



الصندوق العربي للطاقة

The Arab
Energy Fund

A Multilateral Impact Institution

Cultivating **50 Years** of Impact

SUSTAINABILITY REPORT
2024



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REPORTING WHAT WE GROW

01 ABOUT THIS REPORT



About this Report

The Arab Energy Fund (The Fund) presents its inaugural public Sustainability Report for the year 2024.

The report provides an overview of the Fund's progress on key material environmental, social, and governance (ESG) topics, in accordance with industry-recognized standards.

For a more complete picture of the Fund's performance in 2024, this report should be read in conjunction with the Fund's 2024 Annual Report and the 2024 Green Bond Report.



Reporting Boundary

This report covers the period from 1 January 2024 to 31 December 2024 unless otherwise stated. The report covers The Arab Energy Fund's operational entities, comprising of its Headquarters in Riyadh and wholesale banking branch in Bahrain for the reporting period 1 January to 31 December 2024. Subsidiaries (special purpose vehicles and a close-ended fund) included in the 2024 consolidated financial statements are not included within the boundary of this report due to the absence of operational control and limited availability of reliable non-financial data at this stage.



Reporting Frameworks

The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and aligned to Central Bank of Bahrain's (CBB) Environmental, Social and Governance Requirements Module. Furthermore, the report highlights the Sustainable Development Goals (SDGs) that are most material to The Arab Energy Fund's activities.



Data Verification

The Arab Energy Fund is committed to transparency and accuracy in all its public disclosures. The data contained in this report has been verified internally by the Fund. The report has not undergone external assurance. As the Fund continues to enhance its sustainability reporting processes and data-management capabilities, it will evaluate the need for external assurance in future reporting cycles in line with evolving best practices and stakeholder expectations.

Board Responsibility

The Board of Directors has overall responsibility for The Arab Energy Fund's approach to sustainability and for fostering transparency in reporting. The Board delegates the preparation and fair presentation of this report to the CEO, management and relevant internal divisions, in line with established governance processes.

Forward-looking Statements

Forward-looking statements involve uncertainty given the many external factors that could impact the business environment in which The Arab Energy Fund operates. The Fund holds no obligation to publicly update or revise forward-looking statements throughout the coming fiscal year unless required to do so by applicable laws and regulations.



Feedback

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

Contact our Sustainability team

sustainability@taef.com



CULTIVATING MOMENTUM WITH DISCIPLINE

02
LEADERSHIP
MESSAGE



A Message from the CEO



2024 marked a year of acceleration for The Arab Energy Fund as we consolidated our status as the leading energy-focused impact fund in the MENA region. Building on the foundations laid in recent years, this year we continued to execute on our Sustainability Strategy.

The strategy – built around the three pillars of Financial Resilience and Governance, Social Impact and Economic Opportunity, and Responsible Banking and Investing – has enabled the Fund to align purpose with performance while driving meaningful impact.

Significantly, in 2024 we worked to develop our ESG Risk Policy Framework and toolkit in line with recognized standards. Once rolled out, this will help to ensure that we responsibly evaluate and manage environmental, social, governance and climate-related risks while delivering strong financial outcomes and servicing our mandate in the MENA energy sector.

This commitment is reflected in the substantial growth of lending to projects that produce significant positive impact in addition to economic benefits, comprising projects that qualify for financing under our Green Bond Framework and environmentally beneficiary projects outside the framework (mainly water desalination).

By year-end, the value of these loans reached \$US 1.283 Bn, an increase of nearly 50% over the previous year, and now comprise almost one-quarter of The Arab Energy Fund's \$US 5.80 Bn loan portfolio. This milestone highlights our continued efforts to finance projects that contribute to the broader sustainable development of our Member Countries.

Another key highlight of 2024 was the successful issuance of our second \$US 750 Mn Green Bond under the enhanced Green Finance Framework. The proceeds will support clean energy, wastewater treatment, and climate adaptation projects that enhance people's quality of life, and significantly reduce emissions. These green bonds are a powerful demonstration of how capital markets can be harnessed to accelerate positive environmental and social outcomes.

Internally, we also improved our understanding of our operational emissions. For the second consecutive year, we measured our Scope 1 and 2 GHG emissions, reporting a 38% year-on-year reduction in absolute emissions.

We continued to invest in our people and culture. The launch of the 50+ Graduate Development Program will enable us to continue attracting top regional talent and empower future leaders.

By year-end, the value of these loans reached

\$ 1.283 Bn

In addition, in 2024 our employee engagement levels improved significantly following the introduction of focused initiatives.

Next year the Fund will celebrate its 50th anniversary – a key milestone that provides an opportunity to reflect on our legacy and recommit to the mission that has defined our journey. With a strong foundation, forward-looking strategy, and a passionate team, we are well positioned to shape the next chapter of sustainable energy development in the region.

I extend my sincere appreciation to our shareholders, Board of Directors, partners, and employees for their unwavering support.

Together, we will continue to build a more inclusive, resilient, and sustainable energy future for the Arab world and beyond.



Khalid Ali Al-Ruwaigh
Chief Executive Officer

OUR ROOTS, FLOURISHED

03
ABOUT THE
ARAB ENERGY FUND





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.

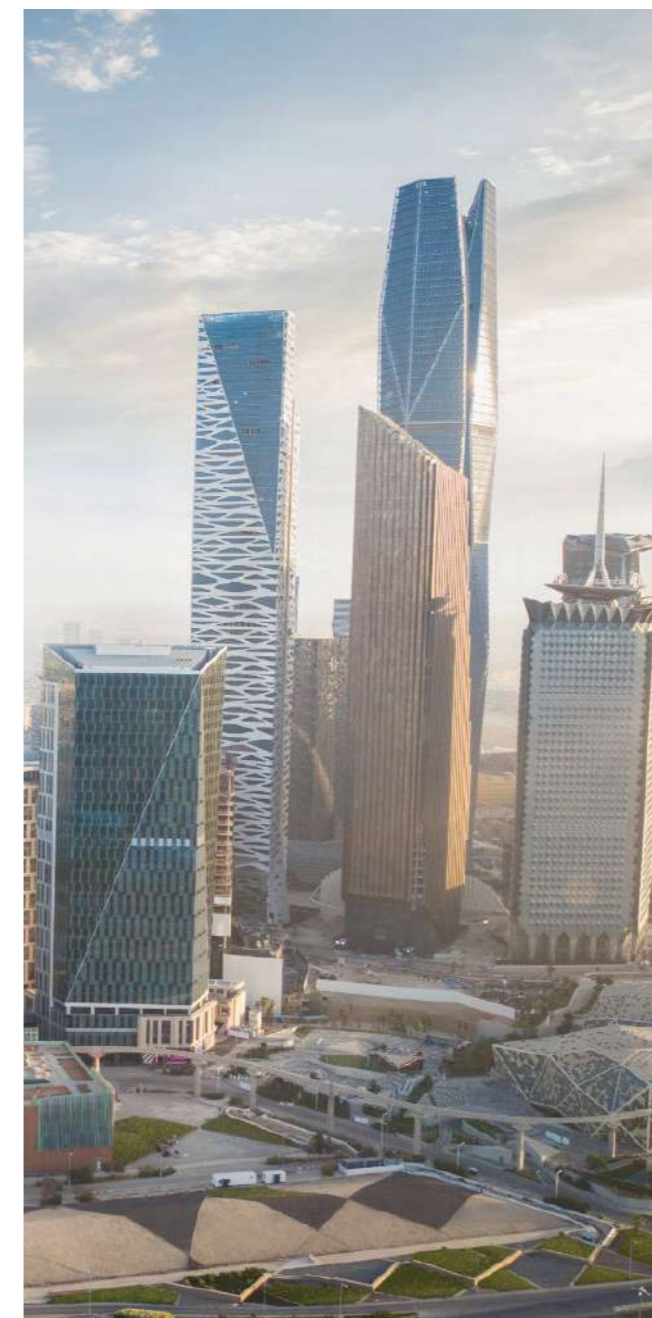
The Fund's mission is to support the energy ecosystem with debt and equity solutions to enable energy security and sustainability and to develop local value chains and services in the MENA region.

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 Corporations (APICORP), in 2023 the Fund was renamed and rebranded to reflect its expanded focus within the energy sector, heralding a new era of long-term growth and impactful investments.

The Fund redefined its identity, strategy, and also relocated to new corporate headquarters in Riyadh to emerge as the leading impact investor in the MENA region's energy sector.

Building on five decades of leadership and innovation, The Fund leverages its unique multilateral framework and deep expertise to drive sustainable finance and impact across the energy ecosystem.



The Fund's mission is to support the energy ecosystem with debt and equity solutions to enable energy security and sustainability and to develop local value chains and services in the MENA region.

This strategic pivot positions the Fund at the forefront of fostering a secure and resilient energy future for the Middle East and beyond.

The relocation to Riyadh, the capital of the Kingdom of Saudi Arabia (KSA), a key financial hub in the Middle East, positions the Fund closer to its key stakeholders and decision makers and marks a strategic step towards becoming the leading energy-focused impact fund in the MENA region.

The Arab Energy Fund has grown steadily to reach its current status as a leading regional multilateral impact institution with

\$ 10.92 Bn
in assets as of FY2024.

50 Years of Impact

Since its establishment, The Arab Energy Fund has grown steadily to reach its current status as a leading regional multilateral impact institution with \$US 10.92 Bn in assets as of FY2024.

In 2025, the Fund will proudly celebrate its 50th anniversary with a renewed sense of purpose and optimism as it looks ahead to the next half century of positive impact.

For more information on The Arab Energy Fund's journey and key milestones, please refer to the Fund's 2024 Annual Report.

The Arab Energy Fund at a Glance

Established in 1974

Hosted in Riyadh, Saudi Arabia

10 Member Countries

\$ 10.92 Bn in assets

Linkages and exposures to 35+ countries

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.





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, financial advisory services, and equity investment solutions.

The Fund aims to create positive impact across all its business activities, as encapsulated in 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 and Partnerships

