign Assets Control (OFAC), the United Kingdom (UKHMT) and the Arab League
- ▶ Prohibiting business activity, including prohibitions on commencing or continuing customer relationships, providing products or services, or facilitating transactions that the Fund believes may violate applicable sanctions laws or its AML/CFT Policy. This includes individuals or entities named on a sanctions list or activity, directly or indirectly, involving countries or territories subject to comprehensive sanctions
- ▶ Restricting business activity involving, directly or indirectly, countries or persons subject to more selective or targeted sanctions programs. Such restrictions may affect both the products and services offered and the transactions processed by the Fund
- ▶ Investigating all customer/client alerts or transactions that are flagged in The Arab Energy Fund’s screening systems
- ▶ Providing all relevant employees with annual AML/CFT training

SYSTEMIC RISK & CRISIS MANAGEMENT

The Arab Energy Fund adopts a rigorous and comprehensive approach to assessing and managing all relevant risks to the Fund in line with industry-recognized standards and frameworks.

The Board of Directors, through the RSC, has the ultimate responsibility for overseeing and approving the overall strategy for risk management. The Risk Management & Compliance Committee (RMCC) maintains effective management over The Arab Energy Fund's Risk Management Framework, makes recommendations on the Risk Appetite Framework, and establishes and monitors early warning indicators.

The Risk division is responsible for identifying, measuring and monitoring risk exposures with the oversight of the RSC, which is responsible for providing independent and objective assurance of the risk management process.

Risk management policies are established to identify and analyze risks, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect any changes in market conditions and the Fund's activities. The Fund also applies the ISO 22301 Business Continuity Management framework to support resilience and crisis preparedness across its operations.

Risk is further responsible for ensuring adequate training is provided to employees regarding their responsibilities for risk management.

Through its training and management standards and procedures, The Arab Energy Fund aims to develop a disciplined and constructive control environment where all employees understand their roles and obligations.

The Arab Energy Fund conducts stress tests and incorporates the results into its strategic planning processes. Stress testing is conducted bi-annually and the findings include recommendations and action plans to ensure adherence to Board-

approved risk appetite. Stress test results are presented to the RMCC and Board of Directors. Any changes to policies and procedures are clearly communicated to employees.

During the year, the Fund also strengthened elements of its Enterprise Risk Management (ERM) framework. This included an update of the Fund's risk appetite statement following a comprehensive market benchmarking exercise to align it more closely with regional and industry standards. In parallel, the Fund conducted an organization-wide Risk Control Self-Assessment (RCSA) and introduced Key Risk Indicators

(KRIs) across major functions to support more proactive monitoring and control effectiveness.

The Fund also revised several risk management policies covering liquidity, market, and operational risks, as well as Expected Credit Loss (ECL) models, to ensure continued alignment with regulatory requirements and internal governance standards. Together, these enhancements contributed to the continued maturation of the Fund's risk framework and strengthened the basis for enterprise-wide risk oversight and decision-making.



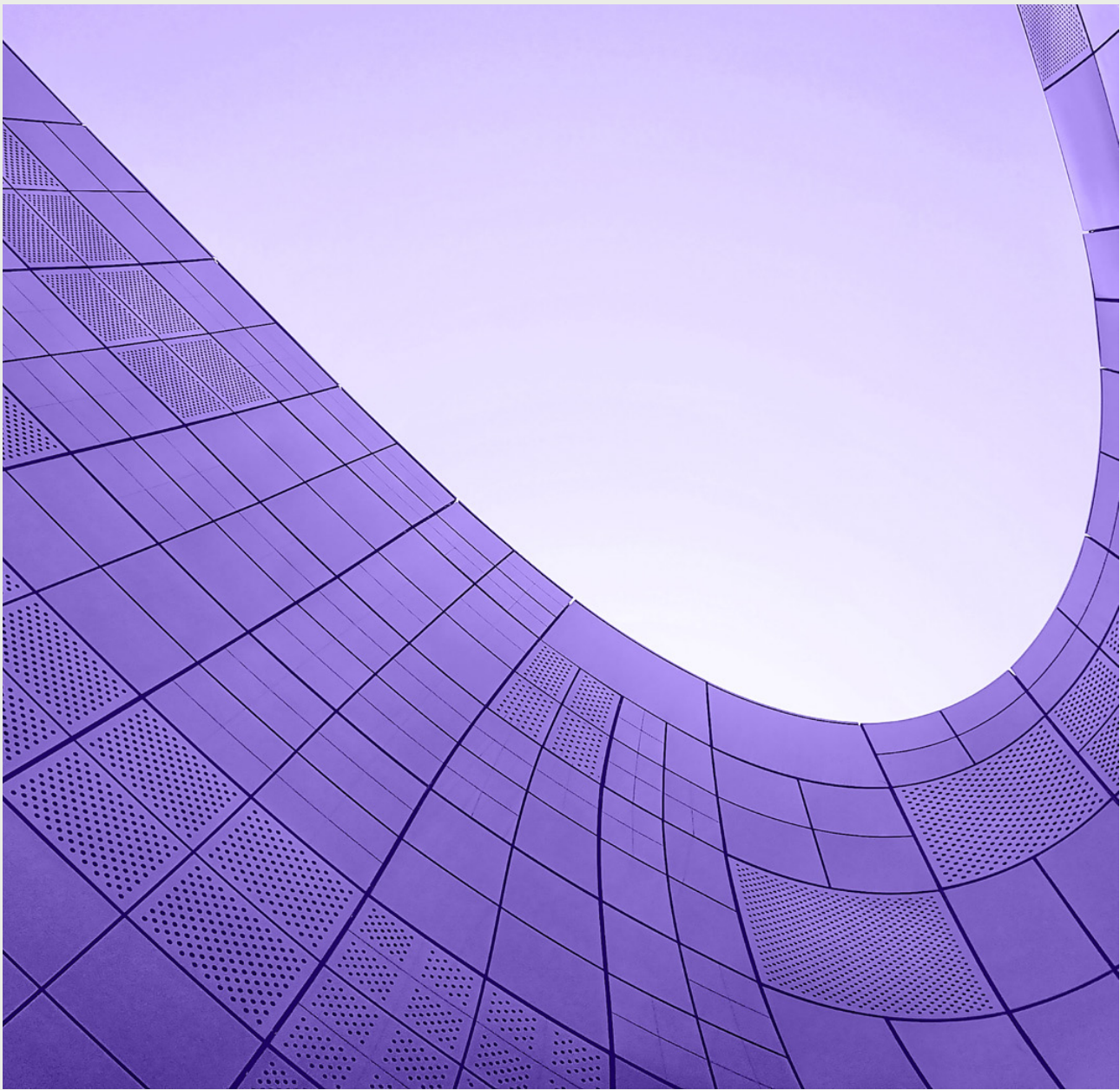
ACCESS TO CAPITAL

The Arab Energy Fund provides access to capital as both a lender and an investor, within the scope of its prudent risk management framework.

The Arab Energy Fund's ability to grow and develop its investment and lending portfolio depends on the Fund's own capacity to access capital. By issuing debt instruments in international capital markets, The Arab Energy Fund consistently

demonstrates its capacity to raise funding, supported by strong credit ratings from agencies such as Moody's, S&P Global, and Fitch which underline the Fund's prudent approach to risk management.

The ultimate responsibility for the issuance of debt or equity capital instruments lies with the Board of Directors.



IT INFRASTRUCTURE & INFORMATION SECURITY

The Arab Energy Fund maintains a secure and resilient IT infrastructure to support its operations and digital transformation initiatives.

The Fund implements appropriate technical and organizational controls to safeguard sensitive information, protect data integrity, and ensure the continuity of critical business functions. Oversight of cybersecurity falls under the responsibilities of the Risk Management and Compliance Committee, chaired by the CEO.

Digital Transformation

The Arab Energy Fund continues to advance its digital transformation through strategic upgrades and close collaboration between Information Technology (IT), Project Management Office (PMO), and Cybersecurity (CS). These efforts support increased automation, enhanced security, and improved data availability, enabling more informed and timely decision-making across the organization.

The Fund's ERP (Enterprise Resource Planning) system, implemented across Finance, HR, and Supply Chain functions, has transformed manual processes into streamlined digital workflows. In 2025, the organization initiated a further ERP modernization program, migrating to a cloud-based ERP platform and introducing additional functional enhancements across multiple modules. This multi-year initiative will continue through 2026 and represents one of the Fund's most significant digital transformation projects due to its operational complexity and scale.

Complementary digital initiatives, including the Arrangement Architecture (AA) lending solution

and the MIS data platform, support real-time forecasting, analytics, and performance reporting. The Fund's digital rebranding also included the transition from apicorp.org to taef.com, aligning internal systems with the new brand identity.

