



UNITED NATIONS
KUWAIT



POLICY BRIEF

Assessing Sustainability Dynamics of Kuwait's Private Sector using BI Term-frequency Methodology:
A Focus on Oil & Financial Industries

United Nations Resident Coordinator Office*
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EXECUTIVE SUMMARY

The main objective of this study is to assess sustainability trends and dynamics of the private sector in Kuwait with a particular focus on its oil and financial industries, in line with the global agendas of sustainable development. Comprehending SDG adoptions and applications facilitates a broader understanding of current progress and developments in both industries that pave a path toward Kuwait's Vision 2035. In the face of adversity and a global health crisis, this analysis measures the resilience of Kuwait's key industries while also addressing development trajectory and governance structures that enable vast growth and success in sectors that lead the nation's economy.

The methodological approach employed in the study involves text mining tools and features of Business Intelligence (BI) to determine word frequencies of SDG keywords in recent oil and financial industry annual reports. Keywords based on each of 17 SDG goals were identified and systematic mapping assessment was conducted through NVivo and Python software to determine most recurrent sustainability related terms. Following software applications for keyword frequency count and identification, phrases containing sustainability key terms were classified to further analyze the central context, thereby drawing conclusory statements.

Analytical interpretations of BI assessment results indicate that major oil companies focus their efforts on health, partnerships, sustainability, and innovation which correspond to SDGs 3, 17, 11, and 9 respectively. As such, maintaining efficient business operations and oil production to ensure local and global oil market needs are fulfilled would be fundamental for Kuwait's oil industry and economy. Despite a global health crisis, the oil industries are significantly concerned with employee health, safety, and wellbeing, while promoting innovation and developing and embracing unique ideas and approaches supported and reinforced its competitive leadership position. Essential for its continuous progression, in stages of uncertainty, the sector sustained long lasting partnerships to support strategic growth and enhance operational performance. To demonstrate commitment, contribution, and responsibility towards Kuwait's economy and sustainable development, oil companies made concerted efforts to integrate sustainability practices to promote environmental and natural resource preservation.

As for the financial sector, BI assessment can be interpreted with its emphasis on the importance of health, partnerships, sustainability, innovation, and education, consistent with SDGs 3, 17, 11, 9, and 4 respectively. In spite of abrupt changes in the workplace environment, financial and banking institutions thrived at ensuring successful continuity of business operations, prioritizing employee and client health and wellbeing, and delivering innovative banking solutions and services. To ensure long term stability, and success in the industry, training and education is essential in all levels of the business hierarchy. Furthermore, in embracing recent dynamics of rapid digitalization, the financial and banking industries' partnerships with fintech companies transformed the industry by enabling implementation of modern technology tools to accommodate innovative digital trends. By adopting plans to develop strategic partnerships with leaders in digital financial products and services all the way to remaining committed to ESG standards and promoting sustainable economic development, generating positive change to stakeholders and communities was key to the continued success of top institutions in the nation.

In short, the overall implications from the BI assessment can reveal that amongst the SDGs pivotal to the progression of Kuwait's private oil sector, forming and maintaining local and global partnerships are key to the sectors to be competitive. In this context, strengthening the leading position of oil companies would require the government's efforts on shaping institutional architecture that can promote joint strategic partnerships efforts between oil industry corporations and the government authority responsible for partnership projects (e.g. KAPP). With regards to the financial and banking industry, the rise of digitalization and fintech centered the sectors focus on innovation. Accordingly, national partnership coordination mechanism can be established to promote technological and scientific innovation (e.g. KFAS) in application to financial and banking institutions. Integrating the education and sustainability dimensions of emphasis, the government would need to collaborate with these two industries (but not limited to) to establish vocational training framework, that is a demand-driven environment in the light of lifelong learning and future of work.

01.

ANNUAL REPORT AS A SAMPLE FOR THE ASSESSMENT

This study utilizes company annual reports and text mining features of business intelligence (BI) to determine word frequency occurrences. For observation and analysis purposes, the sample population for this experiment is annual reports which provide a detailed overview of business operations, activities, financial performance, and future directions. They are comprised of detailed components that focus on key developments, challenges, successes, and company growth.

Vision and mission statements are also included along with goals and values. Annual reports are critical components of a firm's accountability and transparency towards stakeholders, investors, and the public.

They highlight accomplishments achieved, their impact, as well future growth strategies and developments. Based on the aforementioned details, for this review, annual reports are a feasible resource.



02.