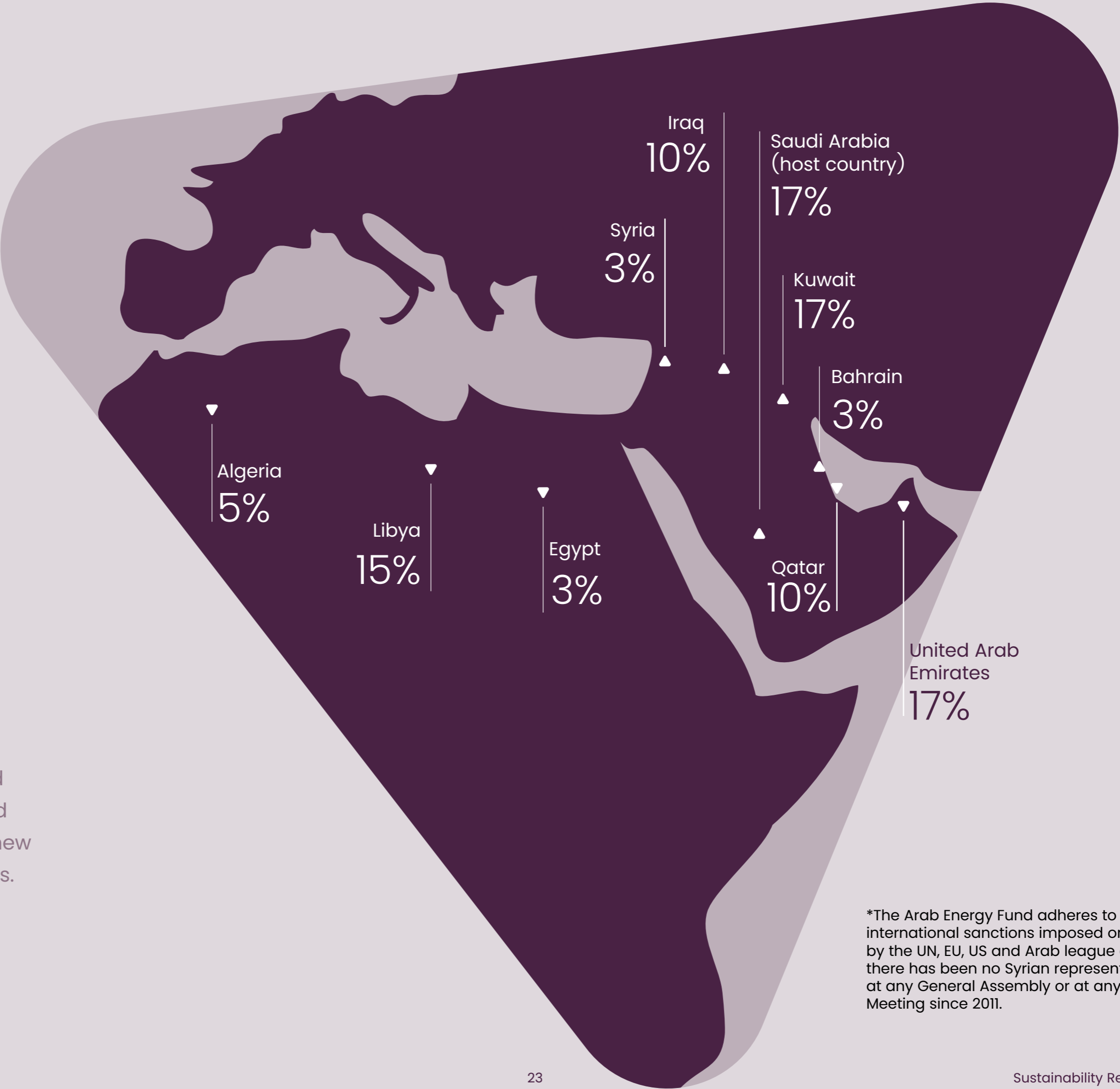
Strategically deploys a portion of the Fund's shareholder capital in direct equity and indirect fund investments. The Fund invests to create long-term shareholder value and to advance the energy sector. This business line fosters strategic partnerships regionally and globally.



Treasury and 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.

*The Arab Energy Fund adheres to international sanctions imposed on Syria by the UN, EU, US and Arab league and there has been no Syrian representation at any General Assembly or at any Board Meeting since 2011.

With exposure to
35+ countries,
The Arab Energy Fund has
built a fast-growing global
stakeholder network

A Global Reach

With exposure to 35+ countries, The Arab Energy Fund has built a fast-growing global stakeholder network, consisting of private and public sector partners that have played a key role in the Fund establishing its position as the leading MENA based energy-focused multilateral financial Fund with recognized energy sector knowledge and expertise.

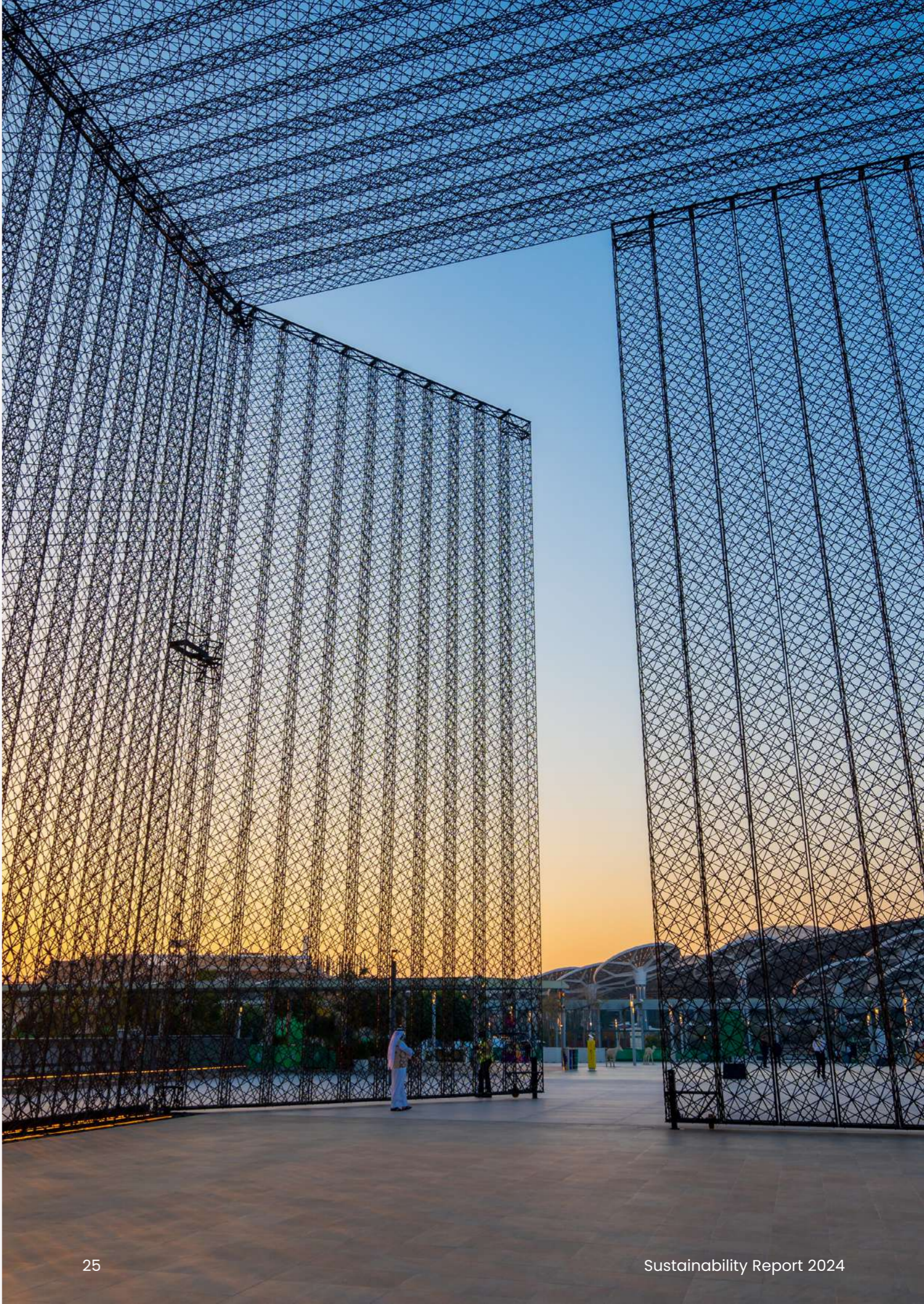
Through this network, which spans the entire energy sector spectrum, the Fund has forged strong relationships with organizations and projects that drive the sustainable development of the energy sector, create jobs, diversify economies, build capacities, and generate positive returns.

Credit Ratings

In 2024, Fitch upgraded its credit rating from AA with a positive outlook to AA+, reaffirming the strength of the Fund's governance and risk frameworks.

Credit ratings at the end of 2024:

S&P – 'AA-' / Stable Outlook	Moody's – 'Aa2' / Stable Outlook	Fitch – 'AA+' / Stable Outlook
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NURTURING CREDIBILITY AND GROWTH

04
THE ARAB ENERGY
FUND'S SUSTAINABILITY
JOURNEY



The Arab Energy Fund's Sustainability Journey

The Arab Energy Fund is currently developing a new Sustainability Strategy aligned with the Fund's purpose as a multilateral impact fund focused on the MENA energy sector which will strengthen the integration of ESG considerations into the Fund's business model with a view to creating additional value for all stakeholders.

The new Strategy will build on the Fund's existing ESG Policy Framework, which was first introduced in 2021, and will be accompanied by an updated Sustainability Governance structure and ESG Risk Policy Framework, as detailed in this section.

► 2021
ESG Policy

► 2024
ESG
Framework
Refresh

► 2025
Sustainability
Strategy &
BRSC

Sustainability Governance

The Arab Energy Fund has developed a robust, multilayered sustainability governance structure that ensures sustainability is considered and managed at the highest levels of the organization. This structure clearly defines roles and responsibilities for the implementation and ongoing refinement of the Sustainability Strategy, ensuring that efforts are controlled, managed, and evaluated with transparency and accountability. Sustainability at the Fund is governed at three levels.

Board Level

In 2024, oversight of audit, risk, and compliance matters at the Fund was the responsibility of the Board Audit and Risk Committee. As part of a thorough review of its governance structures, The Arab Energy Fund has restructured this committee into two specialized committees, which will become effective in 2025: the Board Audit and Compliance Committee, and the Board Risk and Sustainability Committee (BRSC). The BRSC is responsible for overseeing the Sustainability Report, relevant policies, and sustainability risk management. This structure aims to ensure that ESG risks and opportunities are managed at the highest level of the organization. While the Sustainability Report covers the year 2024, it has been prepared in 2025 and hence has been aligned with the newly established BRSC.

Operational Level

At the operational level, the Communications & Sustainability (C&S) division oversees Sustainability as a strategic function. Operational responsibilities for implementing the Sustainability Strategy are shared between C&S, Risk Management, and Business Lines. This decentralized approach ensures that each function contributes according to its expertise. The structure reflects a collaborative model that is subject to ongoing review to ensure optimal role allocation across the Fund.

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 risks, manages green allocations, and ensures alignment with sustainable finance principles and disclosure standards.

Sustainability Framework

In addition to the above, The Arab Energy Fund is looking to further enhance its Sustainability governance with a Sustainability Framework that would outline the Fund's commitment to promoting sustainability across its operations, investments, lending, and partnerships, in line with the Sustainability Strategy. The new Sustainability Framework will build on our existing ESG Policy Framework.

Sustainability Stack

- ▶ Operations
- ▶ Investments
- ▶ Lending
- ▶ Partnerships

Sustainability Strategy

The Arab Energy Fund is currently updating its Sustainability Strategy to guide its evolving approach as a multilateral impact fund focused on the MENA energy sector. The Sustainability Strategy is intended to reflect the Fund's commitment to continuous improvement and to align, where appropriate, with industry practices in sustainability that fit its business model and mandate.

The Strategy is structured around three pillars that build on the Fund's existing ESG Policy Framework, with minor adjustments to reflect evolving priorities.

Pillar 1: Responsible Banking and Investing

The Arab Energy Fund is developing ambitions to manage both its direct and indirect environmental and social impacts through its lending and investment portfolios. As part of this, The Fund looks to identify and assess ESG and climate risks and to promote sustainable financial products / instruments.

Pillar 2: 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 also contributes to the social and economic profile of its Member Countries through financing eligible projects in line with its Green Finance Framework. The Arab Energy Fund prioritizes developing and nurturing its workforce, and strives to promote human rights and diversity among its financing/investment partners, employees, and suppliers.

Pillar 3: Financial Resilience and Governance

The Arab Energy Fund's robust governance system and risk management framework enables the organization to maintain financial resilience and sustainable growth. The oversight of ESG risks and opportunities at the Board and management levels coupled with dynamic and proactive engagement, supports The Fund's role as a key player in the development of the regional energy sector.

Sustainability Risk Management

In 2024, The Arab Energy Fund began work on a new ESG Risk Policy Framework, reflecting a commitment to strengthen the integration of environmental, social and governance considerations across its lending and investment activities. Work on this framework is proceeding in phases.

The ESG Risk Policy Framework will apply to all core business lines, including project finance, corporate loans, and equity investments. It is designed to ensure that ESG integration enhances, rather than compromises, financial performance.