In addition, the Fund launched IntelliFlow, an internal artificial intelligence program initiated in 2025 to enhance the organization's AI capabilities. IntelliFlow supports workflow automation and the development of decision-support tools across operational departments. Developed in collaboration with industry experts and aligned with a third-party AI Maturity Model, the program has already delivered several initial use cases, with additional initiatives under development as the program expands through 2026.

As part of its ongoing infrastructure modernization efforts, The Arab Energy Fund also migrated its IT infrastructure from a private managed-services environment to a public cloud platform, improving system scalability, resilience, and security.

INFORMATION PRIVACY AND SECURITY

Protecting personal and sensitive information is critical to maintaining operational resilience, regulatory compliance, and stakeholder trust. The Fund maintains a comprehensive data protection and information security framework supported by Board-approved policies, technical safeguards, and internal controls.

The Data Privacy Manual governs the collection, use, retention, protection, and transfer of personal and sensitive data. It applies to all employees, contractors, and third parties providing services to the Fund. The Manual defines requirements relating to data subject rights, breach and incident management, governance oversight, security measures, and regulatory notification procedures. The framework supports compliance with applicable data protection regulations, including the Personal Data Protection Law of Bahrain (PDPL) and alignment, where relevant, with the EU General Data Protection Regulation (GDPR).

All employees are expected to comply with the requirements set out in the Data Privacy Manual. Failure to do so may result in investigation and disciplinary action, including potential termination of employment or contractual relationships, and may also give rise to legal action where appropriate.

Employees and, where relevant, contractors receive training and awareness on information security

appropriate to their roles. Personnel with specific information security responsibilities receive mandatory technical training. In 2025, the Fund also implemented a comprehensive cybersecurity awareness program designed to strengthen a security-conscious culture across the organization. The initiative includes structured training modules, personalized learning pathways, phishing simulations, and targeted workshops, with 100% of employees viewing the mandatory cybersecurity awareness video.

The Fund operates a 24/7 Security Operations Center (SOC) to monitor and respond to cybersecurity incidents across its network and systems. Following the migration of infrastructure to the public cloud, the SOC was enhanced to improve threat visibility, incident classification, and response capabilities across the organization’s security environment. Over the past three years, the Fund has recorded no known material information security breaches, regulatory complaints relating to customer data, or penalties or fines associated with data protection matters. The Fund also maintains compliance with the SWIFT Customer Security Programme (CSP) and has implemented supporting policies, including a Fair Use Policy and a Data Privacy Manual, to strengthen its cybersecurity governance framework.

The IT function operates under an Information Security Management System (ISMS) certified to ISO 27001 (Information Security Management). The IT function also aligns with ISO

20000 (IT Service Management) frameworks, with the organization planning to pursue formal ISO 20000 certification in 2026, having already implemented key elements of the framework in recent years. In addition, internationally recognized business continuity management principles are applied to strengthen operational resilience and ensure continuity of critical services.

The Arab Energy Fund conducts regular Vulnerability Assessments and Penetration Testing (VAPT) to test the effectiveness of its systems in preventing unauthorized access. VAPT is conducted by an external party twice per year, with annual penetration testing simulating potential cyberattacks.

In addition to these measures, the Fund has implemented several technical safeguards to strengthen the protection of its IT infrastructure and data systems, including Multi-Factor Authentication (MFA) on Single Sign-On (SSO) facilities where possible, encryption of data backups, Privilege Access Management (PAM) for controlling access, particularly for vendors and administrators, and data classification protocols to protect information based on sensitivity.

To further enhance threat detection and response capabilities, the Fund has also implemented Extended Detection and Response (XDR) technologies, enabling integrated monitoring, automated threat detection, and coordinated incident response across multiple security tools and systems.

Furthermore, The Arab Energy Fund reviews user access rights and tests its Business Continuity Management (BCM) and disaster recovery procedures annually. The Fund’s Board-approved BCM framework is periodically reviewed and updated, with regular testing and training provided for relevant stakeholders.

The Arab Energy Fund also implements security controls covering third parties, including business partners and suppliers.

These measures include identifying risks that could compromise the Fund’s data, processing systems, or facilities; establishing access controls through formal service agreements and the Fund’s Access Control Policy; and communicating the Fund’s Third-Party Security Policies to external parties handling sensitive information or operating critical IT services.



**TALENT, KNOWLEDGE,
MEMBER VALUE**



**SOCIAL IMPACT
AND ECONOMIC
OPPORTUNITY**

06

SOCIAL IMPACT AND ECONOMIC OPPORTUNITY



MATERIAL TOPICS

- Employment Practices & Wellbeing
- Human Capital Development
- Shareholder Countries’ Social & Economic Development

Note: Where no split between the Kingdom of Saudi Arabia (KSA) and Bahrain based employee is provided, the data disclosed refers to the total employees (KSA and Bahrain based) in alignment with the GRI Standard requirements.

The Arab Energy Fund seeks to generate positive impact through its workforce practices, client relationships, and engagement with member countries and communities. This section outlines the Fund’s approach to employment practices, human capital development, and its contribution to broader socio-economic development across its areas of operation.

Employment Practices & Wellbeing

The Arab Energy Fund continued strengthening its Human Capital model by advancing leadership development programs, enhancing employee engagement, and reinforcing its institutional culture.

In 2025, the Fund further developed its structured approach to talent and leadership development through initiatives such as the LEAD succession program and the STEP high-potential program, supporting the identification and development of future leaders.

The Fund also expanded continuous learning initiatives based on the 70-20-10 development model, promoting

a balanced approach to professional development that combines formal training, on-the-job experience, and peer learning.

In parallel, the launch of the Enterprise Resource Planning (ERP) platform and the migration of IT infrastructure further modernized the employee experience, enabling a more digital, efficient, and data-driven operating environment.

Looking ahead, Human Capital initiatives continue to focus on capability building, workforce agility, and succession readiness, ensuring the Fund maintains a high-performing and future-ready workforce.



Workforce Overview

Total Employees* (by Gender)					
Year	Female	Male	Total	Female (%)	Male (%)
2023	18	81	99	18%	82%
2024	19	90	109	17%	83%
2025	18	92	110	16%	84%

Total Employees (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2023	88	11	89%	11%
2024	98	11	90%	10%
2025	100	10	91%	9%

Total Contractors* (by Gender)					
Year	Female	Male	Total	Female (%)	Male (%)
2023	0	7	7	0%	100%
2024	1	2	3	33%	67%
2025	1	2	3	33%	67%

*Employees who are outsourced with majority in IT support functions

Total Contractors (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2023	6	1	86%	14%
2024	2	1	67%	33%
2025	2	1	67%	33%

Total Interns (by Gender)					
Year	Female	Male	Total	Female (%)	Male (%)
2024	8	4	12	67%	33%

Note: The Arab Energy Fund’s 50+ Graduate Development Program commenced in 2024, with all participants based in the Kingdom of Saudi Arabia. The inaugural cohort successfully completed the six-month program in 2025. The next cohort is scheduled to commence in 2026. Interns are not included in employee headcount therefore not representing a percentage of the total workforce.

Attracting and Retaining Talent

Human Capital supports talent attraction and retention through workforce planning, competitive compensation structures, and initiatives designed to maintain a supportive and high-performing work environment. Workforce needs and emerging capability requirements are regularly assessed to ensure the Fund remains well positioned to support its strategic priorities.

Compensation packages aligned with financial sector benchmarks are complemented by initiatives that enhance the overall employee experience. In 2025, employees benefited from modern workplace facilities, wellbeing programs, and improvements to digital HR systems enabled through the new ERP and the migration of IT infrastructure.

These measures contribute to a positive and efficient work environment that supports the Fund’s ability to attract, develop, and retain skilled professionals in a competitive financial services landscape.

Benefits provided to full-time employees include:

- Compensation packages aligned with market analyses in the financial sector
- Variable performance-based pay
- Life Insurance

- Global Health Insurance with competitive benefits
- Competitive end-of-service provision
- Allowances for gym memberships, readership, children’s education, mobile devices, and Ramadan observance
- Coverage of Premium Residency Fees
- Learning and development programs and initiatives
- Competitive annual leave and parental leave
- Provisions for sick leave and compassionate leave
- Provisions for educational leave
- Remote working options
- Additional facilities such as zero-interest loans, salary advances, housing allowances, and support for employees’ schooling costs through flexible installment options

Hiring and Turnover

Total New Employee Hires (by Age Group)						
Year	Below 30 years old	Between 30–50 years old	Over 50 years old	Below 30 years old (%)	Between 30–50 years (%)	Over 50 years old (%)
2023	5	15	0	25%	75%	0%
2024	3	14	1	17%	78%	6%
2025	6	11	3	30%	55%	15%

Total New Employee Hires (by Gender)				
Year	Female	Male	Female (%)	Male (%)
2023	5	15	25%	75%
2024	2	16	11%	89%
2025	5	15	25%	75%

Total New Employee Hires (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2023	19	1	95%	5%
2024	18	0	100%	0%
2025	20	0	100%	0%

Year	Total Rate of New Employee Hires*
2023	18%
2024	17%
2025	18%

*The overall hiring rate for each year has been calculated using the average total number of employees during the respective reporting year.

