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Version 3

November 2025

# **SUSTAINABILITY POLICY & PROCEDURES - ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”)**

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# 1. About this Policy

## 1.1 Overview and Importance

The Commercial Real Estate Company ("Al-Tijaria" or "The Company" or "The Organization" or "We") has formulated this Environment, Social, and Governance Policy (hereinafter referred to as the "ESG Policy").

Al-Tijaria is committed to achieving sustainability and operational excellence by implementing responsible business practices that comply with global standards and local regulations. Our commitment to ESG principles includes aligning these principles with our core strategies to ensure sustainable growth and mitigate risks associated with environmental and social factors. Recognizing the importance of ESG to our stakeholders, including employees, clients, and the community, we integrate these principles into our operations.

Our ESG policy reflects our dedication to environmental stewardship, social responsibility, and ethical governance, fostering long-term value for all stakeholders.

## 1.2 Purpose

Our ESG policy aims to standardize our approach to managing environmental, social, and governance concerns. This policy guides our strategies and tactics, ensuring they align with the Boursa Kuwait Index and show our dedication to the New Kuwait Vision 2035, as well as global sustainability standards like the United Nations Sustainable Development Goals (SDGs).

This policy will cover ESG implementation, communication, and incorporation into all operational processes at Al-Tijaria and this policy will act as the guiding framework for all ESG-related initiatives and activities undertaken by the Company.

## 1.3 Scope

This policy covers all our business units and operations, including subsidiaries globally. It is applicable to all employees, directors, officers, suppliers, and contractors, ensuring a cohesive and uniform approach to ESG across all levels and locations of the organization.

## 1.4 Effective Date of the Policy

This policy shall be effective from November 2025.

## 1.5 Our Approach

To achieve our sustainability vision, our ESG strategy is built upon the following five foundational pillars that reflect our corporate values. Each pillar encompasses specific focus areas and commitments.

Values	Focus Areas and Commitments
<b>The 5T's Model</b>	Time Management, Trust, Transparency, Teamwork, and Task Cognition.
<b>Sustainability</b>	Al-Tijaria operates its business to the best serve of the interest of our economy shareholders and stakeholders by maintaining revenue and driving prosperity.
<b>Innovation</b>	We are committed to continually enhancing our services by embracing creativity and encouraging the pursuit of new opportunities.
<b>Integrity</b>	Honesty is essential to the way we do business and how we interact with stakeholders, clients, and tenants.
<b>Governance</b>	The conscience within everyone. It grows and matures to the extent of compliance with the laws and instructions issued by the company and regulators and its impact is reflected positively on both personal and professional levels.
<b>Ethics</b>	Respect for work and colleagues, and discipline.

## 2. ESG Vision Statement

"We envision a future where sustainable practices are seamlessly integrated into every aspect of our operations. Committed to creating enduring value, we foster resilient, inclusive, and vibrant communities through innovative real estate solutions. Our dedication to environmental stewardship, social responsibility, and strong governance principles drives us to lead in building a sustainable future for generations to come."

## 3. ESG Mission Statement

"To integrate sustainability into every aspect of our business operations to foster an inclusive, ethical, and sustainable environment for our employees, communities, and stakeholders."

## 4. Governance & Sustainability Committee

To enhance the Company's vision, and to implement the ESG framework throughout the organization, the Sustainability Committee has been integrated with the Corporate Governance Committee to be "The Corporate Governance & Sustainability Committee".

The formation of this ESG Committee is a strategic step towards integrating sustainability into the core decision-making processes and for overseeing environmental, social, and governance issues, reflecting the organization's commitment to sustainable practices.

#### 4.1 Duties and Responsibilities

The Governance & Sustainability Committee is tasked with supporting the Board/ Chairman in its oversight responsibilities concerning ESG issues. The Committee's primary duties and responsibilities are as below:

- i. **Policy and Procedure Development:** The ESG Committee will guide the creation and revision of policies and procedures that relate to the company's ESG objectives and targets as mentioned in section 5 below.
- ii. **Oversight of ESG Strategies:** The Committee will be responsible for overseeing the development and implementation of strategies related to environmental, social, and governance issues.
- iii. **Compliance and Risk Management:** The committee will ensure compliance with ESG-related regulatory requirements and standards, and manage risks associated with ESG issues.
- iv. **Monitoring and Reporting:** The committee will monitor the company's ESG performance and practices and is accountable for reporting these results to the board/chairman and relevant stakeholders.
- v. **Stakeholder Engagement:** The committee will play a crucial role in engaging with stakeholders on ESG matters, incorporating their feedback into the company's ESG practices.

The Committee may seek third party consultant(s) support as needed to effectively discharge the above duties to fulfill the ESG commitments.

### 5. ESG Objectives and Targets

Al-Tijaria has committed to fully integrating the following ESG Objectives across its business operations.