The framework covers a broad set of ESG dimensions and incorporates climate risk assessment. The framework is aligned with international standards such as the International Finance Corporation (IFC) Performance Standards and IFRS S2 Climate-related Disclosures.

In parallel, the Fund also worked to develop its ESG Toolkit which will support both ESG and climate risk assessments and thereby further the Sustainability Strategy objectives.

Aligned With:

- ▶ IFC PS
- ▶ IFRS S2

Impact Metrics

Under the three pillars of its Sustainability Strategy, The Arab Energy Fund defined strategic objectives aligned with material ESG topics that were identified through a comprehensive materiality assessment. To support progress against these objectives, the Fund is currently refining a range of impact metrics. These metrics aim to capture The Arab Energy Fund’s positive contribution in areas such as resource management and social impact.

The process of developing and refining these measures is ongoing, with implementation expected to enhance The Arab Energy Fund’s ability to monitor and report on its sustainability performance and external impact with increased accuracy and confidence.



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 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, including the Central Bank of Bahrain’s ESG Requirements Module, 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 crucial for the effective management of material ESG risks and opportunities. In 2024, The Arab Energy Fund continued to foster meaningful engagements with its employees, investors, regulators, clients, and communities through various channels.

These engagements not only inform the Fund’s Sustainability Strategy but also assist in the alignment of business practices with evolving stakeholder needs.

Through ongoing stakeholder engagement, the Fund ensures that its ESG efforts remain relevant, impactful, and responsive to the evolving landscape of sustainability risks and opportunities while enabling The Arab Energy Fund to maintain strong relationships with its key stakeholders.

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	✓		✓	

IRRIGATING ACCOUNTABLE FINANCE

05
FINANCIAL RESILIENCE
AND GOVERNANCE





Financial Resilience and Governance

Material Topics

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

SDG(s)



The Arab Energy Fund is committed to transparency, ethical business practices, and accountability in driving sustainable growth. The Fund maintains a robust governance structure that emphasizes sound risk management, compliance with applicable laws and regulations, and alignment with international best practices.

Furthermore, maintaining financial resilience is a cornerstone of The Arab Energy Fund's Sustainability Strategy, ensuring the Fund's ability to honour its commitments, seize strategic opportunities, and allocate capital to projects that drive positive environmental, social, and economic outcomes. For an in-depth account of The Arab Energy Fund's financial position, readers may refer to the Fund's annual financial statements.

Corporate Governance

In 2024, The Arab Energy Fund strengthened its governance structure, reinforcing its commitment to ethical governance and operational excellence. Major initiatives included the reorganization of the Board Committee structure and updates to key governance documents to ensure that legal, compliance, and operational policies remain aligned with industry best practices and The Arab Energy Fund's mission.



The Board of Directors

The Arab Energy Fund's Board of Directors approves and oversees the Fund's strategy, policies, annual business and financial plans, and final decision making on large investment and lending decisions, as well as other strategically important matters.

The Board ensures that responsible risk assessment and management practices are in place and that the Fund complies with all applicable laws and regulations.

The Board also reviews and approves ESG-related policies and initiatives, to ensure that such risks and opportunities are effectively managed.

Board Members

Under The Arab Energy Fund's Establishment Agreement, each shareholder has the right to appoint a representative to the Board of Directors, subject to the approval of their appointment by the General Assembly.

The current Board comprises nine members, typically senior governmental officials from Member Countries with extensive energy industry experience. The Board has one female director that has served since 2020. All members of the Board are designated as non-executive non-independent directors¹.

¹The list of board members shown in this report reflects the position as of the end of 2024. The most recent list of the Board of Directors can be found on our website at taef.com.



Eng. Mohammed Abdulrahman Albrahim

Kingdom of Saudi Arabia

Chairman of the Board, Chairman of the Board Executive Committee (BEC), Member of the Board Governance and Remuneration Committee (BGRC), Assistant Minister for Oil and Gas, Ministry of Energy, Serving on the Board since 2024



Mr. Moussa Alhassan Atiq Ali

State of Libya

Deputy Chairman of the Board, Deputy Chairman of the Board Governance and Remuneration Committee (BGRC), Member of the Board Executive Committee (BEC) General Manager, Libyan Arab Foreign Investment Company, Serving on the Board since 2021



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

State of Kuwait

Member of the Board, Chairman of the Board Governance and Remuneration Committee (BGRC), Member of the Board Executive Committee (BEC) Undersecretary, Ministry of Oil, Serving on the Board since 2019



Eng. Sharif Salim Alolama

United Arab Emirates

Member of the Board, Chairman of the Board Audit and Risk Committee (BARC), Member of the Board Executive Committee (BEC), Undersecretary for Energy and Petroleum Affairs, Ministry of Energy & Infrastructure, Serving on the Board since 2020



Mr. Yusuf Abdulla Alhumood

Kingdom of Bahrain

Member of the Board, Deputy Chairman of the Board Audit and Risk Committee (BARC) Undersecretary for Financial Affairs, Ministry of Finance & National Economy Member of the Board, Central Bank of Bahrain, Serving on the Board since 2020



His Excellency, Eng. Tarek Ahmed Al Mulla

Arab Republic of Egypt

Member of the Board, Member of the Board Governance and Remuneration Committee (BGRC) Former Minister of Petroleum & Mineral Resources, Serving on the Board since 2020



Mrs. Amel Abdullatif

People's Democratic Republic of Algeria

Member of the Board, Member of the Board Audit and Risk Committee (BARC) General Manager, Taxation Directorate, Ministry of Finance, Serving on the Board since 2020



Mr. Khalid Khalifa Aljalahma

State of Qatar

Member of the Board, Member of the Board Audit and Risk Committee (BARC) Manager, Financial Asset Management and Reporting, Qatar Energy, Serving on the Board since 2024



Eng. Basim Mohammed Al-Ibadi

Republic of Iraq

Member of the Board, Member of the Board Audit and Risk Committee (BARC) Deputy Minister, Ministry of Oil, Serving on the Board since 2023

Board Composition

Board of Directors (by Gender)		
Year	Female	Male
2022	11%	89%
2023	11%	89%
2024	11%	89%

Board of Directors (by Age)			
Year	Below 30 years old	Between 30-50 years old	Over 50 years old
2022	0%	67%	33%
2023	0%	56%	44%
2024	0%	56%	44%



Board Committees in 2024

The Board of Directors executes its duties with the support of dedicated Board Committees, each of which has a clear mandate to oversee critical governance matters. These are:

The Board Audit and Risk Committee (BARC)

Oversees the integrity of financial reporting, compliance, internal controls, and the performance of internal and external audit functions. Ensures compliance with regulations, accounting standards, and the Fund’s Governance Policies. It is also responsible for reviewing and recommending the Fund’s risk appetite, risk management framework, and sustainability policies.

The Board Governance and Remuneration Committee (BGRC)

Oversees human capital compensation policy, benefits framework policy, succession planning, and performance-based remuneration. Ensures meeting ethical standards, upholding governance of compensation practices, and complying with the Fund’s Code of Conduct.



The Board Executive Committee (BEC)

The Board Governance and Remuneration Committee (BGRC) Oversees human capital compensation policy, benefits framework policy, succession planning, and performance-based remuneration. Ensures meeting ethical standards, upholding governance of compensation practices, and complying with the Fund’s Code of Conduct.

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

Board Audit & Compliance Committee (BACC)

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 (BRSC)

Responsible for reviewing and recommending the Fund’s risk appetite, risk management framework, and sustainability policies. Provides oversight of ESG integration and capital structure decisions.

Board Nomination and Remuneration Committee (BNRC)

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

Board Committees in 2025

In 2024, the Fund reorganized the Board Committee structure to reinforce oversight across all levels, resulting in the creation of four committees effective from 2025. The new structure is as follows:

Business Ethics & Conduct

The Arab Energy Fund enforces the highest standards of ethical business conduct across its operations and ensures compliance with all applicable laws and regulations. Ethical business conduct is underpinned by the following documents and Board-approved policies:

- Establishment Agreement and Statutes
- Code of Ethics and Professional Conduct (the Code)
- Compliance and AML/CFT Policy
- Anti-fraud Policy
- Whistleblowing Policy
- Grievance Policy
- Operational Risk Policy

The Arab Energy Fund's Code applies to all Board Members and employees and includes clear provisions on acceptable behavior and conduct, business ethics principles, and disciplinary procedures. Employees are given annual training on the Code and must formally acknowledge having read and understood the document and agree to uphold its principles in all their dealings, internally and externally, and must renew this commitment annually.

All Board members and employees are made aware of the Fund's governance policies and are provided with appropriate training where necessary.

The Arab Energy Fund's Compliance Officer and members of the Human Capital Division are collectively responsible for providing guidance on the interpretation of the Code and supporting its implementation and enforcement. The Code and policies are subject to review at least once every three years or as necessary to reflect any business environment changes or operational updates, unless otherwise stated.

As a result of its rigorous approach to enforcing governance and compliance, over the past three years, The Arab Energy Fund has experienced no significant instances of non-compliance with laws and regulations, including incidents of corruption or money laundering, and has not been imposed with any fines or sanctions relating to anti-trust or anti-competition issues over the same period.



Anti-Bribery and Anti-Corruption

The Arab Energy Fund strictly prohibits bribery or corruption in any form and has procedures and internal controls to ensure compliance with all applicable anti-bribery and corruption laws. This commitment is outlined in the Code as well as in a dedicated Anti-Fraud Policy which covers various forms of misconduct and unethical behavior, including bribery and corruption, and sets out procedures for the detection, prevention, reporting, handling, and investigation of such incidents.

The Legal and Compliance Division drafts, reviews and proposes amendments to the Policy, which is approved by the Board. The Policy covers all The Arab Energy Fund employees, clients and third parties, and activities associated with the Fund including proposed, ongoing, and completed projects, operations and all other businesses.

The Arab Energy Fund allocates sufficient resources to prevent and detect instances or potential instances of corruption or bribery. In 2024, The Arab Energy Fund's internal audit function assessed all three of the Fund's business lines for corruption risks and found no significant gaps or corruption-related risks.

The Human Capital Division is responsible for providing training to relevant employees and senior management as required.

Employees that witness or are subject to an act of bribery or corruption should report the incident via a dedicated whistleblower channel. All reports are investigated as per the procedures outlined in this Policy.

Where an investigation determines that any individual or entity has contravened The Arab Energy Fund's rules or applicable laws around bribery and corruption, the Fund may initiate formal disciplinary procedures. Punishment may include termination or suspension of the contractual relationship with the individual or entity, and/or reporting the incident to relevant authorities.



Conflicts of Interest

The Code includes clear guidance for employees on avoiding situations where a conflict of interest may arise between an employee's interests and the interests of The Arab Energy Fund, its shareholders, or clients. Employees faced with such a scenario should promptly seek guidance on the matter from The Arab Energy Fund's Legal and Compliance Division. Members of the Board of Directors are required to declare any conflicts of interest during Board meetings and to recuse themselves from participation in discussions or decisions on matters where they are conflicted.



Third parties

The Arab Energy Fund's Procurement Policy requires that all stakeholders associated with this Policy agree to comply with all applicable laws, rules and regulations, and abide by the Fund's procurement principles. These principles emphasize effective and fair competition between vendors, and the ethical behavior and fair dealing of all stakeholders involved throughout the business relationship.

Whistleblowing

The Arab Energy Fund's Whistleblowing Policy and procedure supports the Fund's commitment to maintaining the highest standards of business integrity and ethical conduct and to protect against instances of malpractice, wrong-doing, fraud, and corruption in the workplace. The Policy encourages employees to report any concerns either openly or anonymously without fear of retaliation or harassment, as long as reports are made in good faith.

The BARC is ultimately responsible for implementing and administering the Policy which is updated as and when needed or at least once every two years.