Total Employee Turnover (by Age Group)						
Year	Below 30 years old	Between 30–50 years old	Over 50 years old	Below 30 years old (%)	Between 30–50 years old (%)	Over 50 years old (%)
2023	0	5	2	0%	71%	29%
2024	2	4	2	25%	50%	25%
2025	1	9	0	10%	90%	0%

Total Employee Turnover (by Gender)				
Year	Female	Male	Female (%)	Male (%)
2023	1	6	14%	86%
2024	2	6	25%	75%
2025	4	6	40%	60%

Total Employee Turnover (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2023	6	1	86%	14%
2024	8	0	100%	0%
2025	9	1	90%	10%

Year	Total Rate of Employee Turnover*
2023	6%
2024	8%
2025	9%

* The overall turnover rate for each year has been calculated using the average total number of employees during the respective reporting year.

Note: The data in the section regarding employees that left the Fund refers only to voluntary turnover. Natural separations such as retirements and expiration of fixed-term contracts are not included in these figures.

Employee Service Record

Percentage of Employees by Service Periods						
Year	Over 25 Years	Over 20 Years and Below 25 Years	Over 15 Years and Below 20 Years	Over 10 Years and Below 15 Years	Over 5 Years and Below 10 Years	Below 5 Years
2023	5%	8%	10%	11%	19%	46%
2024	4%	6%	9%	9%	17%	54%
2025	4%	4%	7%	11%	17%	57%

Parental Leave

Overview of Parental Leave						
	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Number of employees that took parental leave	1	3	1	2	1	2
Number of employees that returned to work after parental leave ended	1	3	1	2	0	4
Number of employees that returned to work after parental leave ended in previous year and were still employed 12 months after their return to work	1	6	1	3	1	2
Return to work rate	100%	100%	100%	100%	100%	100%
Retention rate	100%	100%	100%	100%	100%	100%

Note: All employees are entitled to parental leave

A Diverse and Equal Opportunity Workplace

The Arab Energy Fund is an equal opportunity employer committed to fostering a diverse and inclusive workforce.

In 2025, the Fund’s multinational character was reflected in representation from 21 countries, including nationals from its Member Countries.

Recruitment and selection decisions are based on academic qualifications and professional capabilities relevant to the Fund’s operational requirements. Where qualifications and abilities are equal, priority is given to nationals of Member Countries, followed by nationals of other Arab countries.

At the end of 2025, The Arab Energy Fund employed a total of 110 full-time employees, including 100 employees in Riyadh and 10 in Bahrain, broadly in line with the end of 2024. Female employees represented 16% of the total workforce.

Diversity and inclusion efforts are supported through organizational culture initiatives under the Izdiyar program, which promotes a workplace environment where employees feel respected, included, and aligned with the Fund’s values.

Diversity of Employees

Percentage of Employees by Job Category and by Gender						
Year	Non-management		Middle Management		Senior Management	
	Female	Male	Female	Male	Female	Male
2023	24%	76%	6%	94%	10%	90%
2024	25% ¹	75% ¹	5%	95%	5%	95%
2025	25%	75%	5%	95%	0%	100%

1. Restatement due to discrepancies with previous disclosure

Percentage of Employees by Job Category and by Age Group

Year	Non-management			Middle Management			Senior Management		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2023	10%	74%	16%	0%	94%	6%	0%	70%	30%
2024	10%	74%	16%	5%	80%	15%	0%	75%	25%
2025	15%	74%	12%	5%	81%	14%	0%	67%	33%

Number of Nationalities

Year	Number of Nationalities	Percentage of Member Country Employees to Employees of Other Nationalities
2023	17	59%
2024	17	55%
2025	21	54%

Promoting Wellbeing in the Workplace

The Arab Energy Fund maintains a safe and healthy working environment supported by defined policies and oversight mechanisms. No work-related injuries, fatalities, occupational illnesses, or workdays lost due to work injuries have been recorded over the past three years.

The Code of Ethics and Professional Conduct and Human Capital Policy Manual establish standards relating to health, safety, employee rights, and workplace conduct. These policies support the Fund’s

broader commitment to respecting internationally recognized human rights in accordance with applicable laws and regulations in the Kingdom of Saudi Arabia.

Employees who experience or witness discrimination, harassment, or other misconduct may report concerns confidentially through the Fund’s grievance channels without fear of retaliation. No incidents of discrimination or harassment have been reported over the past three years.

In parallel, the Fund continues to enhance the overall workplace environment to support employee wellbeing. The fit-out of the Fund’s new headquarters introduced wellbeing-focused features including breakout spaces, improved lighting and greenery, upgraded fire and safety systems, and a dedicated onsite gym offering coached sessions and group workouts, alongside healthy snack options.

Employee wellbeing is further supported through a range of health and wellness initiatives, including health workshops, cycling events, personal training support, and awareness sessions on lifestyle, health, and nutrition topics. These initiatives are complemented by organizational culture programs under the Izdihar initiative, which promotes employee engagement and contributes to a healthy and inclusive workplace.

Engaging Our Employees

The Arab Energy Fund continues to strengthen employee engagement and organizational culture through open communication, leadership accessibility, and initiatives that encourage participation across the organization. Regular Town Hall meetings and internal communication platforms provide employees with opportunities to engage directly with executive leadership, discuss organizational priorities, and share feedback.

In January 2025, the Fund successfully launched its new ERP system, marking an important milestone in modernizing core operations. The implementation enhanced process efficiency, strengthened financial visibility and control, and supported more accurate, data-driven decision-making across the organization. It also improved collaboration across key departments including IT, Human Capital, Finance, and Procurement, contributing to a more integrated and efficient operating environment.

Employee engagement initiatives are further supported through the Izdihar

program, the Fund’s internal platform designed to strengthen workplace culture, promote employee wellbeing, and reinforce the organization’s shared values. During 2025, the program supported a wide range of engagement activities across the Riyadh and Bahrain offices, including cultural celebrations, employee gatherings, wellness initiatives, family-oriented events, and values-focused activities that foster collaboration and a sense of community.

The Fund also continues to promote awareness of sustainability and ethical conduct through internal campaigns and employee engagement initiatives that encourage responsible behaviors and reinforce principles of integrity, accountability, and environmental stewardship across the organization.

These engagement initiatives build on the Izdihar program, launched in 2023 as a platform to strengthen workplace culture and support the Fund’s goal of maintaining its position as an employer of choice.

Structured around a clear objective of “Evolving Together”, Izdihar has three main themes – Purpose, Care, and Culture – each one built on two key pillars:

Purpose	Care	Culture
• Strategy • Impact	• Well-being • Career Growth	• Engagement • Diversity and Inclusion
Anchored in The Arab Energy Fund’s strategic vision, mission, and values, PURPOSE recognizes the essential impact each role and employee has on the Institute’s goals. It embodies The Arab Energy Fund’s commitment to a purpose-driven workplace, where every action contributes to its collective success and positively impacts the broader community.	CARE encompasses The Arab Energy Fund’s commitment to nurturing employee well-being and supporting their career growth journey. It reflects the genuine concern for their overall job satisfaction, happiness, and holistic development within the organization. It demonstrates the Institute’s commitment to its employees’ personal and professional fulfillment as a reward, knowing that their well-being and career growth contribute significantly to The Arab Energy Fund’s collective accomplishments.	CULTURE focuses on creating a work environment that inspires motivation, encourages performance, and addresses employees’ motivational needs. By providing a positive and engaging work environment, The Arab Energy Fund can boost morale, productivity, and job satisfaction. The Fund aims to build a workplace where everyone’s voice is heard, and diversity, equity, and inclusion are not based on simplistic quantitative targets but rather on integral aspects of the business culture and relevant to The Arab Energy Fund’s operating environment.

HUMAN CAPITAL DEVELOPMENT

The Arab Energy Fund invests in the development of its workforce to strengthen leadership capability, support regional knowledge exchange, and cultivate the next generation of talent.