PROCESS & PROCEDURE

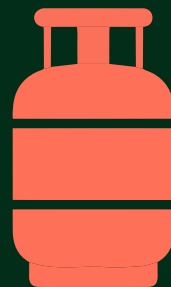
The oil sector and its growth potential are considered essential in Kuwait given the fact that holding nearly 7% of oil reserves globally, Kuwait's economic growth dynamics are highly dependent on oil production and its exporting performance. Approximately half of Kuwait's GDP is comprised of oil which accounts for 90% of government revenue and 95% of exports. Currently, oil production ca-pacity in Kuwait stands around 3.15 million barrels per day. Based on a recent announcement, by 2040 KPC plans to increase current oil production capacity to 4.75 million barrels per day. By 2020, KPC also has intentions to increase production of natural gas to reach 4 billion cubic feet per day (International Trade Administration, 2021). With the current refinery "Clean Fuels Project" and the 2017 establishment of Kuwait Integrated Petrochemical Industries Company (KIPIC), the oil sector continues to lead Kuwait's economy and development efforts.



Oil Sector in Kuwait holds **7%** of oil reserves globally

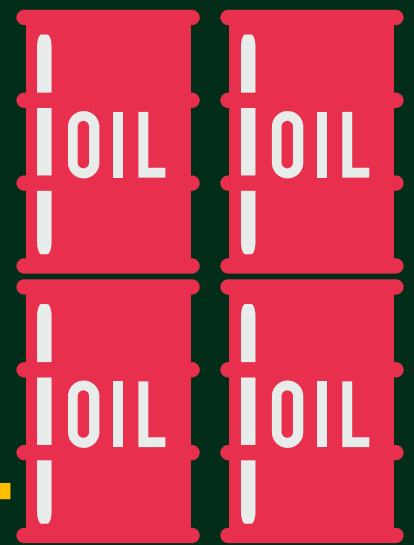
By 2020 Natural Gas to reach (cubic feet per day) **4B**

By 2040 Oil Production in Kuwait (barrels per day) **4.75M**



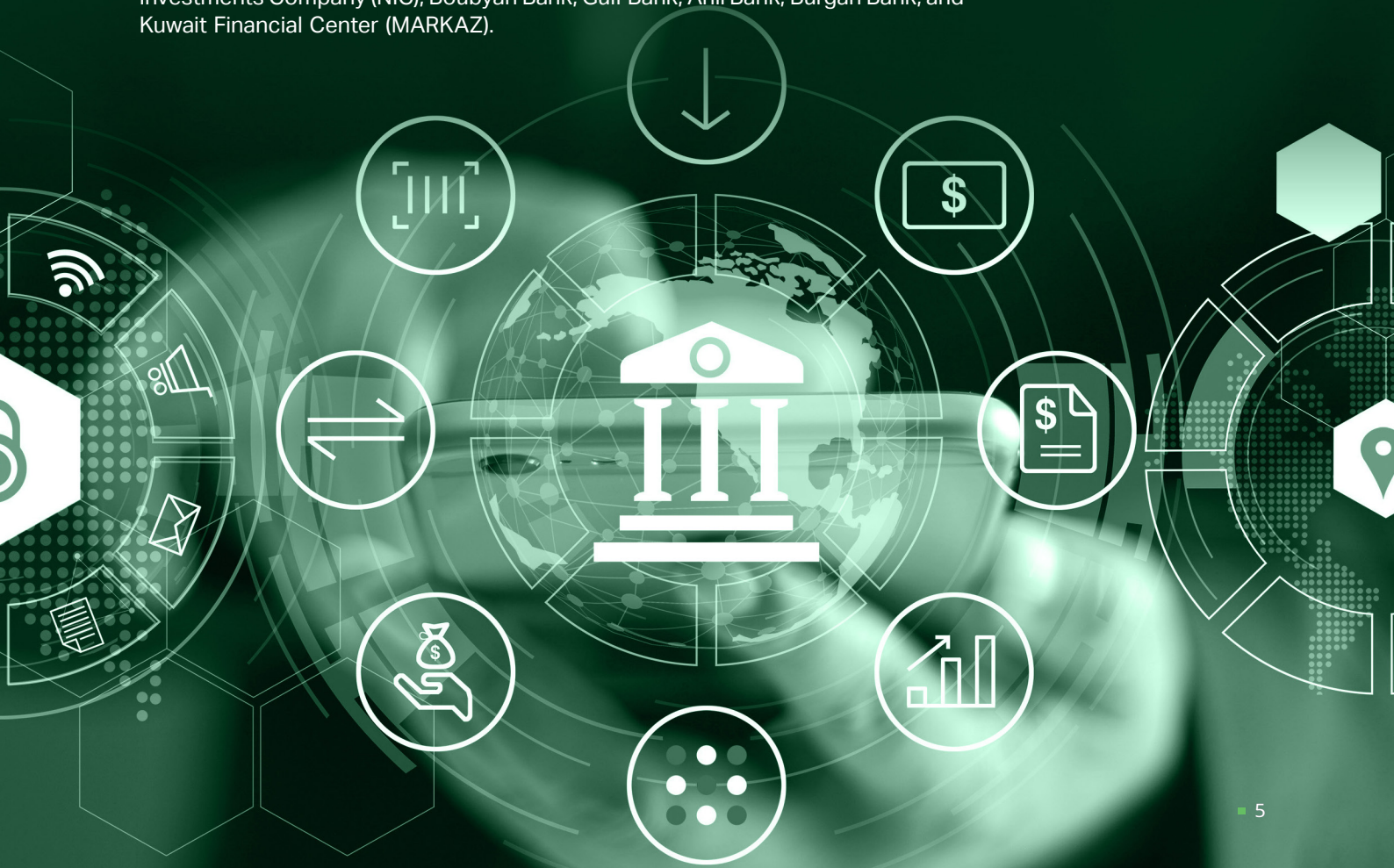
Current Oil Production in Kuwait (barrels per day) **3.15M**