The Arab Energy Fund also requires that third parties declare any potential conflict of interest, including but not limited to nepotism, any direct or indirect relationship/s or friendships and/ or past dealings.

Whistleblowers should report suspected cases to the BARC through the following communication channel:

whistleblowing@taef.com

If the report is deemed valid, it will be investigated in accordance with a detailed complaints handling procedure. The Human Capital Division ensures that all employees are made aware of the Whistleblowing Policy, a copy of which is available on the Fund's intranet, and employees must formally acknowledge having read and understood the Policy.

Legal & Compliance

The Legal and Compliance Division reinforces The Arab Energy Fund’s commitment to ethical conduct and compliance with all applicable laws and regulations, ensuring the continued trust of stakeholders.

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 its Legal & Compliance Division headed by the Chief Legal & Compliance Officer. The primary objectives of the Compliance and AML/CFT Policy are to:

- Establish a strong compliance and AML/CFT culture within the organization
- Ensure that The Arab Energy Fund adheres to applicable laws, rules and regulations
- Identify any violations on a timely basis
- Implement corrective actions in a time sensitive manner

The Policy details The Arab Energy Fund’s Compliance and AML/CFT framework and outlines the main roles and responsibilities for the management of Compliance and AML/CFT risks. The Policy is reviewed at least once every two years or when significant amendments are required.

AML/CFT

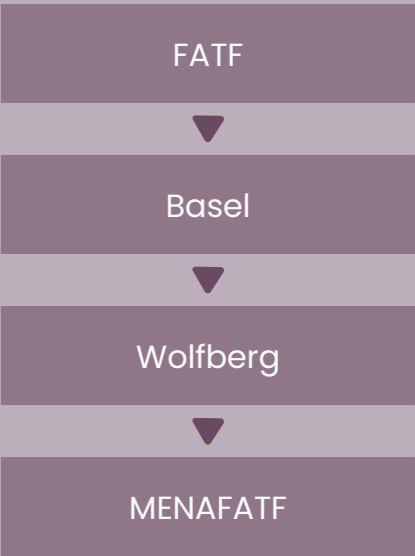
The Arab Energy Fund is committed to preventing the use of its operations for money laundering, terrorist financing or any other criminal undertaking. The Fund complies with international standards, especially those endorsed by the Financial Action Task Force (FATF), Basel Committee on Banking Supervision,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

The Arab Energy Fund has established the following additional measures as part of its Compliance and AML framework at an organizational level:

- 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 Arab Energy Fund does not maintain a presence in any sanctioned country and declares that none of its subsidiaries, nor any of the respective directors or agents, employees or affiliates of The Arab Energy Fund, have been engaged in any transaction or activity that has received notice of an investigation related to Sanctions or by any Sanctions Authority.

The Arab Energy Fund's 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 Arab Energy Fund believes may violate applicable sanctions laws or The Arab Energy Fund's 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. These restrictions impact not only the types of products or services that The Arab Energy Fund may make available but also the types of transactions The Arab Energy Fund may process
- Investigating all customer/client alerts or transactions that are flagged in The Arab Energy Fund's screening systems
- All relevant employees receive ongoing training covering AML/CFT on a yearly basis

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.

Three lines of defense:



The Board of Directors, through the BARC, 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. Internal Audit, with oversight by BARC, is responsible for providing an 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 Risk Division 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.

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, as well as its approach to responsible lending and investing.

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.

In 2023, The Arab Energy Fund published its Green Finance Framework, an extension of its Green Bond Framework that includes a broader range of eligible green categories.

The Green Finance Framework is aligned with ICMA Green Bond Principles and the Loan Market Association's (LMA) Green Loan Principles. Moody's completed a Second Party Opinion (SPO) on the Green Finance Framework, awarding an SQ2 (very good) score.

Moody's
SPO:
SQ2

Green
Finance
Framework:
ICMA / LMA
aligned

In 2024, The Arab Energy Fund raised \$US 750 Mn through the issuance of its second Green Bond, following the issuance of its first Green Bond with the same face value in 2021.

IT Infrastructure & Information Security

The Arab Energy Fund prioritizes the digital transformation of its operations to provide the highest standards of service to clients while taking all necessary measures to safeguard sensitive data in its possession and protect the integrity of the business.

In 2024, as part of a review of The Arab Energy Fund's governance structures, the responsibilities of the Risk Management and Compliance Committee, chaired by the CEO, were expanded to include oversight of cybersecurity.

Digital Transformation

In 2024, The Arab Energy Fund continued its digital transformation journey through strategic upgrades and close collaboration between the Information Technology (IT), Project Management Office (PMO), and Cybersecurity (CS) divisions, advancing automation, security, effective implementation and execution – ultimately leading to improved real-time decision-making capabilities.

The IT and PMO teams successfully completed the implementation of the Oracle Fusion ERP (Enterprise Resource Planning) system across the Finance, HR, and Supply Chain management functions, transforming manual processes into streamlined digital workflows. Complementary upgrades, such as the Arrangement Architecture (AA) lending solution and the launch of the MIS data platform, enabled real-time forecasting, analytics, and performance reporting. The Arab Energy Fund's digital rebranding efforts also included the transition from apicorp.org to taef.com, thereby aligning internal systems with the new brand identity.



Information Privacy and Security

Protecting customer data and privacy is critical to preserving the Fund's reputation and maintaining business continuity. The Arab Energy Fund has embedded a combination of state-of-the-art IT systems, a Board-approved Information Technology policies and Data Privacy Manual, alongside robust procedures and internal control systems.



Thanks to its comprehensive approach to protecting data and digital infrastructure, over the past three years The Arab Energy Fund has suffered no known information security breaches, received no complaints concerning breaches of customer data from outside parties or regulatory bodies, or experienced any incidents resulting in penalties or fines.

The Arab Energy Fund's Data Privacy Manual governs the collection, use, retention, and protection of data. It also includes consent that grants individuals the right to access, amend, and delete their data. The Manual, which is approved by the Board and is aligned with industry standards, applies to all employees, contractors, outsourced employees and all third parties providing services to The Arab Energy Fund.

The Manual includes guidance for ensuring compliance with the Personal Data Protection Law of Bahrain (PDPL), including but not limited to handling of personal / sensitive personal data, procedures for responding to data subject rights / requests, data privacy governance, transfer for personal / sensitive personal data, appropriate security measures, breach and incident management, and notification to data subjects and the relevant authority bodies.

The Arab Energy Fund expects all employees to comply with the rules outlined in the Data Privacy Manual. Failure to abide by these rules may result in an investigation and/or disciplinary action against an associate, grounds for termination of a contract, or refusal by The Arab Energy Fund to enter into a contract. It may also result in legal action against the employee and any other applicable third party.

All The Arab Energy Fund employees and, where relevant, contractors receive appropriate training and awareness with regards to information security, as relevant to their job function. In addition, employees involved with technical IT security responsibilities are provided with mandatory training specific to their job function.

The Arab Energy Fund has clear channels for reporting suspicious activities. The Security Operations Center (SOC) operates 24/7 to monitor and respond to any incidents across the network and IT system.

In addition, the Fund ensures alignment with the EU's General Data Protection Regulation (GDPR) on processing, consent, data subject rights, privacy by design and by default, data protection officer (DPO), data breach notification, international data transfers, data protection impact assessments (DPIA), accountability and governance, security measures, transparency and fair processing notices, and training and awareness.

IT has implemented the ISO 27001 (Information Security Management) and ISO 20000 (IT Service Management) frameworks, further enhancing procedures within the IT unit. The Executive Management Committee (EMC) reviews and approves IT-related policies before they are recommended to the Board.

- ▶ ISO 27001
- ▶ ISO 20000
- ▶ GDPR
- ▶ PDPL

In 2024, Cybersecurity expanded its 24/7 monitoring and resilience protocols. Core initiatives included vulnerability and penetration testing, compliance with the SWIFT Customer Security Programme (CSP), and the rollout of a Fair Use Policy and Data Privacy Manual. These measures reinforce the Fund's cybersecurity posture while ensuring data confidentiality, integrity, and availability.

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 and penetration testing in the form of a simulated hacker attack is performed annually.

In addition, The Arab Energy Fund has implemented several security measures to strengthen the protection of its IT infrastructure and data systems such as Multi-Factor Authentication (MFA) on Single Sign-On (SSO) facilities where possible, encryption on data backups, Privilege Access Management (PAM) for controlling access, especially for vendors and administrators, and data classification to protect data based on sensitivity.

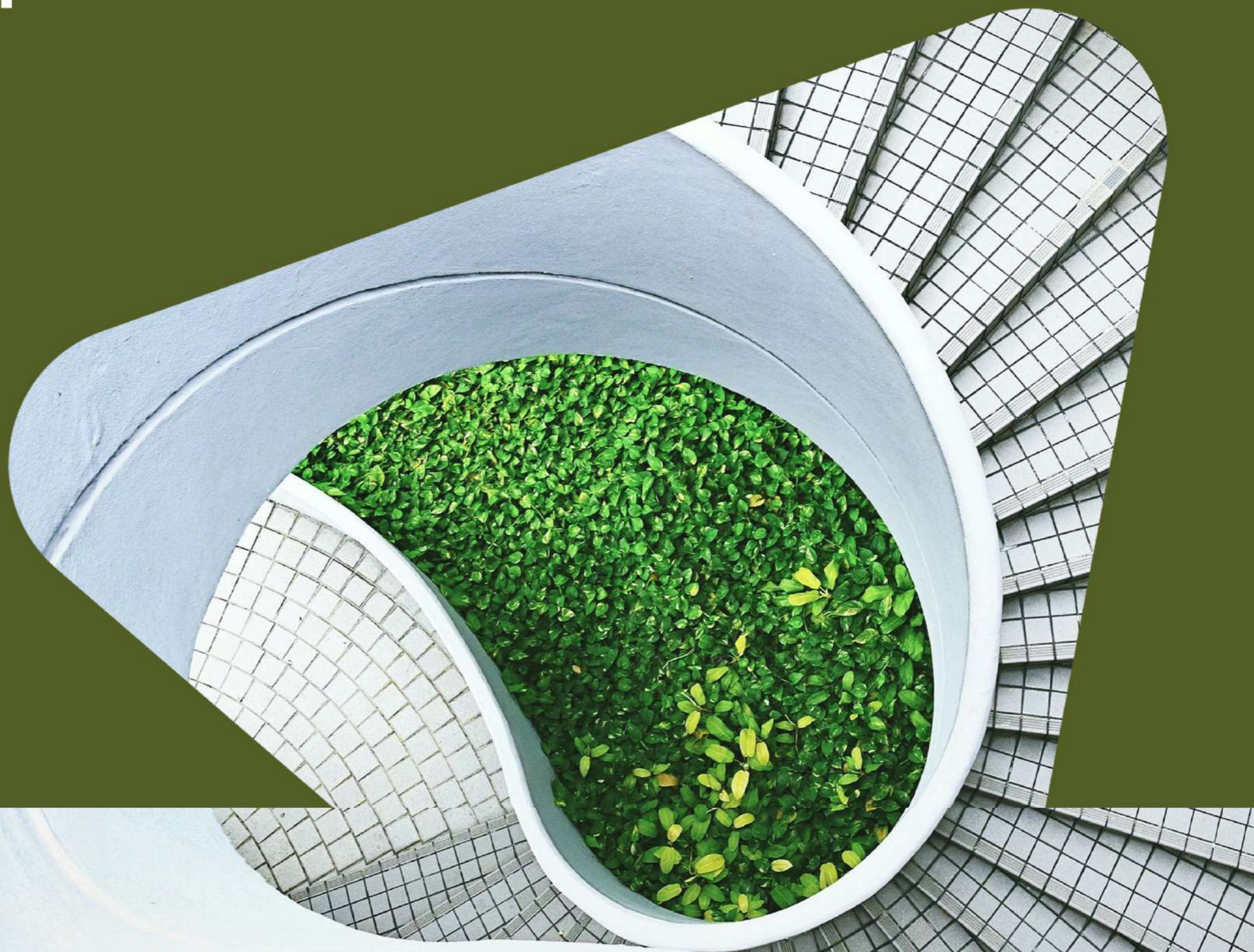
Furthermore, The Arab Energy Fund reviews user access rights and tests its Business Continuity Management (BCM) and Disaster Recovery procedures annually. The Arab Energy Fund's Board-approved BCM framework was reviewed and updated in 2024 following a tabletop Business Continuity test while the Fund also provided training on this topic for relevant stakeholders.