Promoting Learning & Development

In 2025, the Fund expanded its human capital development approach by strengthening leadership and high-potential talent programs, supporting regional talent mobility, and enhancing continuous learning initiatives guided by the 70-20-10 development model. These initiatives contribute to a performance-driven culture and help ensure the Fund’s workforce is equipped with skills aligned with its long-term institutional priorities.

LEAD Program

To support leadership readiness and succession planning, The Arab Energy Fund launched the LEAD Program in 2025. The program prepares high-potential senior employees for future leadership roles through a structured development journey that includes targeted executive training delivered in partnership with IMD Business School in Singapore. The inaugural cohort included 13 participants identified through the Fund’s succession planning process.

Key Features	Eligibility Requirements	Participant Count
• Strategic leadership journey • Assessment-based selection • Part of succession framework • 10 days at IMD Singapore	• Strong performance • Identified via succession insights (psychometric assessment, performance and management recommendations)	13

STEP Program

The STEP Program supports the development of emerging high-potential employees by accelerating leadership capabilities through a blended learning approach combining live sessions, structured development modules, and international leadership training delivered in collaboration with IMD Lausanne. The first cohort launched in November 2025, with 14 participants across two cohorts, and the next cohort is scheduled to begin in March 2026.

Key Features	Eligibility Requirements	Participant Count
• Live online sessions • 8-week blended learning • 10 days at IMD Lausanne • Final evaluation & reflection	• Identified via succession insights (psychometric assessment, performance and management recommendations) • Mandatory once selected	14 (7 per cohort)

Secondment Program

In 2025, The Arab Energy Fund introduced the Secondment Program, enabling selected employees to undertake temporary assignments with partner organizations across Member Countries. The program supports professional development and knowledge exchange while strengthening engagement with regional partners. The program launched in 2025 with seven participants and is expected to be conducted every other year.

Key Features	Eligibility Requirements	Participant Count
• Temporary assignment to partners • Structured logistics & onboarding • Distinct from outsourcing	• Minimum 1 year service experience • Performance must be at a level that meets expectations • Member Countries focus: KSA, Bahrain, Kuwait, UAE, Algeria, Iraq, Libya, Qatar, Syria, Egypt • CSSO & CEO approval	7

50+ Graduate Development Program

The 50+ Graduate Development Program supports early-career talent from the Fund’s Member Countries by providing recent graduates with practical experience and professional development opportunities. The inaugural cohort successfully completed the six-month program in 2025, with the graduation ceremony held as part of the Fund’s 50th Anniversary celebrations. The next cohort is scheduled to commence in 2026. The inaugural cohort included 12 graduates selected from across Member Countries.

Key Features	Eligibility Requirements	Participant Count
• 6-month full-time paid program • Tracks include: Corporate Finance, Governance, Risk, Investments, HR, IT, Strategy, Communications, Finance & Accounting • Face-to-face training in Riyadh • Includes development plans, midpoint reviews, mock interviews, career preparation	• Targeted at fresh graduates • Based on application, assessment & selection • Member Countries focus: KSA, Bahrain, Kuwait, UAE, Algeria, Iraq, Libya, Qatar, Syria, Egypt	12

Continuous Learning

The Arab Energy Fund encourages employees at all levels to engage in continuous learning through professional development programs, leadership training, and online learning platforms. Learning initiatives are guided by the 70-20-10 development model, which emphasizes experiential learning, knowledge sharing, and formal training.

Training Hours

In 2025, total training hours across the organization reached 4,013, covering a wide range of activities including professional and technical programs, leadership development, compliance training, conferences, and workshops. Differences in training hours across employee groups reflect varying roles and business needs, while all training opportunities continue to be provided on an inclusive and equitable basis.

Average Training Hours by Gender per Employee

Year	Female	Male	Total
2023	11	6	7
2024	133	51	65
2025	34	37	36

Average Training Hours by Job Category per Employee

Year	Non-management	Middle Management	Senior Management
2023	5	23 ¹	1
2024	33	35	65
2025	28	67	34

Note: All employees are full-time and on fixed term contracts; The Arab Energy Fund’s 50+ Graduate Development Program cohort of 2024/2025 received on average 234 hours of training per intern.

1. Restatement due to discrepancies with previous disclosure

Optimizing Performance Management

Human Capital oversees a structured performance management framework designed to align individual objectives with the Fund’s strategic priorities and values. Employees are expected to actively manage their development within this framework.

All employees have received formal performance reviews twice annually over the past three years. This structured dialogue supports objective setting, performance evaluation, and identification of learning and development needs for the subsequent period.

Performance is measured using a Balanced Scorecard approach, incorporating Key Performance Indicators (KPIs) established at the corporate-level and cascaded through divisions to individual

employees. This framework promotes transparency, accountability, and alignment across the organization.

In 2025, The Arab Energy Fund strengthened its performance management process through the full deployment of the new ERP platform, which provides centralized access to employee data and enables managers to view, track, and assess performance in real time.

The enhanced system supports greater transparency, operational efficiency, and data-driven decision-making by integrating performance and training processes within a single platform. Performance data also feeds directly into the learning management system, helping ensure closer alignment between employee development, capability building, and the Fund’s organizational priorities.



SHAREHOLDER COUNTRIES’ SOCIAL & ECONOMIC DEVELOPMENT

In line with its mandate to support the development and security of regional energy systems, The Arab Energy Fund engages extensively in projects that contribute to the environmental and socioeconomic regional development of its member countries.

Further information on how the Fund evaluates the impacts of its financing activities is provided in the Green Financing and Sector-Specific Considerations section as well as in the Corporate-Level Impact Assessment section of this report.

In cases where the Fund participates in syndicated loans alongside Equator Principles (EP) signatories, impact assessments are typically undertaken as part of the credit process, reinforcing the Fund’s commitment to identifying and mitigating potential adverse impacts on communities.

The Arab Energy Fund will continue to evaluate how it manages and measures the impacts of its activities to ensure continued alignment with the development priorities of its member countries and the expectations of its stakeholders.



Responsible Procurement and Local Value Chain

The Arab Energy Fund’s procurement practices support both strong governance and environmental and socioeconomic regional development. Ethical requirements are embedded within its procurement and contracting documentation. Requests for Proposals (RFPs) and contractual agreements include provisions addressing conflicts of interest and the protection of confidential information. Bidders are required to disclose any actual or potential conflicts of interest, and misuse of confidential or proprietary information may result in disqualification or termination of contractual arrangements.

Suppliers are also required to sign an Anti-Corruption and Conflict of Interest Declaration, confirming that no unlawful payments or improper benefits have been offered to secure contracts and acknowledging their obligation to comply with applicable laws and ethical standards. During the reporting period, no confirmed

incidents were recorded where contracts with business partners were terminated or not renewed due to violations related to corruption.

The Procurement Department also contributes to the Fund’s environmental and socioeconomic regional development by prioritizing local suppliers in the countries where the Fund operates, where appropriate, and in accordance with procurement procedures. This approach supports local value chains, employment generation, and the development of domestic market capabilities.

As part of supplier onboarding and evaluation processes, vendors are assessed against governance-related criteria including business ethics and compliance with applicable laws and regulations. Suppliers are required to demonstrate alignment with relevant local regulatory requirements, including labor and commercial laws in the jurisdictions where the Fund operates.

Percentage of spending on local suppliers

Year	KSA*	Bahrain
2023	71%	48%
2024	64%	64%
2025	58%	90%

*The data includes the housing compound, which was sold in 2024. All suppliers related to the compound were local, contributing to the higher percentage of procurement spending on local suppliers in 2023. The use of local suppliers depends on the type of service required and may vary annually; suppliers are selected through technical and financial evaluation, although local suppliers are invited to participate in procurement processes whenever suitable.



Corporate Social Responsibility

In 2025, The Arab Energy Fund continued to support education, research, and professional development through a range of targeted partnerships and contributions.

These initiatives are guided by the Fund’s Donations & Sponsorships Policy and implemented through collaborations with educational and research institutions.

All contributions are reviewed and approved through established internal governance processes to ensure alignment with the Fund’s values and strategic priorities, forming part of its broader commitment to Corporate Social Responsibility (CSR).

The Fund’s CSR activities focus on strengthening knowledge development and talent cultivation within the energy sector through partnerships with educational institutions, research organizations, and professional associations. These initiatives generate several positive indirect impacts, including:

- Supporting the development of skilled professionals in the energy sector
- Encouraging independent research and knowledge sharing on global energy markets
- Promoting dialogue between academic institutions, researchers, and industry stakeholders
- Strengthening research and policy discussions related to economic and energy issues

A key focus of The Arab Energy Fund’s CSR initiatives is supporting the development of skilled professionals for the energy workforce. The Fund continued its long-standing partnership with EnergyTech (SPSP), a technical education provider based in Dammam, Kingdom of Saudi Arabia. EnergyTech prepares young professionals for careers in the energy sector through specialized training and practical education programs. Between 2021 and 2025, the Fund provided several contributions to EnergyTech, including a donation of \$133k in March 2025.