Oil Government Export **95%**



In the meanwhile, Kuwait's banking and financial market landscape is well developed. In line with the "New Kuwait Vision 2035" which aims to generate a sustainable and prosperous future, the financial sector, or more specifically the banking sector in Kuwait will play a vital role in establishing a diversified economy and reinforcing economic initiatives that aim to progress private sector and Small and Medium Enterprise (SME) development. Resilience in Kuwait's current banking sector enables innovation and financial system stability to coincide. With efforts led and regulated by CBK, Kuwait continues to maintain a secure financial and banking system prepared to play a proactive role in the face of economic volatility and financial market uncertainty (Central Bank of Kuwait, 2019).

BI text mining procedures were implemented to analyze most recent annual reports for top companies in Kuwait in the oil industry and financial and banking sector. Initially, the study began by analyzing firms in the education and construction sector. Lack of availability of updated annual reports out ruled the possibility of this review. In the oil sector, annual reports were analyzed for Kuwait Petroleum Corporation (KPC), Kuwait Oil Company (KOC), Kuwait Gulf Oil Company (KGOC), Kuwait National Petroleum Company (KNPC), Kuwait Foreign Petroleum Exploration Company (KUFPEC), and National Petroleum Services Co (NAPESCO). In the banking and financial market industry, annual reports were analyzed for Kuwait Finance House (KFH), National Bank of Kuwait (NBK), Commercial Bank of Kuwait (CBK), National Investments Company (NIC), Boubyan Bank, Gulf Bank, Ahli Bank, Burgan Bank, and Kuwait Financial Center (MARKAZ).



03.

METHODOLOGICAL APPROACH: PYTHON CODING

Keywords for analysis were determined from the United Nations Sustainable Development Goals (SDGs) that collectively aim to balance environmental, economic, and social sustainability. Each SDG goal was utilized for keywords. For example, SDG goal 17 is "Partnerships for the goals". The keyword/s in this SDG is "partnerships". Similar words for each keyword were also identified. Similar words for "partnerships" include "partner", "partners", and "partnership". The need for similar keywords ensures the BI tool can identify all terms relevant to the specified keyword.

BI term frequency analysis was performed using two programs, NVivo and Python. NVivo software was used to arrange annual report data by identifying each term and its frequency required for qualitative analysis. PDF versions of each annual report were imported into NVivo, and a word frequency query was run for each file. Frequency reports generated by NVivo were further analyzed in Python to filter terms and produce a finalized report containing keywords derived from the SDGs. A unique Python code was generated and used to analyze all term frequency reports produced by NVivo (Figure 1).

The Python code consists of inputs and outputs.

- In [1] informs the user of the file path. In other terms, where the generated file can be accessed.
- In [2] imports a library with applicable function that will be used in programming (pd. read, head, drop, str. contains, index_col).
- In [3] defines variable (i) as the NVivo generated file containing word frequencies.
- In [4] displays the head, or the first few rows of the NVivo word frequency file.
- In [5] eliminate extra columns such as length and weighted percentage which will not be utilized at any stage of the program.
- In [6] identifies and displays all rows that contain UN SDG keywords along with similar keywords. The final input
- In [7] exports the file and resets the index. The index is the position of the values, i.e., the row number. This step is necessary because the values we care about are separated by empty rows that contained eliminated words unrelated to the SDG's.