The Arab Energy Fund implements additional security measures covering third parties, such as business partners and suppliers. These measures include risk identification that could lead to the compromise of The Arab Energy Fund's data, processing systems and facilities, establishing access control for suppliers based on formal service agreements and The Arab Energy Fund's Access Control Policy, and communicating The Arab Energy Fund's Third-Party Security Policies to third parties handling sensitive information or operating critical IT services for The Arab Energy Fund.



SEEDING SHARED PROSPERITY

06
SOCIAL IMPACT
AND ECONOMIC
OPPORTUNITY



Social Impact and Economic Opportunity

Material Topics

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

SDG(s)



The Arab Energy Fund takes care of its workforce, protects the interests of its client base and Member Countries, and fosters the wellbeing of the communities it serves. This section reflects The Arab Energy Fund's efforts to generate value for these key stakeholders.

Employment Practices & Wellbeing

In 2024, the Fund continued to make significant progress towards a comprehensive Human Capital model through structured talent development, workforce planning, and performance enablement.

The Arab Energy Fund enhanced leadership development programs while strengthening continuity and succession planning.

Based on an external benchmarking study conducted in 2024, the Fund significantly improved its employee engagement levels thanks to the introduction of a series of enhanced employee wellbeing-focused initiatives.

In 2024, The Arab Energy Fund launched the first phase of its new ERP system, introducing the Oracle Fusion interface, a modern and user-friendly design aimed at enhancing the overall employee experience.

In 2025, the Human Capital (HC) Division intends to further digitize the employee experience through Oracle Fusion enhancements and introduce a Career Management Framework.

These initiatives are designed to support a high-performing working environment and promote workforce agility in line with The Arab Energy Fund's mission.

Workforce Planning



Development



Performance Enablement

Workforce Overview

Total Employees* (by Gender)					
Year	Female	Male	Total	Female (%)	Male (%)
2022	18	102	120	15%	85%
2023	18	81	99	18%	82%
2024	19	90	109	17%	83%

*All employees are full-time and on fixed term contracts

Total Employees (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2022	110	10	92%	8%
2023	88	11	89%	11%
2024	98	11	90%	10%

Total Contractors* (by Gender)					
Year	Female	Male	Total	Female (%)	Male (%)
2022	0	10	10	0%	100%
2023	0	7	7	0%	100%
2024	1	2	3	33%	67%

*Employees who are outsourced

Total Contractors* (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2022	9	1	90%	10%
2023	6	1	86%	14%
2024	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 Saudi Arabia.

Attracting and Retaining Talent

The HC Division analyzes risks related to talent attraction and retention, and estimates workforce needs to align with anticipated growth areas.

To attract and retain talent, The Arab Energy Fund offers a comprehensive range of employee benefits and continuously works on improving working conditions, providing incentives, and prioritizing talent development.

Benefits provided to full-time employees include:

- Compensation packages aligned with market analyses in the financial sector
- Variable performance-based pay
- Life Insurance
- Health Insurance
- Retirement and end-of-service provision
- Allowances for gym memberships, readership, children’s education, mobile devices, and Ramadan observance
- Learning and development programs and initiatives
- Competitive annual leave and parental leave
- Provisions for sick leave and compassionate 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 (%)
2022	0	8	0	0%	100%	0%
2023	5	15	0	25%	75%	0%
2024	3	14	1	17%	78%	6%

Total New Employee Hires (by Gender)				
Year	Female	Male	Female (%)	Male (%)
2022	1	7	13%	88%
2023	5	15	25%	75%
2024	2	16	11%	89%

Total New Employee Hires (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2022	8	0	100%	0%
2023	19	1	95%	5%
2024	18	0	100%	0%

Year	Total Rate of New Employee Hires*
2022	7%
2023	18%
2024	17%

*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 (%)	Over 50 years old (%)
2022	1	8	0	11%	89%	0%
2023	0	5	2	0%	71%	29%
2024	2	4	2	25%	50%	25%

Total Employee Turnover (by Gender)				
Year	Female	Male	Female (%)	Male (%)
2022	1	8	11%	89%
2023	1	6	14%	86%
2024	2	6	25%	75%

Total Employee Turnover (by Office Location)				
Year	KSA	Bahrain	KSA (%)	Bahrain (%)
2022	9	0	100%	0%
2023	6	1	86%	14%
2024	8	0	100%	0%

Year	Total Rate of Employee Turnover*
2022	7%
2023	6%
2024	8%

* 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.

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
2022	15%	9%	16%	11%	21%	28%
2023	5%	8%	10%	11%	19%	46%
2024	4%	6%	9%	9%	17%	54%

Parental Leave

	Overview of Parental Leave					
	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of employees that took parental leave	1	6	1	3	1	2
Number of employees that returned to work after parental leave ended	1	6	1	3	1	2
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	4	1	6	1	3
Return to work rate	100%	100%	100%	100%	100%	100%
Retention rate	100%	100%	100%	100%	100%	100%

A Diverse and Equal Opportunity Workplace

The Arab Energy Fund is an equal opportunity employer that is committed to building a more diverse workplace. The Fund is working towards increasing representation from a wider range of The Arab Energy Fund’s Member Countries and in terms of gender.

At the end of 2024, The Arab Energy Fund had a total of 109 full-time employees (99 in Riyadh, 10 in Bahrain), an increase of 10 compared to the end of 2023. Seventeen different nationalities were represented in the workforce while female employees represented 16.5% of the workforce.

Diversity of Employees

	Percentage of Employees by Job Category and by Gender					
	Non-management		Middle Management		Senior Management	
Year	Female	Male	Female	Male	Female	Male
2022	20%	80%	0%	100%	10%	90%
2023	24%	76%	6%	94%	10%	90%
2024	24%	76%	5%	95%	5%	95%

	Percentage of Employees by Job Category and by Age Group								
	Non-management			Middle Management			Senior Management		
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	Below 30 years old	Between 30–50 years old	Over 50 years old
2022	4%	70%	27%	0%	88%	12%	0%	62%	38%
2023	10%	74%	16%	0%	94%	6%	0%	70%	30%
2024	10%	74%	16%	5%	80%	15%	0%	75%	25%

Year	Number of Nationalities	
	Number of Nationalities	Percentage of Member Country Employees to Employees of Other Nationalities
2022	17	62%
2023	17	59%
2024	17	55%

Promoting Wellbeing in the Workplace

The Arab Energy Fund enforces the highest standards of health, safety and well-being in the workplace and the Fund has recorded no work-related injuries or illness over the past three years. The ESG Policy Framework, Human Capital (HC) Policy Manual, and Code of Ethics and Professional Conduct (the Code) highlight the Fund's commitment to providing a safe and healthy environment for employees and providing them with clear guidance on their rights as well as their responsibilities.

Developed in alignment with international guidelines and best practices, these documents affirm The Arab Energy Fund's respect for international human rights, including the Universal Declaration of Human Rights. The Arab Energy Fund prohibits child labor, forced labor, and any form of discrimination, harassment, or abuse.

Any employee that experiences or witnesses an act of discrimination or harassment in the workplace can report it via The Arab Energy Fund's dedicated grievance reporting procedure, confidentially and without fear of reprisal. There have been no incidents of discrimination or harassment reported over the past three years.

In 2024, The Arab Energy Fund completed the fit-out of its new headquarters, with employee well-being at the forefront of the design. Upgrades include break-out spaces that promote relaxation and productivity, enhanced lighting and greenery, and improved fire and safety systems. In addition, the Fund inaugurated a dedicated onsite gym accessible during working hours offering coached workouts and group sessions to all employees and provides employees with healthy snacks. The Arab Energy Fund also conducts health workshops, organizes cycling events, and hosts a variety of wellness activities. These activities include personal trainers to guide employees in making the most of the gym facilities, as well as health awareness sessions on common health issues, and lifestyle and nutrition awareness sessions.

► ZERO
work-
related
injuries





Engaging Our Employees

In addition to the regular surveys that The Arab Energy Fund conducts to gauge employee satisfaction levels, in 2024 The Arab Energy Fund strengthened its organizational culture and enhanced employee engagement through initiatives including regular Town Hall meetings and opportunities for employees to engage directly with executive leadership.

The Fund also runs internal campaigns to promote awareness around important issues related to sustainability. For example, in 2024 The Arab Energy Fund continued its “Do the Right Thing” compliance campaign to reinforce integrity, ethics, and accountability.

The Arab Energy Fund also launched its “Less is More” campaign, a multi-phase initiative to encourage sustainable behaviors across offices by providing employees with tips, challenges, and incentives. The first phase focused on reducing paper waste by promoting digital documentation and responsible printing, while the second phase introduced the StepUp Challenge encouraging employees to take the stairs instead of elevators, thus linking energy efficiency to physical movement. Participants tracked their steps and were rewarded with fitness watches.

On Earth Day, The Arab Energy Fund reinforced its commitment to reducing waste by 60% by 2040 and announced the second edition of “Less is More,” expanding reuse, refuse & reduce initiatives across Riyadh and Bahrain offices.

The Arab Energy Fund also organized activities to mark World Environment Day and encouraged trainees to spearhead the initiative, providing them with the guidance and resources needed to lead the engagement efforts. Activities included a scavenger hunt, where business functions competed to find eco-friendly items, and an eco-friendly quiz to test employees’ knowledge, with prizes awarded to participants and winners.

Lastly, as part of The Arab Energy Fund’s 50th Anniversary celebration, each employee received a Tradescantia plant, a symbol of resilience and growth and of The Arab Energy Fund’s journey. Employees were encouraged to name and nurture their plants, reinforcing the message of sustainability and progress.

These initiatives build on the Izdihar Initiative, an engagement platform The Arab Energy Fund launched in 2023 to enhance workplace culture and maintain its position as an employer of choice. This initiative represents The Arab Energy Fund’s commitment to growth, prosperity, and evolution within the organization as well as in the communities and industries it impacts.

Do the
Right Thing



Compliance
Culture

Less is More



Waste
Awareness

Earth Day



Community
Action

StepUp



Activity
Challenge

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

- Strategy
- Impact

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

- Well-being
- Career Growth

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

- Engagement
- Diversity & Inclusion

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 is committed to investing in the growth and development of its workforce and fostering a performance-driven culture that underpins the Fund’s long-term success.

In 2024, The Arab Energy Fund focused on the rollout of a unified competency framework encompassing core, leadership and technical competencies.

This was complemented by the introduction of a new performance model based on objectives and competencies, as well as targeted learning initiatives for employees and fresh graduates from Member Countries.

Promoting Learning & Development

In 2024, The Arab Energy Fund achieved significant milestones in human capital development through the launch of new programs and initiatives spanning every level of the organization.



50+ Graduate Development Program

The Arab Energy Fund launched the inaugural 50+ Graduate Development Program, aimed at identifying and developing future leaders.

This immersive six-month program aims to attract top talent from across The Arab Energy Fund’s Member Countries and equip participants with practical experience and professional skills essential for their future careers in the finance sector, while also fostering diversity and inclusion at the Fund. The inaugural program welcomed 12 participants, two thirds of which were female, selected from over 10,000 applicants.