This partnership reflects the Fund’s objective of supporting vocational education and training for young professionals pursuing careers in the energy sector. Through its financial contributions, the Fund enables EnergyTech to deliver specialized programs that equip students with industry-relevant skills, contributing to workforce development and strengthening the local energy ecosystem. As the energy sector continues to evolve, maintaining alignment between training programs and emerging industry needs remains an ongoing priority.

The Fund further expanded its engagement with academic and research institutions both locally and internationally, supporting research collaboration and knowledge exchange across the energy sector. During 2025, the Fund provided a contribution of \$40k to the Saudi Economic Association in Riyadh, which promotes economic research, academic dialogue, and policy discussions related to economic development in the Kingdom of Saudi Arabia.

The Fund also continued its engagement with the Oxford Institute for Energy Studies (OIES) in the United Kingdom, a leading research institution focused on global energy markets and policy developments, and made a contribution of \$20k. These initiatives also contribute to strengthening local communities by supporting education, research capacity, and professional development opportunities. No significant negative impacts related to these initiatives have been identified.

In addition, the Fund provided a contribution of \$8k to the Holy Quran Custody Society in Manama, Kingdom of Bahrain, a charitable organization supporting religious and community activities.

Community Investment

Year	Total Amount Invested in Community (USD)	Main Contribution
2023	273,384	–
2024	161,613	–
2025	201,613	Contributions to EnergyTech (SPSP) in Dammam, the Oxford Institute for Energy Studies (OIES) in the UK, the Saudi Economic Association in Riyadh, and The Holy Quran Custody Society in Manama, Bahrain.



RESPONSIBLE INVESTMENT ACROSS ENERGY



RESPONSIBLE
BANKING AND
INVESTING

07

RESPONSIBLE BANKING AND INVESTING



MATERIAL TOPICS

- GHG Emissions & Decarbonization
- Climate Change Adaptation & Mitigation
- Responsible Lending & Investing

The Arab Energy Fund supports the development of more efficient and resilient energy systems across the MENA region, partnering with companies and projects that deploy technologies to improve energy efficiency and contributing to efforts to develop regional new energy sectors.



GHG Emissions

The Arab Energy Fund measures and reports its Scope 1 and Scope 2 greenhouse gas (GHG) emissions across its operations in accordance with the GHG Protocol, using an operational control approach.

The Fund continuously reviews and enhances the accuracy of its GHG emissions inventory, improving data quality and refining calculation methodologies over time. In line with the GHG Protocol, the Fund has established a baseline recalculation policy to maintain consistency, comparability, and relevance of reported GHG emissions data. This policy is triggered by significant structural changes, updates to calculation methodologies, or improvements in data quality that result in a change of 5% or more to base year emissions.

During the reporting period, Scope 2 emissions for 2024 were restated to enhance data accuracy¹. In line with this policy, 2024 has been established as the new base year for GHG emissions accounting and reporting, reflecting the most recent year with complete and reliable data across the Fund’s operations. To maintain 2024 as a consistent and representative baseline, emissions associated with the Khobar office and housing compound – divested during 2024 – have been retrospectively excluded and will not be included in the baseline going forward.

Combined Scope 1 and Scope 2 emissions totaled 369 tCO₂e in 2025, compared to 368 tCO₂e in 2024. Emissions remained stable year-on-year, reflecting operational continuity. The Fund’s operational footprint was largely unchanged, with the same two office locations and broadly consistent Full-Time Equivalent (FTE) levels during the reporting period.

Scope 1 emissions represent direct GHG emissions from sources controlled by the Fund, including mobile combustion (fuel usage) and fugitive emissions (unintentional refrigerant leaks at active sites). Scope 1 emissions totaled 47 tCO₂e in 2025, accounting for 13% of operational GHG emissions.

Scope 2 emissions represent indirect GHG emissions associated with purchased electricity across all operational locations. Scope 2 emissions totaled 321 tCO₂e in 2025, representing 87% of operational GHG emissions.

¹) Scope 2 emissions for 2024 were restated from 206 to 321 tCO₂e following a change in the Riyadh Head Office electricity methodology from a spend-based estimate to metered consumption from utility invoices. As a result, total Scope 1 and 2 emissions for 2024 were restated from 253 to 368 tCO₂e (+45%), GHG emissions intensity from 2.32 to 3.38 tCO₂e/FTE, and energy intensity from 11.97 to 18.33 GJ/FTE. The restatement affects the 2024 comparative baseline and, accordingly, any previously reported year-on-year changes calculated using the original 2024 figures

GHG emissions

GHG Emissions (tCO2e)		
	2024	2025
Scope 1	47.20	47.36
Scope 2 (Location-based)	320.64	321.30
Scope 2 (Market-based)	320.73	321.30
Total Scope 1 & 2 GHG Emissions	367.93	368.66

Note: GHG emissions were calculated using internationally recognized methodologies and data sources. Scope 1 emissions from mobile combustion were estimated using the UK Government GHG Conversion Factors for Company Reporting (UK DESNZ, 2025), based on the IPCC AR5 Global Warming Potential (GWP). Scope 1 fugitive emissions associated with unintentional or irregular leakage of refrigerants were estimated using High-GWP Refrigerants database (California Air Resources Board, 2024) based on the IPCC AR5 GWP. Scope 2 emissions from purchased electricity were estimated using KSA and Bahrain country-specific grid-average and residual-mix factors (Carbon Data Intelligence) where available for the location-based and market-based approaches respectively. Scope 1 & 2 emissions inventory accounts for all seven GHGs covered by the Kyoto Procol where applicable to The Arab Energy Fund’s operations and industry.

GHG Emissions Intensity (tCO2e/Full-time Employees)		
	2024	2025
Scope 1 and 2 GHG Emissions Intensity	3.38	3.35

Energy

Energy Consumption (GJ)		
	2024	2025
Fuel Consumption (Petrol)	26.64	28.91
Electricity Consumption	1,971*	1,981
Total Direct Energy Consumption	26.64	28.91
Total Indirect Energy Consumption	1,971*	1,981
Total Energy Consumption	1,998*	2,010

Note: Fuel consumption is converted from liters to GJ using the Net Calorific Value (NCV) provided by the UK Department for Energy Security and Net Zero. NCV is the useful calorific value in typical real-world conditions (e.g. transportation). This approach is aligned with the GHG Protocol, which recommends the use of NCV for countries outside Canada and the USA.

* Electricity Consumption for 2024 was restated from 1,278 GJ to 1,971 GJ following the incorporation of more granular consumption data for the Riyadh Head Office enhancing data accuracy (see related footnote on the GHG data).

Energy Intensity (GJ/Full-time Employees)		
	2024	2025
Total Energy Intensity	18.33*	18.27

ESG / Climate Risk Toolkit

In 2025, The Arab Energy Fund finalized its ESG / Climate Risk Toolkit to support internal research and analysis on environmental, social, governance, and climate considerations within the energy sector. The toolkit is currently used to establish a baseline understanding of key exposures and trends, and during 2026 the toolkit will be rolled out across business lines in order to support the development of a consistent data history, providing deeper insights to inform the Fund’s sustainability approach.

The toolkit incorporates a structured analytical framework comprising two main components: an ESG analysis and a climate analysis. The ESG risk assessment focuses on financially material ESG topics for each client’s industry, as defined by the Sustainability Accounting Standards Board (SASB) materiality framework across the themes of environment, social capital, human capital, business model and innovation, and leadership and governance. This approach ensures that the most decision-relevant ESG issues for each industry are considered.

Where direct engagement with clients is feasible, the assessment applies the SASB industry-specific indicators to evaluate how clients manage these financially material ESG topics. In situations where direct engagement is not possible due to the nature of the transaction, the assessment instead uses a set of general ESG risk management metrics informed by the IFC Performance Standards, focusing on governance, environmental and social risk management, and stakeholder practices. These general metrics are applied only

to the ESG topics identified as financially material for the client’s industry through the SASB materiality framework. This ensures that the ESG risk assessment remains focused on the most significant sectoral risks and opportunities and supports consistent analysis across the portfolio.