Python programming language is case sensitive. It differentiates between upper case and lower-case terms. The word "Poverty" is different than the word "poverty", while the term "Well-being" varies from "Wellbeing". Taking into consideration that words come in different grammatical forms, the word "sustainability" for example was abbreviated to "sustain" because annual reports may also contain the word "sustainable" or "sustainably". To ensure all keywords are identified, an input function containing keywords along with similar terms was identified as illustrated in In [14] of Figure 1. An output identifying keyword counts organized in a table was printed on Python and later downloaded for further analysis.

```
In [1]: pwd
```

```
Out[1]: '/Users/lujainalali'
```

```
In [2]: import sys, pandas as pd
```

```
In [3]: i = pd.read_csv('KNPC.csv', index_col=False)
```

```
In [4]: i.head()
```

```
Out[4]:
```

	Word	Length	Count	Weighted Percentage
0	company	7	443	1.81%
1	kuwait	6	318	1.30%
2	2019	4	280	1.14%
3	2020	4	271	1.11%
4	petroleum	9	220	0.90%

```
In [5]: i=i.drop('Weighted Percentage',1)
i=i.drop('Length',1)
i.head()
```

```
Out[5]:
```

	Word	Count
0	company	443
1	kuwait	318
2	2019	280
3	2020	271
4	petroleum	220

```
In [6]: i = i[i['Word'].str.contains('Poverty|poverty|Hunger|hunger|Health|health|Well-being|we
print(i)
```

	Word	Count
79	health	36
327	innovation	12
410	sustainability	10
584	land	7
811	partnership	5
916	education	4
943	healthy	4
951	infrastructure	4
1628	island	2
2528	innovators	1
2741	partners	1
3041	sustain	1
3042	sustainable	1
3043	sustaining	1

```
In [7]: i.to_csv('NAPESCOf.csv', index = False)
```

04.

SUMMARY OF THE BI ASSESSMENT RESULTS

Annual reports were analyzed for the following UN SDG keywords: poverty, hunger, health, wellbe-ing, education, gender, equality, clean water, sanitation, clean energy, economic growth, innovation, inequalities, sustainable, responsible consumption, responsible production, climate action, peace, and justice. Based on word frequency analyses, amongst others, keywords with highest occurrences were selected for a further detailed review.

To visualize and determine trends and patterns, Python output word frequency summary tables for each company were downloaded and organized into a single excel sheet. The entire set of data was analyzed to determine the most frequently used words which are indicated in Table 1. Based on the outcomes, it is perceptible that both the oil and financial/banking sector are concerned with health, sustainably, partnerships, and innovation which are in line with SDG 3, 11, 17, and 9. Data also suggest that the financial & banking sector focuses education which is consistent with SDG 4. Term frequencies for the combined annual reports in the oil sector and the financial and banking sector are presented in Figure 1 and Figure 2.

Table 1. Most Frequently Used Terms

Sector	Key Terms
Oil	health, sustainability, partnership
Financial & Banking	health, sustainability, partnerships, educa-tion, innovation

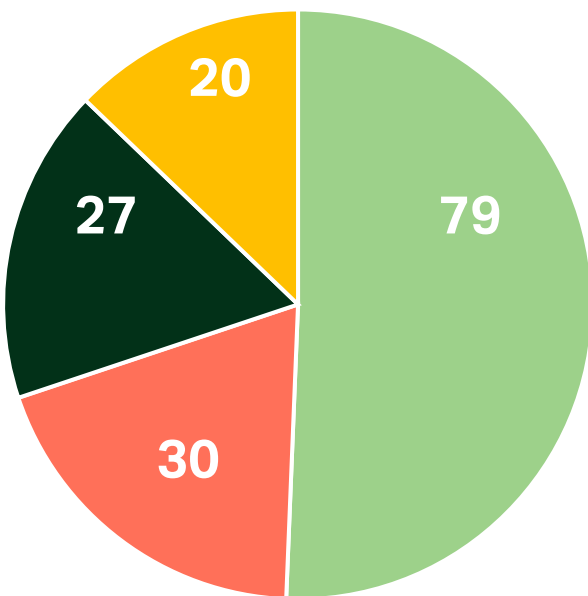


Figure 1. Oil Sector Word Frequencies

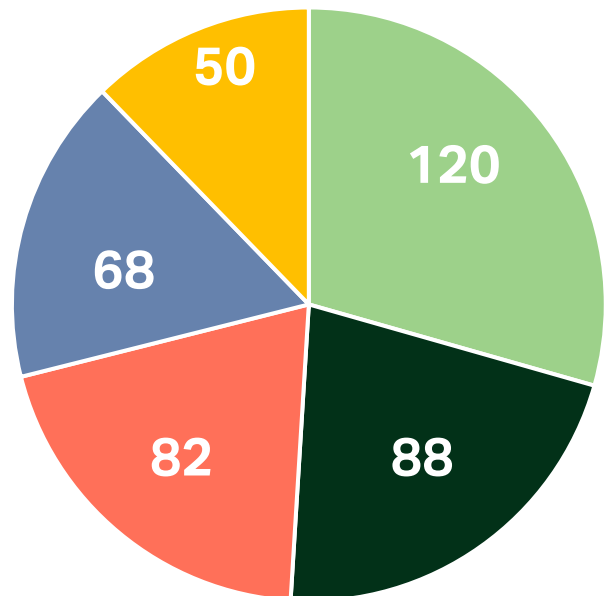


Figure 2: Financial & Banking Sector Word Frequencies

- Health/y
- Partner/s/ship/ships
- Educate/ion/tional
- Sustainable/ility
- Innovate/ion/tive

05.