12 participants

67 females

10,000+ applicants

20% course vs.
80% on-the-job

The biennial graduate program combines 20% specialized courses with 80% on-the-job training, featuring assigned tasks and projects. The curriculum covers corporate culture fundamentals, technical skills, and relationship management, with mentorship playing a key role throughout. The program concludes with practical workshops on CV building, LinkedIn profile creation, and mock interviews conducted by Human Capital and relevant functional team members, providing candidates with essential skills to enter the job market. The 50+ Graduate Development Program serves as a model for regional talent development and will expand through upcoming secondment and partnership initiatives.

Leadership Program

To support the development of existing employees, The Arab Energy Fund runs a Leadership Program in partnership with a leading global business school. In 2024, 19 senior management and 24 middle management employees were engaged on the program which covers modules of intensive leadership training.



19
Senior
Management
Employees

25
Middle
Management
Employees



Continuous Learning

The Arab Energy Fund encourages all employees to engage in continuous learning opportunities, including through online learning platforms. In 2024, 97 employees completed a total of 525 courses. In addition, 85 employees from various divisions were selected for specialized training and completed a combined 608 hours of instruction on specific topics related to their respective roles. Overall, The Arab Energy Fund achieved 80%+ Training Participation.

In 2024, The Arab Energy Fund introduced targeted learning initiatives designed around the “70-20-10” Learning and Development model, namely that 70% of knowledge is gained from job-related experience, 20% from interpersonal interactions, and 10% from formal training.

The Arab Energy Fund has set a goal for 2025 to have over 90% of employees trained in specialized courses tailored to their roles and career paths. In addition, the Fund plans to effectively measure employee satisfaction and the impact of learning upon completion, ensuring continuous improvement of development initiatives.

- ▶ 97 employees
- ▶ 525 courses
- ▶ 608 hours on specialized training
- ▶ 80% training participation

Training Hours

The number of training hours given to employees fell in 2023, predominantly due to the relocation to Riyadh, but returned to normal levels in 2024. Full-time employees received an average of 65 hours of training during the year, compared to seven hours in the previous year.

Training hours include a range of activities such as professional, technical, leadership programs, compliance training, conferences, and workshops. Differences in training hours by gender reflect varying roles and business needs, with all training opportunities provided on an inclusive basis.

Average Training Hours by Gender per Employee			
Year	Female	Male	Total
2022	249	81	107
2023	11	6	7
2024	133	51	65

Average Training Hours by Job Category per Employee			
Year	Non-management	Middle Management	Senior Management
2022	133	10	81
2023	5	19	1
2024	33	35	65

Average Training Hours by Employee Type		
Year	Full-time	Interns*
2022	107	0
2023	7	0
2024	65	234

Note: The Arab Energy Fund’s 50+ Graduate Development Program commenced in 2024,

Optimizing Performance Management

Under the guidance of The Arab Energy Fund's Human Capital (HC) Division, employees are encouraged to proactively manage their career development, aligning it with personal and career objectives as well as with The Arab Energy Fund's strategic objectives and values.

All employees receive formal performance reviews twice per year. This two-way process between employer and employee also involves discussion of learning and development needs, which informs the training and development plans for the ensuing period.

To measure employee performance, The Arab Energy Fund uses a Balanced Scorecard including Key Performance Indicators (KPIs) to set objectives at the corporate level, providing employees with greater transparency over the process.

Objectives are cascaded from an organizational level to the divisional level, and then to employees. This establishes a clear understanding of performance requirements within and across divisions and promotes strategic alignment and operational excellence.

Moving forward, performance management at The Arab Energy Fund will be further enhanced by the new Oracle Fusion ERP which provides centralized access to employee data and performance information, and enables managers to view, track, and assess team members' performance in real time, ensuring greater transparency and efficiency. By automating both performance and training processes within a single system, The Arab Energy Fund is creating a streamlined, data-driven approach that supports informed decision-making and continuous development across the organization.

Data from the performance management system will also feed directly into the learning management system, further aligning employee development with organizational needs.





Shareholder Countries' Social & Economic Development

In line with its mandate to develop and diversify regional energy systems, The Arab Energy Fund engages extensively in projects aimed at enhancing socio-economic wellbeing within its member countries. In 2024, 80% of The Arab Energy Fund's loan portfolio was allocated to projects and clients in member countries. In addition, The Arab Energy Fund allocates the bulk of its procurement spending to local suppliers in the two countries where it maintains offices, supporting the local economies.

80%
of loans in
Member
Countries

The existing ESG Policy Framework considers the social and economic well-being of member countries as well as human rights risks within operations and supply chains.

The Arab Energy Fund promotes positive impacts in its target geographies.

The Fund tracks the allocation of proceeds from its Green Finance Framework and measures selected social and environmental impact metrics of these projects. In cases where The Arab Energy Fund participates in syndicated loans alongside Equator Principles (EP) signatories, an environmental and social impact assessment is typically undertaken as part of the credit process, reinforcing the Fund's stance on mitigating negative impacts on communities. The Responsible Lending & Investing section of this report elaborates on how The Arab Energy Fund measures the positive impacts of the projects it finances.

Over the next few years, The Arab Energy Fund aims to review and reinforce how the Fund manages its social impact, to ensure that it remains aligned with the interests of key stakeholders.

Local Procurement

Percentage of spending on local suppliers		
Year	KSA*	Bahrain
2022	71.00%	55.92%
2023	71.39%	48.36%
2024	63.60%	64.41%

*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 2022 and 2023



Corporate Social Responsibility

In 2024, The Arab Energy Fund (TAEF) continued its commitment to supporting education, research, and workforce development through targeted donations and sponsorships, in line with its Donations & Sponsorships Policy and corporate social responsibility (CSR) guidelines.

EnergyTech (SPSP), Dammam, KSA

The Arab Energy Fund made a sponsorship payment of SAR 500,000 to EnergyTech (SPSP), a technical education provider in Dammam, Kingdom of Saudi Arabia. The donation supports programs aimed at training young professionals for the energy sector, contributing to vocational education and human capital development. This longstanding partnership demonstrates the Fund’s commitment to educational and community support initiatives.

The Oxford Institute for Energy Studies (OIES), Oxford, UK

The Fund provided a donation to the OIES in 2024 under a multi-year Memorandum of Understanding as a Benefactor. The annual support of GBP 16,000 enables OIES to advance independent energy research capabilities and knowledge-sharing, with the Fund entitled to access to publications and participation in OIES forums.

► SAR 500,000
EnergyTech

► GBP 16,000
Oxford Institute
for Energy Studies



SOWING CAPITAL, REAPING OUTCOMES

07
RESPONSIBLE
BANKING AND
INVESTING



Responsible Banking and Investing

Material Topics

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

SDG(s)



The Arab Energy Fund plays a key role in ensuring an inclusive and sustainable energy future for the MENA region. In recent years, the Fund has continued to diversify its total investment portfolio to include a greater portion of sustainable and clean energy, in support of energy security and sustainability across the Arab region and beyond.

The Arab Energy Fund partners with companies and projects that implement technologies that result in energy efficiencies and reductions in greenhouse gas (GHG) emissions, thereby contributing to efforts that address environmental challenges, including those related to climate change.

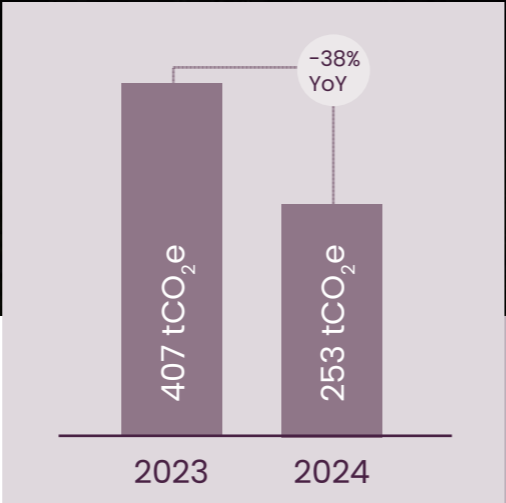
In addition, in order to manage the direct environmental impacts across its value chain, The Arab Energy Fund has adopted several positions regarding its permissible sub-sector exposures, as described in its ESG Risk Policy Framework.

Within its operations, The Arab Energy Fund is committed to continuously improving its business practices to reduce its environmental impact.

GHG Emissions & Decarbonization

The Arab Energy Fund has successfully measured its Scope 1 and 2 GHG emissions for both 2023 and 2024, marking an important step in advancing its environmental management practices.

2023 has been set as the base year for GHG emissions accounting and reporting, as it is the first year with complete and reliable data available for all relevant operations. This provides a consistent reference point for measuring progress in subsequent years. The assessment was conducted in accordance with the GHG Protocol Standard and is based on an operational control approach. In 2024, The Arab Energy Fund divested its Khobar office and housing compound. Environmental data related to these assets was retrospectively excluded from the 2023 computation to ensure both years have the same reporting boundary for the purpose of comparability. The Arab Energy Fund’s combined Scope 1 and 2 emissions totaled 253 tCO₂e in 2024, compared to 407 tCO₂e in 2023. This decrease was primarily driven by reduced fuel consumption, the discontinuation of temporary office use, and improved calculation methods and data availability. As a result, the decrease should not be interpreted as an outcome of abatement-driven emission cuts, but rather as an outcome of the Fund’s evolving operational footprint and strengthened measurement/data practices.



Scope 1 emissions represent direct GHG emissions from sources controlled by The Arab Energy Fund, including mobile combustion (fuel usage) and fugitive emissions (refrigerant leaks at active sites). Total Scope 1 emissions in 2024 were 47 tCO₂e, accounting for 19% of total Scope 1 and 2 GHG emissions.

Scope 2 covers indirect GHG emissions associated with the purchase of electricity across all operational locations. Total Scope 2 emissions in 2024 were 206 tCO₂e, representing 81 % of total operational GHG emissions.

Scope 1:

19%

Scope 2:

81%

The Fund aims to enhance the comprehensiveness and accuracy of its GHG emissions inventory over time, including improving data quality and adopting emerging methodologies. In line with the GHG Protocol, The Arab Energy Fund has established a baseline recalculation policy to maintain consistency, comparability, and relevance of reported GHG emissions data. This policy will be triggered by significant structural changes, changes in calculation methodologies, or improvements in data quality with a significant threshold of 5% or more. The Fund currently reports Scope 1 and Scope 2 greenhouse gas (GHG) emissions only, in line with the operational control approach. Scope 3 emissions—including financed emissions—are not reported.

GHG emissions	GHG Emissions (tCO ₂ e)	
	2023*	2024
Scope 1	59	47
Scope 2 (Location-based)	348	206
Scope 2 (Market-based)	348	206
Total Scope 1 & 2 GHG Emissions	407	253
Biogenic Emissions**	0	0

*Excludes the Khobar office and housing compound. The organizational boundary includes a temporary office and the new corporate headquarters in Riyadh, which was only partially operational in 2023. This affects comparability with 2024, which reflects a full year of operations at the new site.

**CO₂ emissions from biomass or biofuels are reported separately and not included in fossil-based totals.

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, 2024), 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 Database Initiative, 2024) 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 (tCO ₂ e/Full-time Employees)	
	2023*	2024
Scope 1 and 2 GHG Emissions Intensity	4.11	2.32

*Based on the same organizational boundaries as GHG emissions, excluding the Khobar office and housing compound. The organizational boundary includes the temporary office and the new Riyadh headquarters, which was only partially operational in 2023. This affects comparability with 2024, which reflects a full year of operations at the new site.