The toolkit also includes a climate risk assessment component, which considers both physical and transition climate risks and evaluates a client’s ability to manage these risks. The climate risk assessment framework focuses on two key dimensions:

- Climate Risk Exposure: This component addresses both physical and transition risks. Physical risks include potential impacts from acute events such as floods and storms, as well as chronic changes like long-term shifts in climate patterns. Transition risks reflect financial pressures arising from changes in policy, technology, market dynamics, and reputation as the global economy moves toward lower-carbon operations
- Climate Risk Management: This component evaluates how clients address climate risks through their governance structures, strategic planning, risk management practices, and the use of relevant metrics and targets

To assess climate risk exposure, the toolkit draws on sectoral and geographic indicators from recognized external sources. For physical risks, it uses country- and hazard-level information from the INFORM Climate Change Risk Index, a global climate risk and hazard index,

which combines projections of future climate hazards with socioeconomic factors. For transition risks, it uses sector- and activity-based insights informed by methodologies developed through the UNEP FI’s TCFD Banking Programme, which provides heatmaps and scenario-based views of how climate-sensitive sectors may be affected under a low-carbon transition.

The client’s exposure to these risks is analyzed by sector and geography, while management capacity is assessed in line with IFRS S2 Climate-related Disclosures – governance, strategy, risk management, and metrics and targets – using available

financial and sustainability data including transaction tenor, sector and geographic exposure, emissions disclosures, and governance practices. The assessment considers short-, medium-, and long-term time horizons and is informed by widely used climate scenario frameworks that combine greenhouse gas concentration pathways with socioeconomic development pathways, as reflected in the scenarios applied in tools such as the INFORM Climate Change Risk Index. The toolkit aggregates these assessments into an ESG Risk Score and Climate Risk Score, which are then combined to produce a final aggregated ESG and Climate Risk Score.



GREEN FINANCING AND SECTOR-SPECIFIC CONSIDERATIONS

As part of its Sustainability Strategy, The Arab Energy Fund is committed to refining its approach to measuring and managing the impact of its lending and investment activities. The Fund has undertaken a review of its impact metrics in order to enlarge the scope from the Green Financing Framework to a Corporate-Level Impact Assessment. This section focuses on the former, while the latter is presented in the Corporate-Level Impact Assessment section of this report.

Green Financing

The Arab Energy Fund continues to expand its green financing activities through the issuance of green bonds and green private placements under its Green Finance Framework, published in 2023 as an extension of the Green Bond Framework. The Framework defines eligibility criteria and reporting standards for the use of proceeds, aligns with the ICMA Green Bond Principles and the Loan Market Association's (LMA) Green Loan Principles, and expands the range of eligible green categories. Moody's provided a Second Party Opinion (SPO) on the Framework, awarding it an SQ2 (very good) score. Only assets financed through this framework are classified as green, ensuring

consistency with international best practices.

The Fund issued its first \$US 750 million five-year green bond in September 2021, followed by a second \$US 750 million issuance in April 2024. Proceeds support a range of projects, including circularity and renewables. The Arab Energy Fund publishes a standalone Green Finance Report to disclose the environmental and socioeconomic benefits achieved.

For more details on the allocation of proceeds and calculation methodologies, readers may refer to The Arab Energy Fund's 2025 Green Finance Report.



Projects financed under the Green Finance Framework that generate positive environmental and socioeconomic benefits:

CIRCULAR ECONOMY

In 2025, The Arab Energy Fund led a \$US 26.3 million Series A investment in Tagaddod, an Egypt-based platform that converts waste oils into inputs for biofuels and sustainable aviation fuel (SAF). By supporting the expansion of Tagaddod's technology-enabled collection and traceability platform, the Fund is helping to strengthen circular economy value chains and improve the availability of feedstocks for the global biofuels market.

SOLAR POWER

The Arab Energy Fund supported the development of a 1 GW solar photovoltaic project integrated with battery energy storage systems (BESS) in Egypt. The project delivers large-scale power generation and storage infrastructure, supporting grid stability and contributing to energy security.

WIND POWER

The Fund also participated in financing the 1.1 GW Suez Wind Energy Project, one of the largest onshore wind developments in the region. Located in the high-wind Gulf of Suez corridor, the project contributes to electricity generation capacity and energy security.

Sector-Specific Considerations

As part of its financing approach and internal assessment processes, The Arab Energy Fund applies additional considerations to certain higher-risk sectors and activities within the energy sector, including:

- Coal-fired power: The Fund does not have any coal-related assets and does not finance coal-related projects, including clean coal.
- Oil sands: The Fund does not have any assets related to oil sands and does not finance projects related to oil sands.
- Hydraulic fracturing (fracking): The Fund applies a prudent and enhanced assessment approach when considering projects related to fracking, taking into consideration environmental, social, safety-related, and regulatory factors, including compliance with relevant laws and regulations.
- Arctic oil exploration: The Fund does not have any assets in the Arctic region and does not finance projects within the Arctic region.
- Nuclear energy: Financing of any potential nuclear power projects are subject to adherence to the highest international safety standards.
- Mining activities: The Fund applies a prudent and enhanced assessment approach when considering projects related to mining, taking into consideration environmental, social, safety-related, and regulatory factors, including compliance with relevant laws and regulations.

DISCLOSURES ALIGNED WITH STANDARDS



APPENDIX: STAKEHOLDER ENGAGEMENT

The following table lists The Arab Energy Fund’s key stakeholders and describes the various ways of engaging with them.

	Direct Engagement		Indirect Engagement	
	Meetings	Surveys, Questionnaires	Website, Press Releases, Public Reports	Policies, Code of Conduct
Internal Stakeholders				
Employees	✓	✓	✓	✓
Executive Management	✓	✓	✓	✓
Board of Directors	✓		✓	✓
External Stakeholders				
Shareholders	✓		✓	
Clients	✓	✓	✓	
Portfolio Companies	✓	✓	✓	
Investment Partners	✓		✓	
Investors & Lenders	✓		✓	
Communities			✓	
Suppliers	✓		✓	

INDEXES

GRI Content Index

STATEMENT OF USE

The Arab Energy Fund (TAEF) has reported in accordance with the GRI Standards for the period 1 January – 31 December 2025.

GRI 1 USED

GRI 1: Foundation 2021

APPLICABLE GRI SECTOR STANDARD(S)

No applicable sector standard available.

GRI 2: General Disclosures The Organization and its Reporting Practice

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
2-1	Organizational details	About The Arab Energy Fund	
2-2	Entities included in the organization’s sustainability reporting	About this Report – Reporting Boundary	
2-3	Reporting period, frequency and contact point	About this Report – Reporting Boundary	
2-4	Restatements of information	Where applicable in the report	
2-5	External assurance	About this Report – Data Verification	

GRI 2: General Disclosures
Activities and workers

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
2-6	Activities, value chain and other business relationships	About The Arab Energy Fund – Our Services	
2-7	Employees	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	
2-8	Workers who are not employees	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	

GRI 2: General Disclosures
Governance

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
2-9	Governance structure and composition	Financial Resilience and Governance – Corporate Governance	
2-10	Nomination and selection of the highest governance body	Financial Resilience and Governance – Corporate Governance	
2-11	Chair of the highest governance body	Financial Resilience and Governance – Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	Financial Resilience and Governance – Corporate Governance The Arab Energy Fund’s Sustainability Journey – Sustainability Governance	

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
2-13	Delegation of responsibility for managing impacts	The Arab Energy Fund’s Sustainability Journey –Sustainability Governance	
2-14	Role of the highest governance body in sustainability reporting	The Arab Energy Fund’s Sustainability Journey –Sustainability Governance	
2-15	Conflicts of interest	Financial Resilience and Governance – Business Ethics and Conduct	
2-16	Communication of critical concerns	Financial Resilience and Governance – Business Ethics and Conduct	
2-17	Collective knowledge of the highest governance body	Financial Resilience and Governance – Corporate Governance – The Board of Directors	
2-18	Evaluation of the performance of the highest governance body	Financial Resilience and Governance – Corporate Governance – The Board of Directors	
2-19	Remuneration policies	Information unavailable	Planned for development and future reporting
2-20	Process to determine remuneration	Information unavailable	Planned for development and future reporting
2-21	Annual total compensation ratio	Confidentiality constraints	Restricted by internal policy and commercial sensitivity, as it could affect the Fund’s competitiveness

GRI 2: General Disclosures
Strategy, policies and practices

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
2-22	Statement on sustainable development strategy	The Arab Energy Fund's Sustainability Journey A Letter from the CEO	
2-23	Policy commitments	The Arab Energy Fund's Sustainability Journey Throughout the report where applicable	
2-24	Embedding policy commitments	The Arab Energy Fund's Sustainability Journey Throughout the report where applicable	
2-25	Processes to remediate negative impacts	Financial Resilience and Governance – Business Ethics & Conduct	
2-26	Mechanisms for seeking advice and raising concerns	Financial Resilience and Governance – Business Ethics and Conduct	
2-27	Compliance with laws and regulations	Financial Resilience and Governance – Business Ethics and Conduct	
2-28	Membership associations	About The Arab Energy Fund – The Arab Energy Fund at a Glance	