ANALYTICAL INTERPRETATION ON THE RESULTS

1. Oil Industry

BI assessment results for oil industry indicates the priority assigned to health, partnerships, sustain-ability, and innovation. In spite of a pandemic, top companies in the oil sector maintained high standards of health and safety while retaining productivity and exceptional operational performance. Following their ambition to transform into the largest global integrated energy and chemical company, Kuwait petroleum Corporation and its subsidiaries has achieved significant progress by invest-ing in economically feasible opportunities through alliances and partnerships. Excelling in the field of sustainability in business operations, the industry has contributed to the sustainable development of Kuwait's society and economy. Most remarkably, in the face of challenges and ambiguity, oil institutions in the nation remain highly equipped with unique experience and knowledge to innovate solutions, enhance productivity, and reinforce their position as leaders in the oil and gas industry.

Employee health, safety, security and protecting the natural ecosystem in Kuwait (HSSE) are prime components of oil companies' overall strategy and value. Employee occupational health and safety (OHS) is also highly crit-ical. It effects workplace productivity and efficiency. To protect worker productivity and remain committed to achieving high operational performance, oil companies aim at Reducing Lost Time Injury Frequency Rate (LTIFR). As such, the HSE department organizes lectures related to workplace laws and regulations to maintain safe working environments and reduce hazards. KPC subsidiaries value health care inclusivity. They frequently organize an Occupational Health Day where expatriate workers from various cultures and nationalities may re-ceive free medical exams, advice, and consultations from specialized companies. Regarding healthcare, KOC is highly commitment towards providing high quality health services to both patients and employees at its Ah-madi Hospital.

Companies in the oil sector strive to uphold social responsibility efforts towards their local communities by participating in physical and mental health and awareness campaigns and activities. Most prominently, during the pandemic, oil companies utilized resources and expertise to increase their efforts in the fight against COVID-19. By providing training and COVID-19 awareness sessions, abiding to precautionary measures, com-plying with Ministry of Health instructions, KPC and its subsidiaries were able to develop strategies to main-tain business operations and manage and respond to workplace challenges. From KOC's speedy and efficient construction of a quarantine facility for the Ministry of Health to KNPC and KGOC's immediate efforts to-wards a safe, healthy, and secure workplace, the oil sector in Kuwait continued to ensure that local and global market oil supply needs are met.

Health
"A Productivity
Tool"

Forming and maintaining local and global partnership is key to Kuwait's oil sector continuous progression. KPC and its subsidiaries has an ambition to transform into the largest integrated energy and chemical company in the world. They left clear impressions on the petrochemicals industry by taking significant steps and decisions based on their belief in the utmost importance that downstream industries hold in maximizing the local economies' added value. Noteworthy achievements include KPC subsidiary, Petrochemical Industries Company (PIC) record profits achieved as a result of high profits attained by partnership companies. On an international scale, PIC forms partnership deals that allow them to reach agreements to expand plant facilities and secure competitive feedstock prices. Kuwait Petroleum International (KPI), an international subsidiary of KPC has also achieved remarkable progress by investing in economically feasible opportunities through alliances and partnerships.

To protect digital information systems, KOC has partnered with SecureWorks, a cybersecurity company. SecureWorks provides robust measures to ensure robust system protection from cyber-attacks. Alongside its oil and gas partners, KOC also utilized a brand-new pilot technology that identifies radio frequencies by monitoring and tracking information from KOC fields. When petroleum production processes are shared, coordinating with partners is key. To maximize crude oil's strategic value in the Warf Joint Operation zone, KGOC coordinates with Saudi partner Aramco Gulf Oil Company (KGOC) to identify projects and activities that contribute to enhancing joint petroleum resources. To support growth and enhance operational performance, KNPC emphasizes the significance of building enduring relationships. In an effort to build awareness towards digital transformation movements within the company, KNPC IT management suggested establishing a partnership with leading digital companies to support the integration of digital models. Identifying reliable partners is critical for development. In 2019, KUFPEC made a large hydrocarbon well discovery in Malaysia. To further develop the resource, the company will work collectively with its partners to appraise the field and take strategic action.