Energy		Energy Consumption (GJ)	
		2023*	2024
Fuel Consumption	Petrol	191.60	26.64**
	Diesel	0	0
Electricity Consumption		2,242	1,278
Total Direct Energy Consumption		191.60	26.64
Total Indirect Energy Consumption		2,242	1,278
Total Energy Consumption		2,433	1,304

*Excludes the Khobar office and housing compound. The organizational boundary includes the temporary office and the new Riyadh headquarters, which was only partially operational in 2023. This affects comparability with 2024, which reflects a full year of operations at the new site. Electricity consumption from the temporary office space was estimated on the proportion of area leased and duration of occupancy. The reduction in total energy use in 2024 reflects both the transition to the new headquarters and a significant decrease in fuel consumption.

**Fuel consumption decreased due to relocation to Riyadh, which significantly reduced the number of vehicles and the need to transport employees and their families from the housing compound.

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.

	Energy Intensity (GJ/Full-time Employees)	
	2023*	2024
Total Energy Intensity	24.58	11.97

*Based on the same organizational boundaries as energy consumption, excluding the Khobar office and housing compound. The organizational boundary includes the temporary office and the new Riyadh headquarters, which was only partially operational in 2023. This affects comparability with 2024, which reflects a full year of operations at the new site. Temporary office energy use was estimated according to leased area and occupancy period.

Waste	Waste Generated (t)*	
	2023*	2024
Organic	5.12	9.18
Paper	1.57	1.57
Plastic	0.85	0.85
Others	–	1.93
Total Non-hazardous Waste Generated	7.54	13.53

*Estimated based on the number of employee work-from-office days and the office area.

**Based on the same organizational boundary as emissions and energy consumption, excluding the Khobar office and housing compound. The organizational boundary includes the temporary office and the new Riyadh headquarters, which was only partially operational in 2023. This affects comparability with 2024, which reflects a full year of operations at the new site. The estimate assumes that any waste generated prior to the relocation to the Riyadh headquarters is attributed to the Khobar office and housing compound and is therefore excluded from this disclosure. There is no recorded data on the number of employee work-from-office days at the temporary office, so waste generated during this period cannot be accurately estimated.

Note: All waste is managed by a third-party waste management provider in accordance with applicable regulations. Hazardous waste is not currently measured.

Water	Water Withdrawal (m³)*	
	2023**	2024
Total Water Withdrawn	2,425.44	3,758.70
Total Water Discharged	2,425.44	3,758.70
Total Water Consumed	0	0

*Estimated based on the number of employee work-from-office days and the office area.

**Based on the same organizational boundary as emissions, energy consumption and waste, excluding the Khobar office and housing compound. The organizational boundary includes the temporary office and the new Riyadh headquarters, which was only partially operational in 2023. This affects comparability with 2024, which reflects a full year of operations at the new site. Water withdrawal from the temporary office space was estimated on the proportion of area leased and duration of occupancy.

Note: Water consumption is reported as zero, as The Arab Energy Fund operates in a service-based environment where water use is limited to sanitary and domestic purposes.

All water withdrawn is discharged, with no material losses through consumption and any wastewater treatment or disposal is managed by a third-party provider in accordance with local regulations.

Climate Change Adaptation & Mitigation

As part of its enhanced ESG Risk Policy Framework, The Arab Energy Fund evaluates climate-related risks across its loans and equities portfolios.

In 2024, The Arab Energy Fund integrated climate risk assessment into its ESG Risk Policy Framework, aligning with relevant global standards such as the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures and guidelines issued by the CBB.

Aligned With:
IFRS S2



The Arab Energy Fund’s climate risk assessment framework focuses on two key areas:



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.

The assessment process incorporates relevant climate scenarios and considers short-, medium-, and long-term time horizons. It draws on available financial and sustainability data, including transaction tenor, sector and geographic exposure, emissions disclosures, and governance information.

To further strengthen its approach, The Arab Energy Fund is currently conducting a comprehensive ESG and climate risk assessment of its loans and equities portfolio as of the end of 2024. This initiative will establish a baseline for climate-related risks across the portfolio.

Responsible Lending & Investing

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.

In 2024, the Fund initiated a review of its impact metrics and relevant sustainability taxonomies to ensure broader and more accurate measurement.

This ongoing work aims to enhance transparency and credibility in reporting, and to avoid overstating the sustainability attributes of assets.

Green Financing

The Arab Energy Fund continues to expand its green financing activities, with a focus on projects that deliver measurable environmental benefits. The Fund’s green bonds are issued under a dedicated Green Finance Framework (an extension of the Green Bond Framework), which sets clear eligibility criteria and reporting standards for the use of proceeds. Only assets financed through this framework are classified as green, ensuring consistency with international best practices and minimizing the risk of mislabelling. Proceeds from green bonds have supported a range of projects, including renewable energy and pollution prevention and control. The Arab Energy Fund publishes a standalone Green Bond Report to disclose the environmental outcomes achieved, such as renewable energy generation, emissions avoided, and populations served.

Green Bond 1

Issued September 2021

By the end of December 2024, the \$US 750 Mn proceeds from the five-year bond had been fully allocated and disbursed to 15 projects in the region, resulting in the following impacts.

Projects Pro-rated Benefits

Total Number of Projects	15
Total Renewable Energy Generation (MWh/year)	1,466,954
Total Treated Wastewater (m³/year)	15,632,096
Total GHG Emissions Avoided (tCO ₂ e/year)	2,016,111
Total Waste Treated (tons/year)	20,903
Total Population Served (Homes)	160,220
Total Allocated Proceeds (\$US Mn)	750

Green Bond 2

Issued April 2024

The Arab Energy Fund’s second \$US 750 Mn five-year green bond aligns with its updated Green Finance Framework. By the end of 2024, the Fund had allocated \$US 88 Mn across five projects. The remaining unallocated proceeds of circa \$US 662 Mn, are invested in high-quality marketable securities in accordance with The Arab Energy Fund’s cash management policies.

Projects Pro-rated Benefits

Total Number of Green Projects	5
Total Renewable Energy Generation (MWh/year)	94,777
Total Treated Wastewater (m³/year)	12,471,534
Total GHG Emissions Avoided (tCO ₂ e/year)	90,529
Total Waste Treated (tons/year)	N/A
Total Population Served (Homes)	38,850
Total Allocated Proceeds (\$US Mn)	88

For more details on how The Arab Energy Fund allocates proceeds from Green Bond issuances and methodologies the Fund uses to calculate impacts, readers may

Other Products

The Arab Energy Fund has introduced several innovative financial solutions as it seeks to drive change, including the pioneering \$US 75 Mn Murabaha facility for voluntary carbon offsets and financing distributed power portfolios.

Case Study: Environmental-Related Projects – Water Desalination

Beyond green bonds, The Arab Energy Fund finances projects that generate positive environmental and social impacts, even if they are not formally classified as sustainability or green-linked. For example, The Arab Energy Fund has supported large-scale water desalination initiatives in the region, which contribute to water security and climate adaptation by providing potable water to the population in water-stressed areas.

Projects Pro-rated Benefits

Total Number of Water Desalination Projects	7
Total Desalinated Water (m³/year)	104,358,271
Total GHG Emissions Avoided (tCO ₂ e/year)	439,529
Total Population Served (Homes)	36,023
Total Funding (\$US Mn)	495

refer to The Arab Energy Fund’s Green Bond Report 2024. In 2025, a consolidated impact report will provide a full 12-month disclosure for both Green Bond 1 and 2.



These projects are assessed for their contribution to broader sustainability goals, but are not automatically labelled as green or sustainability-linked unless they meet the Fund’s established criteria. This approach helps ensure that impact claims remain credible and aligned with recognized standards.

ESG Risk Policy Toolkit

The Arab Energy Fund's ESG Risk Policy Toolkit – once rolled out – will be a core component of the Fund's approach to evaluating and managing environmental, social, governance, and climate-related risks. The toolkit will provide a systematic process for identifying, assessing, and scoring ESG and climate risks, and the final score assigned will evaluate the extent to which the client manages the respective ESG and climate risks that are relevant to the client's industry sector.

The risk identification and assessment process consists of two main components: an ESG risk assessment and a climate risk assessment.

The ESG risk assessment evaluates both industry-specific and, where applicable, industry-agnostic risks. Industry-specific risks are assessed using material indicators aligned with the Sustainability Accounting Standards Board (SASB) standards, covering areas such as environment, social capital, human capital, business model and innovation, and leadership and governance. This approach ensures that the most relevant ESG issues for each industry are considered.

In situations where client-specific information is unavailable or direct engagement with the client is not feasible due to the nature of the transaction, the assessment shifts to a set of general ESG metrics leveraging the IFC Performance Standards. These general metrics are filtered to address only the material topics relevant to the client's industry, as identified through the SASB materiality framework. This ensures that even in the absence of detailed client data, the ESG risk assessment remains focused on the most significant sectoral risks and opportunities, maintaining consistency and relevance across the portfolio.

The climate risk assessment identifies both physical and transition climate risks and evaluates a client's ability to manage these risks. Physical risks are assessed using the INFORM Risk Index, which considers natural hazards like cyclones, floods, drought, coastal flooding, and tsunamis, as well as future climate projections. Transition risks are evaluated based on the UNEP FI framework, considering factors such as regulatory changes, technology shifts, market dynamics, and reputational impacts. 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, focusing on governance, strategy, risk management, and metrics and targets.

The toolkit aggregates these assessments into an overall ESG Risk Score and Climate Risk Score, which are then combined to produce a final aggregated ESG Risk Score. A comprehensive ESG and climate risk assessment of The Arab Energy Fund's loans and equities portfolio as of the end of 2024 is currently underway.



DOCUMENTING OUR HARVEST

08
APPENDIX



Appendix

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 2024.
GRI 1 used:	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s):	No applicable sector standard available.

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
GRI 2: General Disclosures			
The Organization and its Reporting Practice			
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	No restatements of information from previous reports, as this is The Arab Energy Fund's inaugural Sustainability Report	
2-5	External assurance	About this Report – Data Verification	This report is not externally assured

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
Activities and workers			
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 – A Diverse and Equal Opportunity Workplace	
2-8	Workers who are not employees	Social Impact and Economic Opportunity – Employment Practices & Wellbeing – A Diverse and Equal Opportunity Workplace	
Governance			
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 – The Board of Directors	
2-11	Chair of the highest governance body	Financial Resilience and Governance – Corporate Governance – The Board of Directors	
2-12	Role of the highest governance body in overseeing the management of impacts	Financial Resilience and Governance – Corporate Governance – The Board of Directors	
2-13	Delegation of responsibility for managing impacts	About The Arab Energy Fund – The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
2-14	Role of the highest governance body in sustainability reporting	About The Arab Energy Fund – 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 – Whistleblowing	
2-17	Collective knowledge of the highest governance body	Financial Resilience and Governance – Corporate Governance – The Board of Directors	

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
Governance			
2-18	Evaluation of the performance of the highest governance body	Information unavailable	Planned for development and future reporting
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
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	The Arab Energy Fund's Sustainability Journey	
2-23	Policy commitments	The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
2-24	Embedding policy commitments	The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
2-25	Processes to remediate negative impacts	Financial Resilience and Governance – Business Ethics & Conduct – Anti-bribery & Anti-corruption	Partially available – broader remediation processes are planned for development and future reporting
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 Standard	Disclosure	Location and/or Direct Answer	Comments
Stakeholder engagement			
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			
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	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Financial Resilience and Governance 2024 consolidated financial statements	
201-3	Defined benefit plan obligations and other retirement plans	Social Impact and Economic Opportunity – Employment Practices & Wellbeing – Attracting and Retaining Talent	
201-4	Financial assistance received from government	Financial Resilience and Governance 2024 consolidated financial statements	