GRI 2: General Disclosures
Stakeholder engagement

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
2-29	Approach to stakeholder engagement	The Arab Energy Fund's Sustainability Journey – Materiality Assessment & Stakeholder Engagement	
2-30	Collective bargaining agreements	Not applicable	The Arab Energy Fund adheres to the laws and regulations of its host country (KSA), where collective bargaining agreements are not permitted

GRI 3: Material Topics

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-1	Process to determine material topics	The Arab Energy Fund's Sustainability Journey – Materiality Assessment & Stakeholder Engagement	
3-2	List of material topics	The Arab Energy Fund's Sustainability Journey – Materiality Assessment & Stakeholder Engagement	

Topic 1: GHG Emissions & Decarbonization
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Responsible Banking and Investing – GHG Emissions & Decarbonization	

Topic 1: GHG Emissions & Decarbonization
GRI 102: Climate Change 2025

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
102-1	Transition plan for Climate change mitigation	Disclosure is not currently provided.	
102-2	Climate Change adaptation plan	Disclosure is not currently provided.	
102-5	Scope 1 GHG Emissions	Responsible Banking and Investing – GHG Emissions	
102-6	Scope 2 GHG Emissions	Responsible Banking and Investing – GHG Emissions	
102-8	GHG Emissions Intensity	Responsible Banking and Investing – GHG Emissions	

Topic 1: GHG Emissions & Decarbonization
GRI 103: Energy 2025

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
103-1	Energy policies and commitments	Disclosure is not currently provided.	
103-2	Energy consumption and self-generation within the organization	Responsible Banking and Investing – GHG Emissions	
103-4	Energy intensity	Responsible Banking and Investing – GHG Emissions	

Topic 2: Climate Change Adaptation & Mitigation
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Responsible Banking and Investing – GHG Emissions/ ESG / Climate Toolkit	

Topic 3: Responsible Lending & Investing
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Responsible Banking and Investing – Green Financing and Sector-Specific Considerations	

Topic 4: Employment Practices & Wellbeing
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	

Topic 4: Employment Practices & Wellbeing
GRI 405: Diversity and Equal Opportunity 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
405-1	Diversity of governance bodies and employees	Financial Resilience and Governance – The Board of Directors Social Impact and Economic Opportunity – Employment Practices & Wellbeing	

Topic 4: Employment Practices & Wellbeing
GRI 406: Non-discrimination 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
406-1	Incidents of discrimination and corrective actions taken	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	

Topic 5: Human Capital Development
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Social Impact and Economic Opportunity – Employment Practices & Wellbeing/ Human Capital Development	

Topic 5: Human Capital Development
GRI 401: Employment 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
401-1	New employee hires and employee turnover	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	
401-2	Benefits provided to full-time employees that are not provided to part-time employees	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	
401-3	Parental leave	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	

Topic 5: Human Capital Development
GRI 404: Training and Education 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
404-1	Average hours of training per year per employee	Social Impact and Economic Opportunity – Human Capital Development	
404-2	Programs for upgrading employee skills and transition assistance programs	Social Impact and Economic Opportunity – Human Capital Development	
404-3	Percentage of employees receiving regular performance and career development reviews	Social Impact and Economic Opportunity – Human Capital Development	

Topic 6: Shareholder Countries’ Social & Economic Development
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Social Impact and Economic Opportunity – Shareholder Countries’ Social & Economic Development	

Topic 6: Shareholder Countries’ Social & Economic Development
GRI 203: Indirect Economic Impacts 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
203-1	Infrastructure investments and services supported	The Arab Energy Fund’s Sustainability Journey – Corporate-Level Impact Assessment/ New Sector Development Social Impact and Economic Opportunity – Shareholder Countries’ Social & Economic Development Responsible Banking & Investing – Green Financing and Sector-Specific Considerations	
203-2	Significant indirect economic impacts	The Arab Energy Fund’s Sustainability Journey – Corporate-Level Impact Assessment/ New Sector Development Social Impact and Economic Opportunity – Shareholder Countries’ Social & Economic Development Responsible Banking & Investing – Green Financing and Sector-Specific Considerations	

Topic 6: Shareholder Countries’ Social & Economic Development
GRI 204: Procurement Practices 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
204-1	Proportion of spending on local suppliers	Social Impact and Economic Opportunity – Shareholder Countries’ Social & Economic Development – Responsible Procurement and Local Value Chain	

Topic 7: Corporate Governance
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Financial Resilience and Governance – Corporate Governance	

Topic 8: Business Ethics & Conduct
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Financial Resilience and Governance – Business Ethics & Conduct	

Topic 8: Business Ethics & Conduct
GRI 205: Anti-corruption 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
205-1	Operations assessed for risks related to corruption	Financial Resilience and Governance – Business Ethics & Conduct	
205-3	Confirmed incidents of corruption and actions taken	Financial Resilience and Governance – Business Ethics & Conduct	

Topic 8: Business Ethics & Conduct
GRI 206: Anti-competitive Behavior 2016A

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
206-1	Legal actions for anti-competitive behavior, anti trust, and monopoly practices	Financial Resilience and Governance – Business Ethics & Conduct	

Topic 9: Systemic Risk & Crisis Management
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Financial Resilience and Governance – Systemic Risk Management	

Topic 10: Access to Capital
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Financial Resilience and Governance – Access to Capital	

Topic 11: IT Infrastructure & Information Security
GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
3-3	Management of material topics	Financial Resilience and Governance – IT Infrastructure & Information Security	

Topic 11: IT Infrastructure & Information Security
GRI 418: Customer Privacy 2016

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Financial Resilience and Governance – IT Infrastructure & Information Security	

CBB ESG Disclosure Index

The below index is prepared in accordance with the CBB ESG Rulebook and Requirements Module 2023 (updated January 2024) as per Appendix 1 – ESG KPIs and Guidance

Environmental

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
E.1	Environmental Oversight	A statement on how the company addresses its environmental impact (e.g., explain whether senior management and/or the board address sustainability issues in meetings or have dedicated committees to do so.)	–	The Arab Energy Fund’s Sustainability Journey Responsible Banking and Investing – GHG Emissions	
		A statement of purpose and approach of the board/management towards sustainability matters.			
		Policies			
		Commitments			
		Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets)			
		Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.)			
E.2	Energy Consumption	Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes	MWh	Responsible Banking and Investing – GHG Emissions	Energy consumption is disclosed in gigajoules (GJ)
		Total energy consumed and breakdown by type: • Indirect energy consumed in the form of electricity, heating, cooling (i.e., total of energy purchases) • Direct energy consumed, classified by renewable and non-renewable sources			
		Standards, techniques, assumptions, and/or calculation tools utilised			

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
E.3	Energy Intensity	Total energy consumed during the year divided by the selected scaling factor (e.g., sales, revenue etc.).	MWh / FTE	Responsible Banking and Investing – GHG Emissions	Energy intensity is disclosed in GJ per full-time employee
		Standards, techniques, assumptions, and/or calculation tools utilised	–	Responsible Banking and Investing – GHG Emissions	
E.4	Energy Mix	The percentage of energy used by source, as part of total energy consumption	%	Responsible Banking and Investing – GHG Emissions	All energy used is non-renewable
		The percentage of renewable and non-renewable energy used, as part of total energy consumption		Responsible Banking and Investing – GHG Emissions	
E.5	Green House Gas (GHG) Emissions	Total absolute emissions by scope: • Scope 1 • Scope 2 • Scope 3	CO2e	Responsible Banking and Investing – GHG Emissions	Scope 1 and Scope 2 is disclosed only
		Standards, techniques, assumptions, and/or calculation tools utilised	–	Responsible Banking and Investing – GHG Emissions	
E.6	Emission Intensity	Total annual GHG emission during the year divided by the selected scaling factor	CO2e / FTE; CO2e / AUM	Responsible Banking and Investing – GHG Emissions	GHG emissions intensity is disclosed in tCO ₂ e per full-time employees
		Standards, techniques, assumptions, and/or calculation tools utilised	–	Responsible Banking and Investing – GHG Emissions	
E.7	Climate Risk Mitigation	How your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks)	–	The Arab Energy Fund’s Sustainability Journey Responsible Banking and Investing – ESG and Climate Risk Toolkit	Energy intensity is disclosed in GJ per full-time employee
		The amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation)	USD	Information unavailable due to limited applicability	
E.8	Water Usage	Total annual amount of water consumed by the organisation	m ³	Information unavailable	Water usage is not disclosed, as it has been assessed as not material to The Arab Energy Fund’s operations
		Total annual amount of water withdrawn by the organisation			
		Total annual amount of water recycled/reclaimed by the organisation			