Partnerships "The Key to Growth"



Along with its subsidiary branches, KPC aims to achieve its goals and make contributions to the sustainable development of Kuwait's economy and society. KPC'S CEO endorsed the companies' sustainability policy which demonstrates KPC's responsibility and commitment towards supporting Kuwait's economy and integrating sustainability in all business aspects. In addition to strategic goals and objectives geared towards managing and maintaining sustainable oil and gas production capacity, KOC continues to make concerted efforts towards sustainability and conservation. Recently, a major KOC achievement was recognized by the "Green Organization", a London-based non-profit environmental group that promotes best practices towards the environment. Successful efforts to significantly reduce gas flaring earned KOC the CSR excellence award in the category of "Sustainability/Emission Reduction category". Implementing sustainability practices in KNPC has optimized financial costs. The head of KNPC's campaign towards rationalization seeks to integrate rationalization in the companies' culture by reducing power consumption in all its facilities.

HSE departments at KPC subsidiaries continuously hold sustainability awareness raising events. The environmental division of KNPC's HSE unit organized a lecture focused on "Green Building and Sustainability" to promote the significance of green building towards environmental and natural resource preservation while highlighting environmental and economic characteristics of green buildings that minimize resource consumption while ensuring local needs are fulfilled. KNPC's outstanding records in the field of sustainability have been commended by the CEO of KPC who assigned KNPC with the task of developing the sustainability policy on behalf of the corporation and its subsidiaries. To develop KPC's sustainability report, KNPC organized a work-shop that included K-companies to discuss accurate data collection and reporting methods.

In the face of challenges and high uncertainty, to remain efficient, KPC and its subsidiaries are equipped with unique experience and knowledge to innovate solutions, enhance productivity, and reinforce their position as - leaders in the oil and gas industry. As an innovative leader in the oil and gas industry, KOC, launched a project that aims towards increasing oil production by employing a highly advanced chemical injection technology, the first of its kind to be applied to a carbonate reservoir project. Utilizing edge-cutting technologies enables the oil sector to maximize Kuwait's oil production capacity. Regarding IT, the COVID-19 pandemic urged oil sector companies to implement innovative tools to ensure business continuity despite restrictions.

To develop and embrace new ideas, approaches, and methods to solve new challenges and create value, innovation is a priority in KNPC's 2040 strategy. The strategic plan focuses on enhancing innovation, research, and creativity among employees. To promote a culture of innovation, KNPC launched an innovation center in the companies' head office. As the first center of its kind, it reflects KNPC's concentration innovation, efficiency, high quality work, and performance improvement. Empowering employees to adopt creative ideas in line with the companies' strategies is one of KNPC's key goals. Enhancing the value of innovation and creativity among oil sector employees and providing a supportive atmosphere to develop talents into concrete achievements empowers limitless ingenuity.

Sustainability "A Social Responsibility"

Innovation "The Path to Achievements"

2. Financial Industry

As for the financial industry, BI assessment results indicate the financial and banking institutions contributions towards corporate social responsibility, clients and employee health and wellbeing, and environmentally conscious sustainability initiatives. Through strategic partnerships with fintech companies, the sector has adopted modern technology solutions to accommodate ongoing digital developments. During a challenging period, banking institutions-maintained stability by launching innovative digital systems and technology strategies to enhance operational models. Their commitment towards delivering value to stakeholders and the communities they serve supported their decision to improve their sustainability profiles and integrate effective business leadership and governance. With education being key to the long-term success and stability of the industry, comprehensive control frameworks have been applied and continual training and educational programs have taken place to support ongoing growth and evolution.

Since the beginning of the pandemic, the health and safety of employees and customers became the highest priority. Financial & banking institutions took immediate action to protect the overall wellbeing of staff and keep them employed and engaged to ensure successful continuity of business operations. To foster a healthy working environment, these institutions took lead transforming the workplace environment by implementing transformative safety protocols and health regulations to continue operations while protecting clients and team members. Despite the transition to remote operations, NBK's annual report demonstrates minimal impacts of this change on overall company productivity to preserve and promote mental and physical health during the pandemic, NBK and Gulf Bank launched a healthcare program for employees. Gulf bank also provided employee wellness training programs and psychological services webinars to recognize the importance of wellness to raise awareness regarding a safe and gradual return to the workplace. Given the high significance of social media platforms, communication divisions in banks utilized social media accounts to initiate health awareness campaigns and virus preventative measures.