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
Topic 1: GHG Emissions & Decarbonization			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Responsible Banking and Investing – GHG Emissions & Decarbonization	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Responsible Banking and Investing – GHG Emissions & Decarbonization	
302-2	Energy consumption outside the organization	Information unavailable	Planned for development and future reporting
302-3	Energy intensity	Responsible Banking and Investing – GHG Emissions & Decarbonization	
302-4	Reduction of energy consumption	Information unavailable	Planned for development and future reporting
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Responsible Banking and Investing – GHG Emissions & Decarbonization	
305-2	Energy indirect (Scope 2) GHG emissions	Responsible Banking and Investing – GHG Emissions & Decarbonization	
305-3	Other indirect (Scope 3) GHG emissions	Information unavailable	
305-4	GHG emissions intensity	Responsible Banking and Investing – GHG Emissions & Decarbonization	
305-5	Reduction of GHG emissions	Information unavailable	

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
Topic 2: Climate Change Adaptation & Mitigation			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Responsible Banking and Investing – Climate Change Adaptation & Mitigation	
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	Information unavailable	Planned for development and future reporting
Topic 3: Responsible Lending & Investing			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Responsible Banking and Investing – Responsible Lending & Investing	
Topic 4: Employment Practices & Wellbeing			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Social Impact and Economic Opportunity – Employment Practices & Wellbeing	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Financial Resilience and Governance – The Board of Directors	
	Ratio of basic salary and remuneration of women to men	Information unavailable	The Arab Energy Fund does not currently disclose female-to-male median compensation ratio by employee categories – senior management, middle management, non- management – as this metric does not accurately reflect the true compensation drivers at the Fund. The Arab Energy Fund is reviewing more meaningful ways to present this information to better demonstrate pay equity
405-2			

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
GRI 406: Non-discrimination 2016			
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			
3-3	Management of material topics	Social Impact and Economic Opportunity – Human Capital Development	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Social Impact and Economic Opportunity – Attracting and Retaining Talent	
401-2	Benefits provided to full-time employees that are not provided to part-time employees	Social Impact and Economic Opportunity – Attracting and Retaining Talent	
401-3	Parental leave	Social Impact and Economic Opportunity – Attracting and Retaining Talent	
GRI 404: Training and Education 2016			
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			
3-3	Management of material topics	Social Impact and Economic Opportunity – Shareholder Countries' Social & Economic Development	

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Social Impact and Economic Opportunity – Shareholder Countries' Social & Economic Development Responsible Banking & Investing – Responsible Lending & Investing	
203-2	Significant indirect economic impacts	Social Impact and Economic Opportunity – Shareholder Countries' Social & Economic Development Responsible Banking & Investing – Responsible Lending & Investing	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Social Impact and Economic Opportunity – Shareholder Countries' Social & Economic Development	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Social Impact and Economic Opportunity – Shareholder Countries' Social & Economic Development Responsible Banking & Investing – Responsible Lending & Investing	Refers to The Arab Energy Fund's lending portfolio
Topic 7: Corporate Governance			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Financial Resilience and Governance – Corporate Governance	

GRI Standard	Disclosure	Location and/or Direct Answer	Comments
GRI 413: Local Communities 2016			
Topic 8: Business Ethics & Conduct			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Financial Resilience and Governance – Business Ethics & Conduct	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Financial Resilience and Governance – Business Ethics & Conduct – Anti-bribery & Anti-corruption	
205-2	Communication and training about anti-corruption policies and procedures	Financial Resilience and Governance – Business Ethics & Conduct – Anti-bribery & Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	Financial Resilience and Governance – Business Ethics & Conduct – Anti-bribery & Anti-corruption	
Topic 9: Systemic Risk & Crisis Management			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Financial Resilience and Governance – Systemic Risk Management	
Topic 10: Access to Capital			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Financial Resilience and Governance – Access to Capital	
Topic 11: IT Infrastructure & Information Security			
GRI 3: Material Topics 2021			
3-3	Management of material topics	Financial Resilience and Governance – IT Infrastructure & Information Security	
GRI 418: Customer Privacy 2016			
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

ID	Description	Main Reporting Components	Unit	Location	Comments
Environmental					
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 – Sustainability Governance Responsible Banking and Investing – Climate Change Adaptation & Mitigation	
		A statement of purpose and approach of the board/management towards sustainability matters		The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
		Policies		Responsible Banking and Investing	
		Commitments		Responsible Banking and Investing	
		Goals and targets (e.g., a description of how management/ the board oversee progress against climate/sustainability related targets)		The Arab Energy Fund's Sustainability Journey – Impact Metrics	Planned for development and future reporting
		Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.)		The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
		Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes		The Arab Energy Fund's Sustainability Journey – Sustainability Strategy, Impact Metrics	

ID	Description	Main Reporting Components	Unit	Location	Comments
Environmental					
E.2	Energy Consumption	Total energy consumed and breakdown by type: <ul style="list-style-type: none"> 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 	MWh	Responsible Banking and Investing – GHG Emissions Decarbonization &	Energy consumption is reported in gigajoules (GJ)
		Standards, techniques, assumptions, and/or calculation tools utilised	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	
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 & Decarbonization	Energy intensity is reported in GJ per full-time employee
		Standards, techniques, assumptions, and/or calculation tools utilised	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	
E.4	Energy Mix	The percentage of energy used by source, as part of total energy consumption	%	Responsible Banking and Investing – GHG Emissions & Decarbonization	
		The percentage of renewable and non-renewable energy used, as part of total energy consumption	%	Responsible Banking and Investing – GHG Emissions & Decarbonization	
E.5	Green House Gas (GHG) Emissions	Total absolute emissions by scope: <ul style="list-style-type: none"> Scope 1 Scope 2 Scope 3 	CO ₂ e	Responsible Banking and Investing – GHG Emissions & Decarbonization	
		Standards, techniques, assumptions, and/or calculation tools utilised	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	

ID	Description	Main Reporting Components	Unit	Location	Comments
Environmental					
E.6	Emission Intensity	Total annual GHG emission during the year divided by the selected scaling factor	CO ₂ e / FTE; CO ₂ e / AUM	Responsible Banking and Investing – GHG Emissions & Decarbonization	GHG emissions intensity is reported in tCO ₂ e a year divided by the per full-time employees
		Standards, techniques, assumptions, and/or calculation tools utilised	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	
E.7	Climate Risk Mitigation	How your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks)	-	Responsible Banking and Investing – Climate Change Adaptation & Mitigation	Planned for development and future reporting
		The amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation)	USD	Information unavailable	Planned for development and future reporting
E.8	Water Usage	Total annual amount of water consumed by the organisation	m3	Responsible Banking and Investing – GHG Emissions & Decarbonization	
		Total annual amount of water withdrawn by the organisation	m3	Responsible Banking and Investing – GHG Emissions & Decarbonization	
		Total annual amount of water recycled/reclaimed by the organisation	m3	Information unavailable	Wastewater treatment or disposal is managed by a third-party provider in accordance with local regulations

ID	Description	Main Reporting Components	Unit	Location	Comments
Environmental					
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	Responsible Banking and Investing – GHG Emissions & Decarbonization	Data on hazardous waste is not currently measured, and non-hazardous waste is estimated
		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)	-	Information unavailable	Waste is managed by a third-party waste management provider
		Standards, techniques, assumptions, and/or calculation tools utilised	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	Non-hazardous waste is estimated based on the number of employee work-from-office days and the office area
E.10	Emission Targets	A statement on how the company addresses its total emission	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	
		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	-	Responsible Banking and Investing – GHG Emissions & Decarbonization	
		Policies	-	The Arab Energy Fund's Sustainability Journey – Sustainability Strategy, Impact Metrics	
		Commitments	-	The Arab Energy Fund's Sustainability Journey – Sustainability Strategy, Impact Metrics	

ID	Description	Main Reporting Components	Unit	Location	Comments
Environmental					
E.10	Emission Targets	Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets)	-	The Arab Energy Fund's Sustainability Journey – Sustainability Strategy, Impact Metrics	
		Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.)	-	The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
		Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about emission targets and process	-	Information unavailable	
Social					
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: <ul style="list-style-type: none">By sex, as percentage of the total workforceBy 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 workforceBy employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce	Amount and %	Social Impact and Economic Opportunity – Attracting and Retaining Talent	

ID	Description	Main Reporting Components	Unit	Location	Comments
Social					
S.2	Child and Forced Labour	A statement on how the company addresses prohibition of child and or/forced labour	-	Social Impact and Economic Opportunity – Employment Practices & Wellbeing – Promoting Wellbeing in the Workplace	
		A statement of the board/management approach's direction, 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	
		Policies	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		Commitments	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		Goals and targets	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		Responsibilities	-	The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
		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	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
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 – Attracting and Retaining Talent	

ID	Description	Main Reporting Components	Unit	Location	Comments
Social					
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	The Arab Energy Fund does not currently disclose female-to-male median compensation ratio by employee category 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	Planned for development and future reporting
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	

ID	Description	Main Reporting Components	Unit	Location	Comments
Social					
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 nationalisation policies
		The number and percentage of national employees, as part of the total workforce	Amount and %	Not applicable	In Bahrain, 82% of The Arab Energy Fund's employees were Bahraini nationals in 2024
S.8	Community Investment	The amount invested in the community as a percentage of company revenues	%	Information unavailable	Planned for development and future reporting
		A description of the scope and impact of its community investment initiatives	-	Social Impact and Economic Opportunity – Shareholder Countries' Social & Economic Development	
S.9	Human rights	A statement on how the organisation addresses human rights	-	The Arab Energy Fund's Sustainability – Journey Sustainability Governance Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		A statement of the board/management approach's direction, 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	

ID	Description	Main Reporting Components	Unit	Location	Comments
Social					
S.9	Human rights	Policies (and if it also covers suppliers and vendors)	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace, Shareholder Countries' Social & Economic Development	
		Commitments	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		Goals and targets	-	Social Impact and Economic Opportunity – Promoting Wellbeing in the Workplace	
		Responsibilities	-	The Arab Energy Fund's Sustainability Journey – Sustainability Governance	
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	Data is presented per GRI 405-1 i.e. percentage of employees per employee category by gender
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	

ID	Description	Main Reporting Components	Unit	Location	Comments
Governance					
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, Board Committees	
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	

ID	Description	Main Reporting Components	Unit	Location	Comments
Governance					
G.3	Whistleblowing	A description of internal and external mechanisms for seeking advice and reporting concerns on organizational integrity	-	Financial Resilience and Governance – Business Ethics & Conduct – Whistleblowing	
		A description on awareness initiatives conducted by the organization	-	Financial Resilience and Governance – Business Ethics & Conduct – Whistleblowing	
G.4	Data privacy	A description of the company's Data Privacy policy	-	Financial Resilience and Governance – IT Infrastructure & Information Security – Information Privacy and Security	
		A statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules	-	Financial Resilience and Governance – IT Infrastructure & Information Security – Information Privacy and Security	
G.5	Disclosure Practices	If the company provides its sustainability data to sustainability supporting organizations such as the Global Reporting Initiative (GRI) Secretariat, United Nations (UN), CDP etc.	-	About this Report – Reporting Frameworks	The Arab Energy Fund reports in accordance with the GRI Standards
		If the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress	-	Financial Resilience and Governance, Social Impact and Economic Opportunity, Responsible Banking and Investing	Setting targets – Information unavailable
		Whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures		About this Report	

ID	Description	Main Reporting Components	Unit	Location	Comments
Governance					
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
G.8	Incentivised Pay	If executives are formally incentivized 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

ID	Description	Main Reporting Components	Unit	Location	Comments
Governance					
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	



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**The Arab
Energy Fund**

A Multilateral Impact Institution