#### 5.1. Environmental Performance

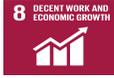
Environmental sustainability poses both challenges and opportunities for the Company and our stakeholders. To address these, the Company is dedicated to integrating leading environmental practices into its business strategy and operations. We are also committed to promoting environmental awareness and responsibility among our employees, clients, suppliers, and other relevant parties within the scope of our business activities.

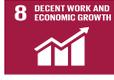
Environmental Performance					
Pillar	Focus Areas	UN SDG's	Commitments	KPI's	Department
Environment	Opportunities in Green / Sustainable Buildings	  	<b>1. Green Building Certifications:</b> Achieve green building certifications (e.g. LEED <sup>1</sup> , KGBC <sup>2</sup> ) for properties to demonstrate commitment to sustainable building practices.	% of properties achieved green building certification (Operational / Under construction).	Facilities Management Department
			<b>2. GRESB<sup>3</sup> Rating:</b> Consider undertaking the GRESB Real Estate Assessment to benchmark and improve ESG performances.	1. Standing investment score for operational properties. 2. Development benchmark score for under construction properties.	
	Energy Consumption	  	<b>1. Energy Usages:</b> (a) Measure Total energy consumption (within & outside) the organization (b) Measure energy intensity ratio (c) Explore renewable energy options	(a) Total energy consumption (Kwh). (b) Energy Intensity by area (area in sqm). (c) % of renewable energy.	
			<b>2. Energy Efficiency Initiatives:</b> Upgrade to energy-efficient equipment, deploy energy management systems (EMS), and provide employee training on energy conservation practices.	Qualitative KPI- Initiatives to reduce energy consumption.	
	GHG Emission	  	<b>1. Emissions Generated:</b> (a) Measure the Scope 1, Scope 2 and Scope 3 emissions generated by the organization. (b) Measure GHG emission intensity ratio.	(a) Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions, Other indirect (Scope 3) GHG emissions (Metric tons of CO2 equivalent). (b) Emission intensity by area (area in sqm).	
			<b>2. Emission reduction Initiatives:</b> Upgrade to energy-efficient equipment, deploy energy management systems (EMS), and provide employee training on energy conservation practices.	Qualitative KPI- Initiatives to reduce GHG emissions.	
	Water Management	  	<b>1. Water Usages:</b> (a) Measure Total water consumption within the organization. (b) Measure water recycled. (c) Measure water intensity ratio.	(a) Total water consumption (M3). (b) % of water recycled. (c) Water Intensity by area (area in sqm).	
			<b>2. Water management initiatives:</b> Implement various initiatives for water management practices, like implementation of water conservation measures, water recycling and reuse initiatives.	Qualitative KPI- Initiatives to reduce water consumption.	
	Waste Management	 	<b>1. Waste Generated:</b> (a) Measure Total waste generated by the organization. (b) Measure waste recycled. (c) Measure waste intensity ratio.	(a) Total waste generated (metric tons). (b) % of waste recycled. (c) Waste Intensity by area (area in sqm).	
			<b>2. Waste reduction initiatives:</b> Implement various initiatives for waste management practices, like waste recycling and reuse initiatives, reducing waste disposal.	Qualitative KPI- Initiatives to reduce waste generation.	

<sup>1</sup> Leadership in Energy and Environmental Design  
<sup>2</sup> Kuwait Green Building Council  
<sup>3</sup> Global Real Estate Sustainability Benchmark

## 5.2. Social Responsibility

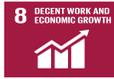
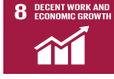
Social performance is a critical dimension of our overall business strategy, impacting both our internal community and the wider society. We aim to create meaningful interactions and partnerships with our employees, customers, and community members, thereby fostering a positive social impact through our business operations. We also prioritize transparent communication and ethical practices to maintain trust and integrity in all our dealings with stakeholders.

Social Performance					
Pillar	Focus Areas	UN SDG's	Commitments	KPI's	Department
Social	Health & Safety		1. Implement regular health and safety audits to identify potential hazards and ensure compliance with both internal policies and external regulatory standards.	Number of internal or external audits conducted.	Facilities Management Department
			2. Provide various health and safety training programs to all stakeholders like employees, suppliers, and contractors.	Number of Health & safety training programs conducted.	
			3. Measure organization's health & safety related incidents like Near miss, first aid, injuries, fatalities, ill health etc.	1. Number of Injuries, fatalities. 2. Total man days lost, 3. Total save man hours.	
			4. Focus on securing awards or recognition for the organization's safety initiatives.	Number of awards or recognition received.	
	Local Communities	  	1. Develop and implement CSR programs that have a positive impact on the local community, focusing on areas such as education, healthcare, environmental sustainability, and social welfare.	Total budget allocated to CSR programs, by focus area and project.	Marketing & communication Department
			2. Create impact through spending on local suppliers and local employment.	1. % of spending on local suppliers. 2. % of workforce comprised of local residents.	Purchasing Section Group HR Department
	Diversity & Inclusion	  	1. Promote diversity and inclusion within the workforce, fostering an environment where diverse backgrounds and perspectives are valued.	1. Number of employees by type, age, gender, management level 2. Employees turnover and newly hire.	Group HR Department
	Human Capital Development	  	1. Develop and enhance job-specific training programs across all departments aligned with business requirements and employee career paths.	Number of training programs conducted.	Group HR Department
			2. Maintain and enhance a supportive environment for career development, and through engagement activities for the employees.	% of employees participate and measure of employee's satisfaction.	
			3. Focus on employee wellbeing policies.	Policies created for employee's wellbeing.	