To meet the increasing demands of Kuwait's healthcare sector, during the pandemic, the corporate banking division at Ahli Bank prioritized lending towards medical equipment and consumables. Moving forward, this division will concentrate on economic sectors pivotal to Kuwait's future growth. This includes the education, healthcare, manufacturing, transportation, and construction sectors which align with Kuwait's future plans of implementing new projects. Despite the pandemic, banks contributed to supporting corporate social responsibility. This includes supporting health initiatives, raising public health awareness, and persistently supporting a healthy lifestyle. Mental health initiatives were highly regarded during the pandemic. Due to the negative impacts on Covid-19 on mental health, Burgan Bank initiated and sponsored a campaign by partnering with the International Islamic charitable organization. The Public Authority for Disability Affairs launched the campaign and distributed questionnaires to evaluate and measure psychological treatments necessary for disabled members.

Health
**“A Characteristic
of Successful
Business
Continuity”**

In the era of digitalization, the financial and banking industry in Kuwait aims to deliver innovate banking solutions and services. As such, the sector has been adopting modern technology solutions to accommodate ongoing digital developments partnerships with fintech companies. At a core level, these institutions believe that human capital is the basis of success. Through partnerships with quality training service providers, employees are able to take part in programs to develop new talents and skillsets. Creativity and innovation are another key success factor. Banks sponsoring fintech have adopted a strategy that involves developing partnerships with market participants and potential startups that are pushing towards innovating digital products and services. By partnering with Fitbit and Garmin, Token Service Providers, CBK has been able to tokenize their cards and support contactless payments. In a partnership with Visa International Corporation, CBK launched a loyalty reward program. Purchases made by card owners earn redeemable cash reward points. Similarly, Burgan Bank partnered with leading electronic stores that regularly offered Burgan Bank prepaid and credit card customers with exclusive discounts on select products. Through its well established and long-lasting relationships with leading international banks, Gulf Bank along with its partners were able to provide corporate and consumer clients with effective solutions.

Partnerships that contribute to the welfare of society and allow institutions to create balance between social goals and company objectives enable financial and banking institutions to reach their goals. Burgan Banks philanthropy includes building long-lasting value-added relationship.

The bank has maintained a 19 yearlong support and partnership with the Kuwait Associated for Care of Children in Hospital (KACCH). Every year, it continues to present donations and financial aid to ensure the health institution continues providing ideal healthcare for children and families. To enable ABK's young workforce to become effective leaders, the bank launched a development program that offers trainees the opportunity to become familiar with the skills and techniques required to enhance productivity, gain familiarity with best practices, improve time management, and gain financial awareness.

Partnerships
“Accommodating
Digital Trends
through
Collaboration”



Commitment to ESG standards and promoting sustainable economic development to generate positive change is an area of focus for financial and banking institutions. It delivers value to their stakeholders. In particular, the communities they serve. To improve their sustainability profile, these institutions are committed to employing and reporting sustainable business practices across ESG factors which lays a rigid foundation for a sustainable future. Some institutions are taking another step further by aligning their ESG framework with select UN Sustainable development goals (SDG's). This commitment highlights the vital role employees and business units hold in delivering sustainability promise. To satisfy sustainability priorities and integrate sustainability practices into daily operations, effective business leadership and governance are put into place. As such, achieving progress in projects that contribute to CSR and promote sustainable development are of utmost priority.

Corporate communication divisions of financial and banking institutions realize the significance that stems from social responsibility and drives sustainable development. They continue to enhance their corporate social role by sponsoring and supporting social events and participating in charitable and humanitarian activities. Executive management has also played their role by adopting sustainable and efficient investment strategies. By selecting investment opportunities with high growth potential and returns, investment funds achieved outstanding performance. To deliver sustainable value to stakeholders, bank and financial institutions board of directors maintain a governance approach that sustains shareholder trust and retains business growth, profitability, and sustainability.

CSR and sustainability in the financial and banking industry is an active area of achievements. It became more evident during the pandemic. In a national effort to combat the spread of coronavirus, the Central Bank of Kuwait dedicated a KD 10 million fund that banks could contribute towards. On a regular basis, Gulf bank is dedicated to maintaining a strong sustainability program. The program is comprised of three pillars: economic sustainability, social sustainability, and environmental sustainability. Each year, the bank chooses strategic initiatives to serve local communities and display their great commitment towards Kuwait. In the 2020 fiscal year, Burgan Bank made sufficient progress by outlining an efficient ESG roadmap and framework to form sustainable business practices. Their CSR towards the environment includes ensuring sustainable growth and development for Kuwait, advocating for positive change and healthy environmental practices, joining the fight against global warming and exhausting natural resources, and underlining the importance of environmental protection for the sake of future generations. With the rise of fintech and digital tools, institutions are adopting environmentally conscious practices by emphasizing digitization as means to manage and minimize waste.