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
E.9	Waste Generation	Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste (hazardous and non-hazardous)	t	Information unavailable	Waste generation is not disclosed, as it has been assessed as not material to The Arab Energy Fund's operations
		Description of the company's waste disposal method Description of the company's sustainable waste management practices (such as recycling initiatives and waste reduction strategies)	-		
		Standards, techniques, assumptions, and/or calculation tools utilised	-		
E.10	Emission Targets	A statement on how the company addresses its total emission	-	The Arab Energy Fund's Sustainability Journey Responsible Banking and Investing – GHG Emissions	
		A statement of the board/management approach towards its total emissions, including whether it is subject to any country, regional, or industry-level emissions regulations and policies			
		Policies			
		Commitments			
		Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets)			
		Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.)			
		Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about emission targets and process			

Social

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
S.1	Total Workforce by sex, age-group, and employment type	Total number of employees currently employed within the organisation and the composition of the total workforce as per the below: • By sex, as percentage of the total workforce • By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old), as a percentage of the total workforce • By employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce	Amount and %	Social Impact and Economic Opportunity – Employee Practices & Wellbeing	
S.2	Child and Forced Labour	A statement on how the company addresses prohibition of child and or/forced labour A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies Policies Commitments Goals and targets Responsibilities Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about any issues concerning child and or/forced labour relating to the company	-	Financial Resilience and Governance – Business Ethics & Conduct	
S.3	Employee Turnover	Total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, as per the below categories: • By sex • By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old)	%	Social Impact and Economic Opportunity – Employee Practices & Wellbeing	

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
S.4	Gender Pay Ratio	The median total compensation for women compared to the median total compensation for men (as a ratio)	Ratio	Information unavailable	Female-to-male median compensation ratio by employee category is not disclosed as this metric does not accurately reflect the Fund's true compensation structure. The Fund is reviewing more meaningful ways to present this information to better demonstrate pay equity
S.5	Health and Safety	Total number of injuries and fatalities occurred in each of the past three years including the reporting year	Amount	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		Lost days due to work injury in each of the past three years including the reporting year	Amount	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		A description of occupational health and safety measures adopted, and how they are implemented and monitored	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
S.6	Non-Discrimination	A statement on how the organisation addresses harassment and discrimination matters	-	Social Impact and Economic Opportunity –Promoting Wellbeing in the Workplace	
		A statement of the board/management approach, including whether it is subject to any country, regional, or industry-level regulations and policies		Social Impact and Economic Opportunity –Promoting Wellbeing in the Workplace	
S.7	Nationalisation	A statement of the board/management approach to increase nationalisation, including whether it is subject to any country regulations and policies	-	Not applicable	The Arab Energy Fund is exempted from local nationalization policies
		The number and percentage of national employees, as part of the total workforce	Amount and %	Not applicable	In Bahrain, 100% of The Arab Energy Fund's full-time employees were Bahraini nationals in 2025

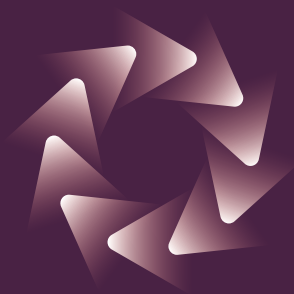
ID	Description	Main Reporting Component(s)	Unit	Location	Comments
S.8	Community Investment	The amount invested in the community as a percentage of company revenues	%	Social Impact and Economic Opportunity –Shareholder Countries’ Social & Economic Development– Corporate Social Responsibility The Arab Energy Fund’s Sustainability Journey – Corporate-Level Impact Assessment	Information disclosed in total value of community investment
		A description of the scope and impact of its community investment initiatives	–	Social Impact and Economic Opportunity –Shareholder Countries’ Social & Economic Development– Corporate Social Responsibility The Arab Energy Fund’s Sustainability Journey – Corporate-Level Impact Assessment	
S.9	Human rights	A statement on how the organisation addresses human rights	–	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace Financial Resilience and Governance – Business Ethics & Conduct	
		A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies			
		Policies (and if it also covers suppliers and vendors)			
		Commitments			
		Goals and targets			
		Responsibilities			
S.10	Management Composition / Diversity	Percentage of male to female metrics, as per the below categories: • Entry-level • Mid-level • Senior / Executive level positions	%	Social Impact and Economic Opportunity – A Diverse and Equal Opportunity Workplace	
S.11	Development and Training	Average hours of training, as per the below categories: • By sex • By employee category (full-time, part-time, internship, etc.)	%	Social Impact and Economic Opportunity – Human Capital Development	

Governance

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
G.1	Board Composition	Board size	-	Financial Resilience and Governance – Corporate Governance – The Board of Directors	
		Female board directors by number and percentage of the Board size		Financial Resilience and Governance – Corporate Governance – The Board of Directors	
		Composition of the board and its committees by: • Executive or non-executive • Independence • Tenure • Representation (appointed or elected) • Details of non-compliance with regulations, as well as a description of the corrective actions taken		Financial Resilience and Governance – Corporate Governance – The Board of Directors	
G.2	Collective Bargaining	Total enterprise headcount covered by collective bargaining agreements (Unions) (if applicable)	Amount	Not applicable	The Arab Energy Fund’s employment practices are guided by the standards and policies of its headquarters in KSA, where collective bargaining is not permitted. While the Bahrain branch complies with relevant Bahraini laws, human resources management across both jurisdictions aligns with legal requirements and headquarters’ policy
		A description of the process by which employees negotiate their contracts with the organisation to determine their terms of employment (e.g, compensation, benefits, hours, leave, occupational health and safety standards, initiatives to balance work and family etc.)	-	Not applicable	
G.3	Whistleblowing	A description of internal and external mechanisms for seeking advice and reporting concerns on organisational integrity	-	Financial Resilience and Governance – Business Ethics & Conduct	
		A description on awareness initiatives conducted by the organisation		Financial Resilience and Governance – Business Ethics & Conduct	

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
G.4	Data privacy	A description of the company's Data Privacy policy	-	Financial Resilience and Governance – Information Privacy and Security	
		A statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules		Financial Resilience and Governance – Information Privacy and Security	
G.5	Disclosure Practices	If the company provides its sustainability data to sustainability supporting organisations such as the Global Reporting Initiative (GRI) Secretariat, United Nations (UN), CDP etc	-	About this Report – Reporting Frameworks	
		If the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress		The Arab Energy Fund's Sustainability Journey – Corporate-Level Impact Assessment	
		Whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures		About this Report	
G.6	Conflict of interest	Whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: • Cross-board membership • Cross-shareholding with suppliers and other stakeholders; • Existence of controlling shareholders; • Related parties, their relationships, nature, transactions, and outstanding balances	-	Financial Resilience and Governance – Business Ethics & Conduct	
G.7	Supplier Code of Conduct	A description of the company's Supplier Code of Conduct	-	Information unavailable	Planned for development and future reporting
		The percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism	%	Information unavailable	Planned for development and future reporting

ID	Description	Main Reporting Component(s)	Unit	Location	Comments
G.8	Incentivised Pay	If executives are formally incentivised to perform on sustainability	–	Information unavailable	Planned for development and future reporting
		The percentage of executive compensation tied to ESG performance metrics	%	Information unavailable	Planned for development and future reporting
		A description of other links between executive performance and sustainability performance (if any)	–	Information unavailable	Planned for development and future reporting
G.9	Ethics & Anti-corruption	If your company follows an Ethics and/or Anti-Corruption policy	–	Financial Resilience and Governance – Business Ethics & Conduct	
		The percentage of the workforce that has formally certified its compliance with the policy	%	Financial Resilience and Governance – Business Ethics & Conduct	
		A description of certification and process	–	Financial Resilience and Governance – Business Ethics & Conduct	
		A statement of the company's commitment towards its ethics and/or anti-Corruption policy/position	–	Financial Resilience and Governance – Business Ethics & Conduct	
G.10	Assurance	A description of the process by which sustainability disclosures are assured or validated	–	About this Report – Data Verification	This report is not externally assured or validated
		If the company's sustainability disclosures are assured or validated by an independent third party		About this Report – Data Verification	



الصندوق العربي للطاقة

**The Arab
Energy Fund**

A Multilateral Impact Institution