	Labor Management		1. Adhere to local labor laws & compliances, ensuring that all labor practices are fair and comply with regulatory requirements.	Number of reported or identified violations of local labor laws and regulations.	
		 	2. Ensuring progress around human rights through indicators like policies and procedures, audits, or assessments to verify compliance.	Policies and procedures, number of audits or assessments.	

### 5.3. Ethical Governance

Effective corporate governance is crucial for maintaining public trust and ensuring business success. The Company is committed to thorough oversight and upholding the highest ethical standards that go beyond typical governance requirements. Strong governance practices are key to retaining investor trust. Our policies ensure the Board of Directors' accountability and fair decision-making for all stakeholders, including customers and employees.

Governance Performance					
Pillar	Focus Areas	UN SDG's	Commitments	KPI's	Department
Governance	Data Privacy & Security		1. Maintain ISO 27001:2013 certification, reflecting organization's commitment to information security management system	-	Information Security Unit
			2. Increase employee compliance with security policies to 100% through ongoing training and assessments.	% of employee undergone security training.	
			3. Aim to achieve zero data breaches through enhanced monitoring and rapid response to security threats.	Number of data breaches.	
			4. Cyber Essential Certificate	-	
	Business Ethics	 	1. Continue to uphold strong ethical standards ensuring that all business activities align with the company's policies.	-	Group HR Department
			2. Regularly updating and reviewing the ethics policies to ensure they remain effective and relevant to current challenges and business practices.	-	
3. Aim to achieve zero incidents of corruption, ensuring that all business practices are transparent and accountable.			-		
Corporate Governance	 	1. Continuously assess and update policies and controls to address emerging risks	-	Compliance & Governance Department	
		2. Aim to achieve full compliance with all regulatory standards, minimizing risks and ensuring adherence to both local and international guidelines.	-		

#### 5.3.1. Articles on Sustainability from CMA

To strengthen our Ethical Governance, we are incorporating three pivotal sustainability articles from the Capital Markets Authority (CMA) into our ESG framework. These articles focus on advanced corporate governance in sustainability, ensuring our policy aligns with the latest standards. This update emphasizes our commitment to sustainable and ethical decision-making throughout our organization, enhancing transparency and accountability. It will also guide our ESG Committee and stakeholders, supporting our comprehensive ESG objectives.

The extracts from the Articles are as follows:

#### **Article 3-1**

*“The role of Board of Directors represents the balance core which aims at achieving shareholders’ goals and pursuing the company executive management. Board of Directors aim at accomplishing the strategic goals of the company through ensuring that executive management are perfectly performing its assigned roles and that it is enhancing the company’s competitive capacity, achieving high growth rates, increasing profits, and integrating economic, social, and governance Sustainability considerations in its processes if required, and that executive management resolutions and actions are always for the benefit of the shareholders.”*

#### **Article 12-5**

*“Develop a plan/policy for integrating Sustainability factors in the company’s comprehensive strategy, main work plans, and the risk assessment and management process if required.”*

#### **Article 6-1**

*“The Board of Directors shall be able to understand and analyze the nature and extent of risks encountered by the company’s activities, and be aware of environmental, social, and governance Sustainability risks, in order to reduce them as much as possible. In addition, it shall identify the proper procedure to deal therewith. This shall include identifying internal or external factors resulting in occurrence of such risks and developing appropriate measures to face the same, in light of the special strategies and policies applied in this regard, particularly the company’s risk appetite.”*

## **6. Reporting and Tracking Performance**

Annually, the Company will publish a detailed ESG report that not only showcases our achievements but also pinpoints areas needing enhancement. We will establish a transparent, multi-channel communication strategy to consistently update stakeholders on our ESG performance.

This approach will incorporate annual sustainability reports, regular updates on our company website, and detailed presentations during shareholder meetings, ensuring that all stakeholders are thoroughly informed about our ongoing progress and commitments.

According to Circular no. 4 of 2025 from the Capital Markets Authority, companies listed in the Premier Market must prepare and disclose sustainability reports for the year 2025, provided that the date of disclosure of this report on the Boursa website does not exceed the end of the second quarter of the financial year (end of June 2026), taking into account the difference in financial periods of companies.

## **7. Reviews and Revisions**

The Company will conduct an annual review of this policy by the Board of Directors to ensure it remains aligned with organizational goals, stakeholder expectations, and evolving regulatory requirements.

This review process will adapt and update the ESG framework to reflect changes in the ESG landscape and business needs. Additionally, we will engage external experts for insights and benchmark our practices against industry standards, incorporating stakeholder feedback to enhance our approach continuously.