Sustainability
“Promoting
Sustainable
Development”

With the rise of digitalization, the financial and banking industry has partnered with fintech companies and implemented modern technology tools to accommodate innovative digital trends and banking services. Innovative digital technology strategies have also been implemented to enhance operation models that will in return minimize costs, enhance quality and efficiency, and increase productivity. Despite the strict pandemic lockdown procedures, banks continued operations and took part in various transformational projects that utilize fintech. Rapid advances in technology in the banking industry has increased the development of re-tail banking services. Banks retail banking divisions (RBD) have focused intensively on enhancing market share in the retail banking sector by expanding their customer base. To achieve this goal, RBD dedicated continual efforts to provide innovative and diversified services compatible with digital transformation models. To better serve customers, CBK created an innovative cheque deposit digital service to allow corporate and retail banking customers to easily, securely, safely, and conveniently deposit cheques.

During challenging times, banking institutions were able to maintain stability by launching innovative digital systems and applying major upgrades and enhancements to better serve clients. Burgan bank is committed to their philanthropy of supporting innovative initiatives. Aiming to provide customers with latest edge solutions, Burgan is in the process of introducing an Interactive Teller Machine and a prepaid card application. To bring physical commerce and digital payments closer, they also launched digital wallets and tokenized payments for Burgan Bank cardholders. In the era of digitization, various applications are being implemented. To encourage youth engagement, Boubyan Bank launched a mobile banking targeted towards youth members and their needs. They also extended Msa3ed, a digital chatbot assistant to WhatsApp for quick client enquiries. To issue a new credit card, Boubyan customers are only a few clicks away. The bank enabled its first fully digital credit card request platform where customers use their smartphones to issue and receive a physical card through a Boubyan ATM any time, without the need to visit a physical branch. By becoming leaders in innovation, the banking industry thrived in providing high quality service.

Innovation
“A Transformational Project Builder”



Education is key to long the term stability and success of the banking and financial industry. Corporations cannot entirely eliminate operational risk and losses due to human error, system failure, and external events which may destruct reputation, lead to regulatory or legal implications, and/or financial loss. Instead, risk can be managed through a comprehensive control framework that enables adequate monitoring and response to probable risks. Critical controls include staff education and segregation of duties. As such, the structure of board members in financial corporations consists of individuals with diverse professional experiences and educational certifications, qualifications, and a vast knowledge in the sector. Board members are familiar working in local and regional scale business environments. They are knowledgeable in the areas of economics, finance, strategic planning, risk management, internal controls, corporate governance and. Carefully selected based on their educational levels and experience, they carry essential skills to perform their roles and effectively lead institutions. On a continual basis, they participate in training and educational programs to remain up to date with regards to industry progress and successfully perform duties and responsibilities.

Lately, corporate banking divisions of select institutions intend to focus on select economic sectors pivotal to Kuwait's future growth and progression. Sectors include education, healthcare, construction and contracting, transportation, and manufacturing and align with Kuwait's plan to implement new projects. Select banking institutions are also investing in educating youth members to provide them with experience and make them more valuable to future employees. To develop the skills of fresh Kuwaiti graduates and expand their and capabilities, NBK launched TAMAKAN, an innovative graduate training program that supports young professionals build knowledge before entering the workforce. Investing in human capital is the basis of success of many financial institutions that are keen to attract talent and transform to the better.

Education
"A Means
of Effective
Leadership"



06.

CONCLUDING REMARKS AND POLICY IMPLICATION

Utilizing text mining features of BI to analyze most recent annual reports of leading companies in the oil and financial/banking industries in Kuwait based on UN SDG keywords identified certain sustainability dynamics vital to the growth of both industries. Based on the findings of this study, the oil industry emphasizes the importance of health, partnerships, sustainability, and innovation which are in line with UN SDG 3, 17, 11, and 9 respectively. Similarly, the financial/banking sector highlights the importance of health, sustainability, partnerships, education, and innovation which align with SDG 3,17,11,9, and 4.

As per thorough analysis, with the oil sector in Kuwait or more specifically KPC and its subsidiaries emphasis on the significance of forming and maintaining strategic local and global partnerships to advance and transform into the largest integrated energy and chemical company in the world, Kuwait governments support towards a joint effort between leading oil companies and The Kuwait Authority for Partnership Projects (KAPP) to identify and form strategic partnerships is essential. Correspondingly, the financial and banking sectors attention towards the influence of innovation on prominent developments calls for an alliance with The Kuwait Foundation for the Advancement of Sciences (KFAS) to promote an innovative ecosystem in leading corporations. Integrating the education and sustainability dimensions of emphasis, the government would need to collaborate with these two industries (but not limited to) to establish vocational training framework, that is a demand-driven environment in the light of lifelong learning and future of work.



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